

# Sustainability Report 2024

Somboon Advance Technology Public Company Limited



SMART PEOPLE



BUSINESS TRUST



GROWTH SOCIETY



## Drive Business toward a Sustainable Future







# THE 72 SMART PEOPLE ACTIVITIES FOR SUSTAINABILITY DEVELOPMENT

THE CELEBRATION ON THE AUSPICIOUS OCCASION OF  
HIS MAJESTY KING MAHA VAJIRALONGKORN PHRA VAJIRAKLAOCHAOYUHUA'S 72<sup>ND</sup> BIRTHDAY ANNIVERSARY



CONTINUE, PRESERVE, AND BUILD UPON







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# About the Report

Companies in Somboon Advance Technology developed this Sustainability Report 2024 to present sustainability development in its 11th 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 2024 to 31<sup>st</sup> December 2024.



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## Approach to Reporting



- This 2024 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 Forging Technology Co., Ltd. (SFT)
- 3 Somboon Malleable Iron Industrial Co., Ltd. (SBM)
- 4 International Casting Product Co., Ltd. (ICP)
- 5 Somboon Development and Service Co., Ltd.

In 2024, increased coverage of some of the businesses with direct and indirect investment proportions—namely, companies

- 1 Somboon Advance Agriculture Co., Ltd. (SAA)
- 2 Somboon Siasun Tech Co., Ltd. (SST)
- 3 Somboon Tron Energy Co., Ltd. (STRON)



**For more information, please contact**



Corporate Strategy and Sustainability Department

### **Somboon Group**

215 Moo 2, Bangna-Trad Road,  
Bang Chalong Subdistrict, Bang Phli District,  
Samut Prakan 10540

Call 0-2080-8237, 0-2080-8236

# Message to Our Stakeholders



Ms. Napatsorn Kitaphanich  
President

The year 2024 presents yet another challenging period for Thailand's automotive industry, with total vehicle production reaching 1.46 million units or a 20% decline from the previous year. This downturn is driven by both domestic and global economic slowdowns, compounded by various risk factors and uncertainties. In particular, high levels of household debt in the country have led financial institutions to adopt stricter auto loan policies. And the rapid growth of electric vehicles (EVs) in the passenger car segment has also significantly impacted market dynamics. Moreover, the escalating "global boiling" climate crisis and continued environmental degradation, resulting in the depletion of natural resources, have intensified pressure on all sectors. These challenges highlight the urgent need for proactive solutions and strategic adaptation to ensure long-term resilience and sustainable growth of the automotive industry.

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**The Company remains committed to conducting its business under the "Somboon Triple Bottom Line"** philosophy, implementing ESG (Environmental, Social, and Governance) strategies that align with automotive industry trends and customer policies. These initiatives also support the United Nations Sustainable Development Goals (SDGs).

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## Environmental

### Efficient Resource and Environmental Management

The Company focuses on minimizing environmental impact from production processes by improving energy efficiency, reducing greenhouse gas emissions, optimizing resource utilization, and promoting clean energy. In addition, it supports the circular economy through waste reduction and material reuse. These initiatives have led to a 30% reduction in greenhouse gas emissions from the production processes, surpassing our target reduction of 14% (based on the 2018 baseline). Furthermore, the Company has expanded the installation of solar power generation systems at our facilities, resulting in an estimated annual energy cost saving of approximately 7 million Thai baht.



These initiatives  
have led to a  
**30%**

Furthermore, the Company has expanded the installation of solar power generation systems at our facilities, resulting in an estimated annual energy cost saving of approximately **7** million Thai baht.



## Social

### Organizational Development and Social Sustainability

The Company is dedicated to developing its personnel with both knowledge and ethics, enhancing employee potential through a lifelong learning approach embedded in the SMART (Smart Culture) organizational culture. This fosters an environment that promotes quality of life, workplace safety, and well-being, while simultaneously encouraging efficiency and creativity. Furthermore, the Company places significant emphasis on respecting and protecting human rights throughout the value chain. It promotes equality and fairness, instills a human rights consciousness, and encourages employees to apply their knowledge to create value for the community and society.

This year, the Company supported social initiatives under the program “72 Smart People Activities for Sustainability”, in honor of His Majesty the King’s 72<sup>nd</sup> birthday anniversary. The program focused on enhancing the quality of life in society and communities through improvements in education, healthcare, and the environment. This aligns with the Company’s business approach, which prioritizes the shared growth of both the organization and society. These efforts generated social value equivalent to 1.01% of net profit, exceeding our target of 0.5%.



These efforts generated social value equivalent to **1.01%** of net profit, exceeding our target of **0.5%**

### Governance

#### Enhancing corporate governance and ensuring transparent business practices while upholding the interests of all stakeholders

The Company is committed to strengthening a transparent and accountable management system that aligns with ethical business standards. ESG principles are also integrated into the Company’s corporate strategy and business operations to meet international benchmarks. Furthermore, the Company has established a comprehensive risk management approach, which includes annual assessments of anti-corruption risks. Clear preventive measures and management guidelines are in place, supported by the ongoing review and update of the Company’s Code of Conduct to align with international regulations, rules, and best practices. **As a result, the Company achieved 100% compliance with relevant laws.**

Concurrently, the Company emphasizes responsible supply chain management. Risk and impact assessments, along with onsite ESG audits of targeted suppliers are conducted to ensure that operations throughout the supply chain adhere to ESG principles. These evaluations will lead to the implementation of a supplier development and enhancement program in 2025, aimed at strengthening suppliers’ capabilities to operate sustainably and remain competitive in the long term.

As a result of its sustainability efforts in 2024, the Company was honored with the “Commended Sustainability Awards” from the Stock Exchange of Thailand, in recognition of its outstanding performance in sustainability management. In addition, the Company received a SET ESG Rating of AA, underscoring its ability to conduct a balanced business while generating positive environmental and social impacts.

“ **The Company’s achievements** have been made possible through the continued support of shareholders, suppliers, customers, business partners, and all dedicated employees who collectively drive the organization forward. On behalf of the Board of Directors and management, I would like to extend my sincere appreciation for your continued trust and support. I reaffirm the Company’s commitment to operating in line with sustainable development principles, ensuring stable growth and continued value creation for all stakeholders. ”

# 2

## Company General Information



2.1 Company General Information

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 2024





## 2.1 The Company's Business


Somboon Advance Technology PCL

### Head Office : Samut Prakarn

The company operates as a holding company by investing in other companies, with a primary focus on the manufacturing parts for the automotive industry as its primary business to manufacture passenger cars, pick-up trucks, trucks, and vehicles for agriculture. The primary customer group consists of domestic and international original equipment manufacturers (OEM), which signed a long-term purchase contract with our company and replacement equipment manufacturers (REM) and agricultural machinery operators.



**Name in the stock market**  
**SAT**

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



**CEO**

Ms. Napatsorn Kitaphanich (President)



**Registered capital**

425,193,894 Baht



**Number of employees**

2,120 employees

The company is in the midst of a business transition under the strategy “Drive Business towards a Sustainable Future,” aiming to foster sustainable growth through four business groups:

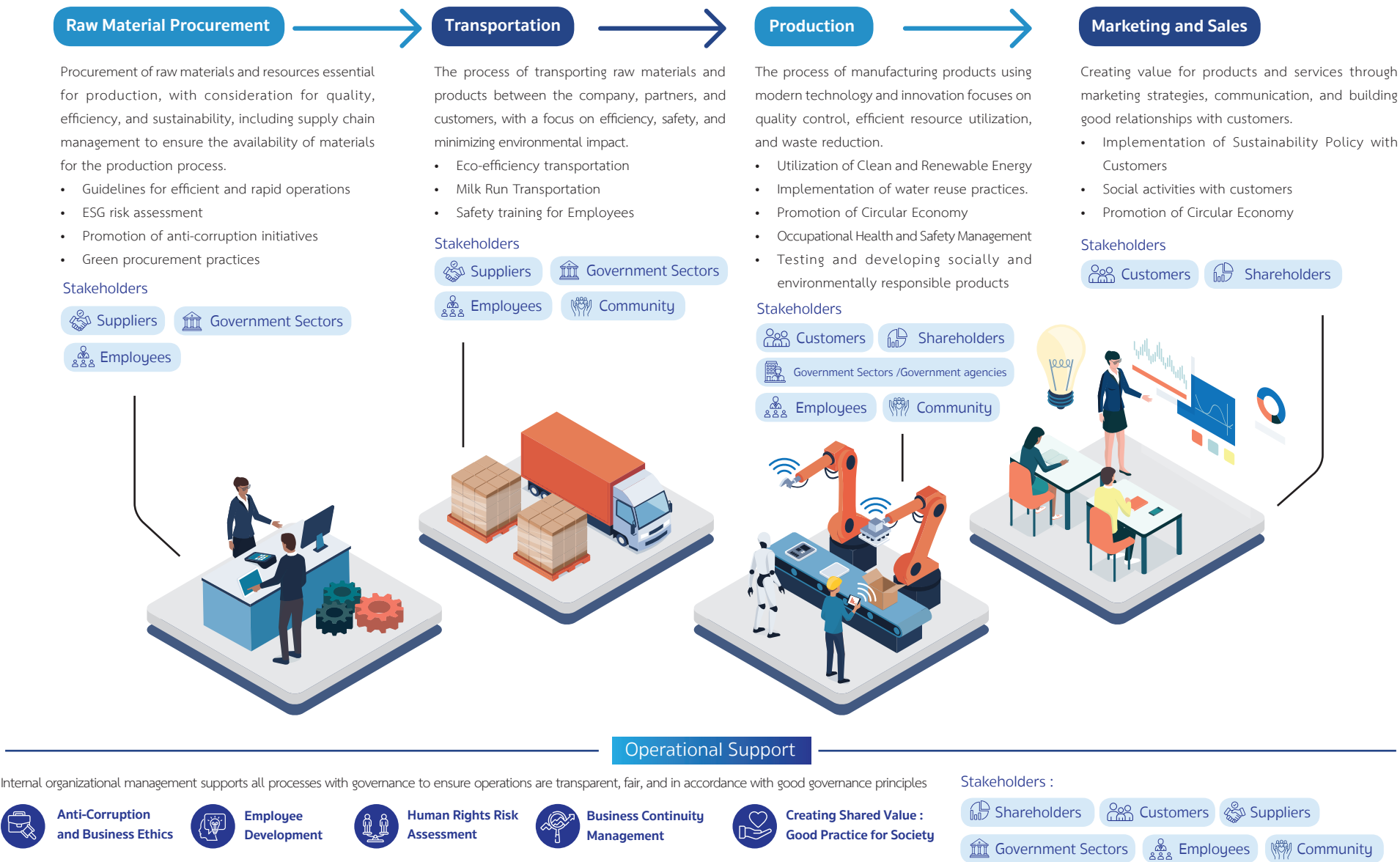
- 1** Automotive and Agricultural Machinery Parts Business Group: Focusing on maintaining the business value of current core components and developing new parts to ensure continuity in xEV technology.
  - 1** **Somboon Forging Technology Co., Ltd.**  
Samut Prakarn, Rayong
  - 2** **Somboon Malleable Iron Industrial Co., Ltd**  
Rayong
  - 3** **International Casting Products Co., Ltd.**  
Rayong
- 2** Electric Vehicle and Battery Assembly Business Group: Operating in the modern electric vehicle industry, focusing on the developing and manufacturing electric three-wheeled vehicles and assembling batteries.
  - 1** **Somboon Tron Energy Co., Ltd.**  
(STRON): Samut Prakarn,
- 3** Robotics and Automation Systems Business Group: focuses on expanding automation system business in the industrial sector and Smart Warehouse.
  - 1** **Somboon Siasun Tech Co., Ltd.**  
(SST): Rayong
- 4** Agricultural Machinery Business Development Group: Develops products that improve the efficiency of agricultural processes through collaboration with partners
  - 1** **Somboon Advance Agriculture Co., Ltd.**  
Rayong ,Chonburi

# 2.2 Operational Sustainability Framework





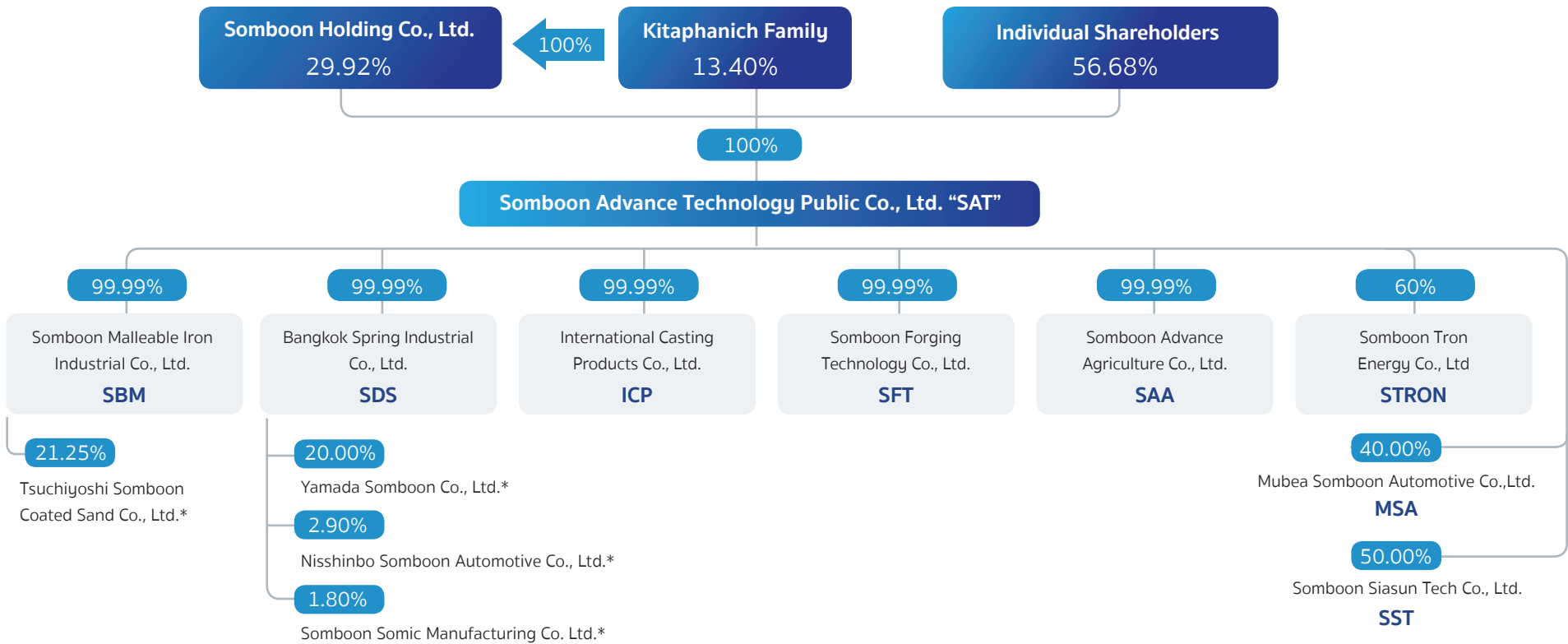
## 2.3 Business Value Chain



## 2.4 Shareholding Structure

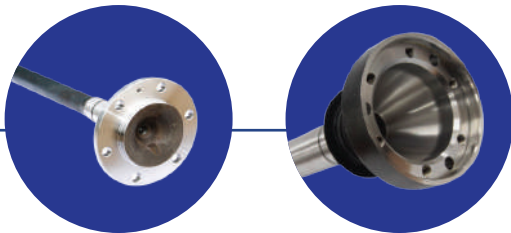
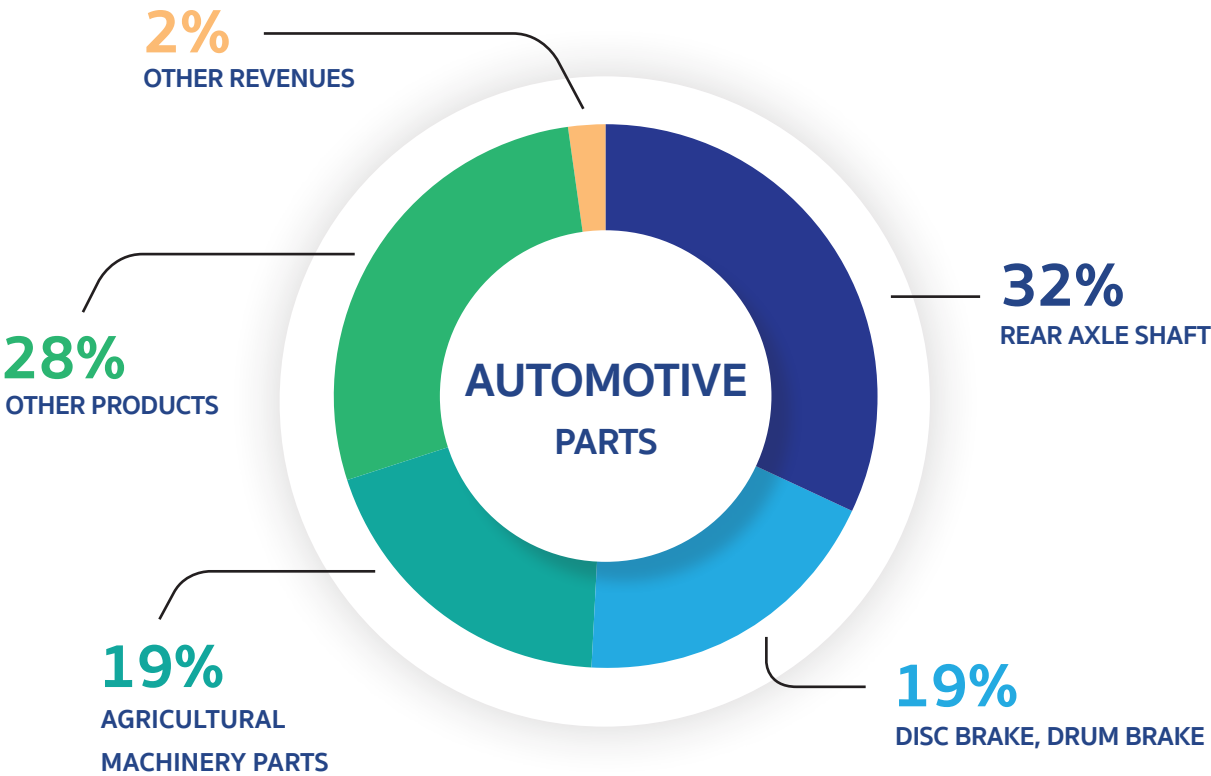
### The shareholding structure of Somboon Advance Technology Public Company Limited

March 6 , 2024



- Remark :**
1. \* No persons who may have conflict of interest are holding shares in the related companies exceeding 10%.
  2. Bangkok Spring Industrial Co., Ltd. (BSK) changed its company name to Somboon Development and Service Co., Ltd. (SDS) on June 4, 2024

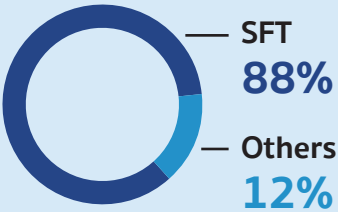
2.5 Main Products and Proportion of Revenues Products



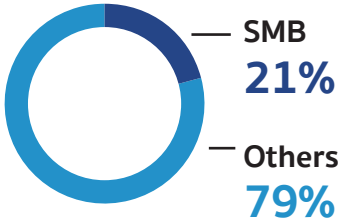


# 2.6 Market Share of Main Products

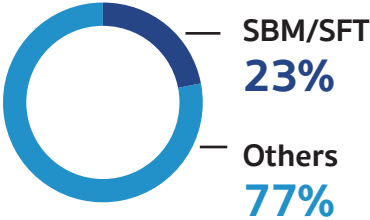
Rear Axle Shaft



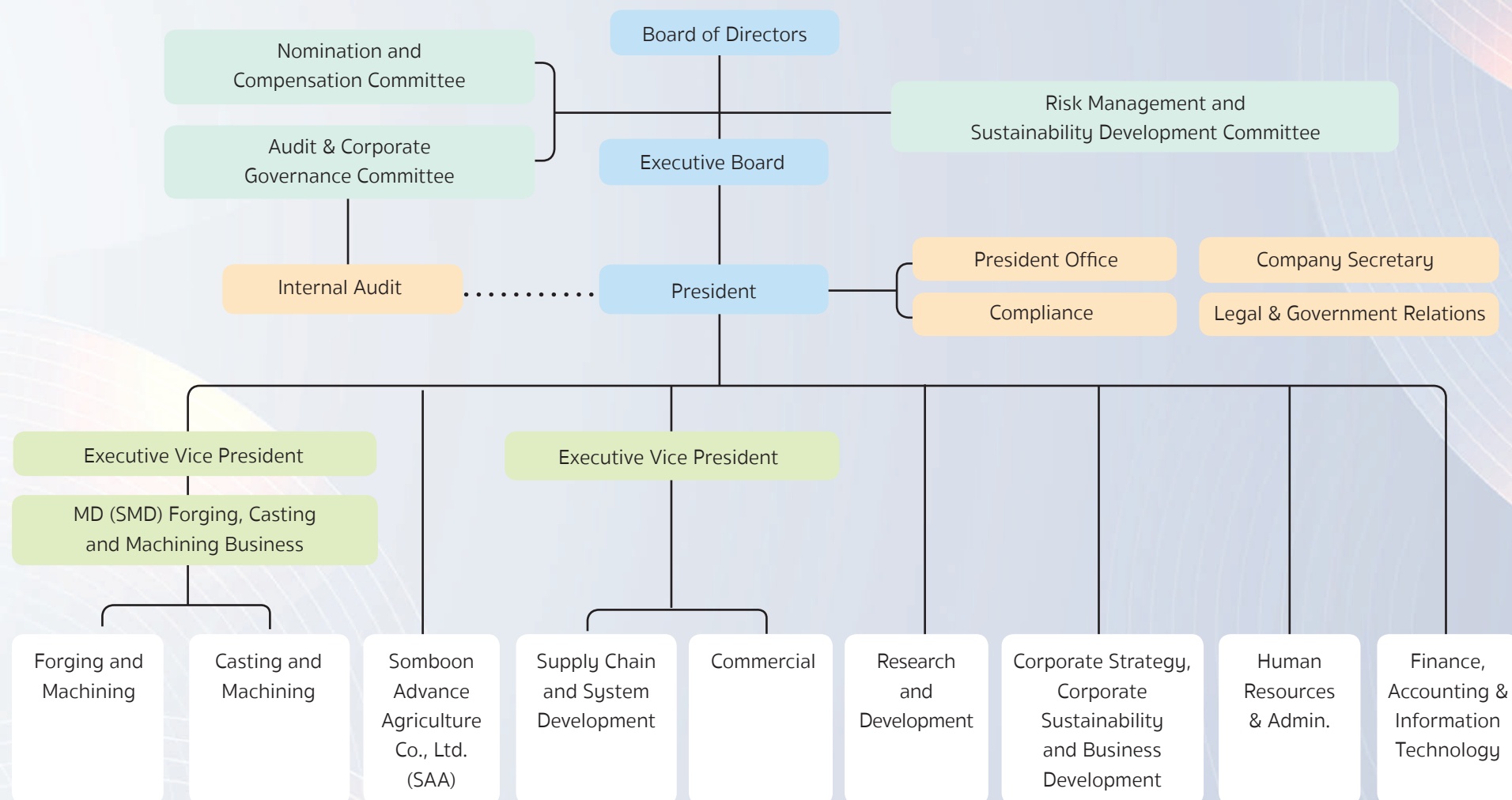
Disc Brake, Drum Brake



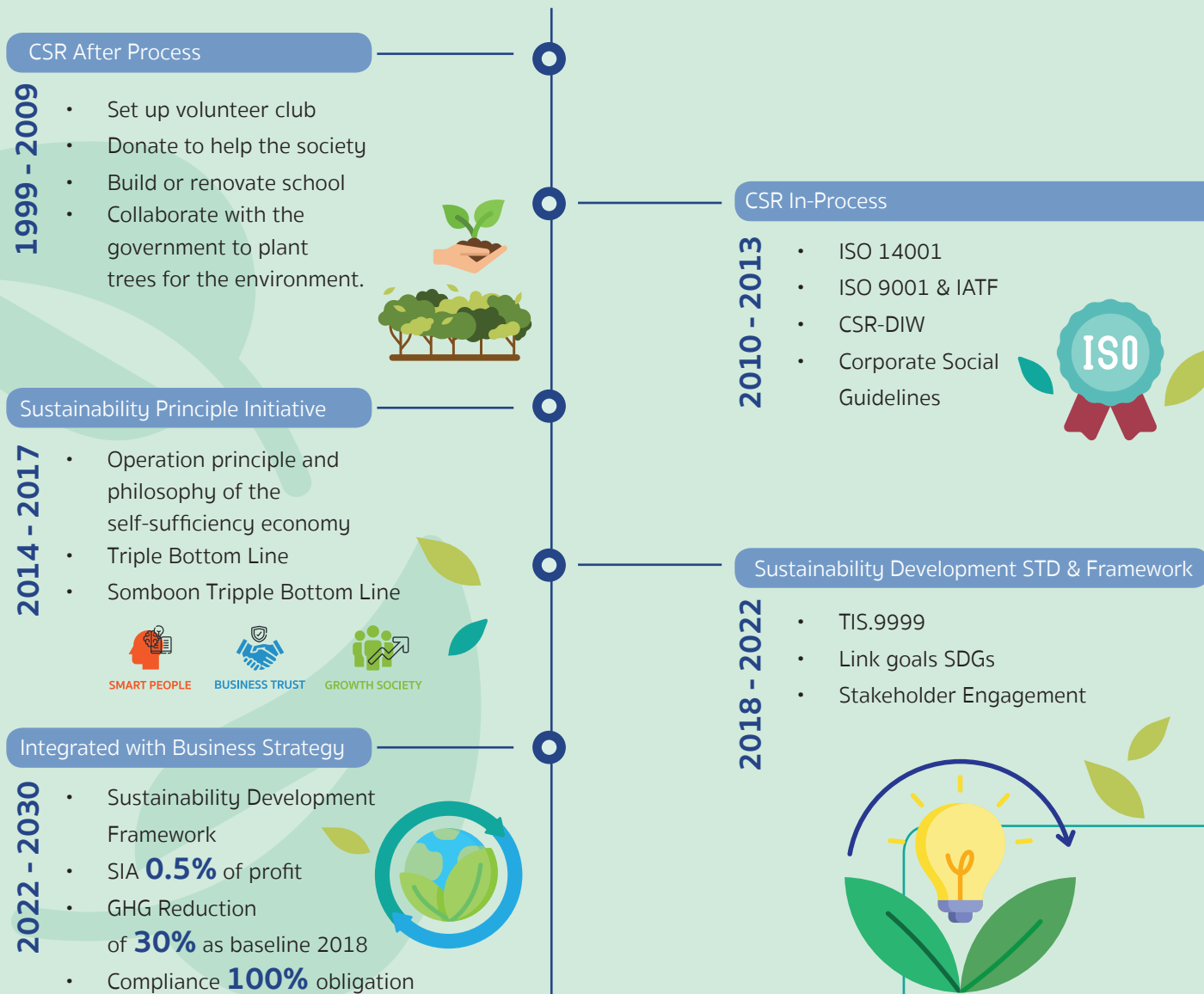
Hub Wheel



## 2.7 Structure



## 2.8 The Road to Sustainable Development





## 2.9 Awards and Appreciations 2024

### SAT ได้รับรางวัล

จากตลาดหลักทรัพย์แห่งประเทศไทย ร่วมกับวารสารการเงินธนาคาร

### Commended Sustainability Awards

ได้รับคัดเลือกให้อยู่ SET ESG Ratings



#### Environmental Awards

- SFT, ICP1, ICP2, SBM received Amata Best waste management Award 2023 from Amata City Rayong, Industrial Estate.
- SFT2, ICP1, ICP2, SBM received Green Star Award from Industrial Estate Authority of Thailand (IEAT).
- SFT1, SFT2, SFT3, ICP1, ICP2 SBM received the Award Green Industry : Level 3 (Green system) from the Ministry of Industry



#### Social Awards

- SAT received Happy Moral Business Award 2024 : Happiness + Goodness with Power from Moral Promotion Center (Public Organization) and the Thai Health Promotion Foundation (Thai Health)
- SFT1 received a bronze level certificate from the “Zero Accident Campaign 2024”
- Ministry of Labour Award
  - SFT1 received the 2024 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for the first year
  - SFT2 received the 2024 National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment (Gold Level) for the four consecutive year
- SFT3 received the highest honor award for outstanding establishments in labor relations and welfare at the national level for the year 2024, marking the second year at the national level
- SAT received a Third-Class Certificate of Honor for Continuous Support of Blood Donation Activities for More Than 9 Years.
- Ministry of Industry Award
- SFT1 received the 2024 CSR-DIW Continuous Awards



#### Good Governance Awards

- Corporate Governance Report of Thai Listed Companies 2024 (CGR): ระดับดีเลิศ (Excellent CG Scoring)
- Received the Sustainability Disclosure Award from the Thaipat Institute for excellence in sustainability disclosure
- SFT2 received an Excellent-Level Factory in the 2024 **Public Participation in Factory Governance Promotion Program** by the Industrial Estate Authority of Thailand (IEAT).



# 3

## Stakeholder Engagement and Materiality

3.1 Stakeholder Engagement

3.2 Identifying Materiality



### 3.1 Stakeholder Engagement

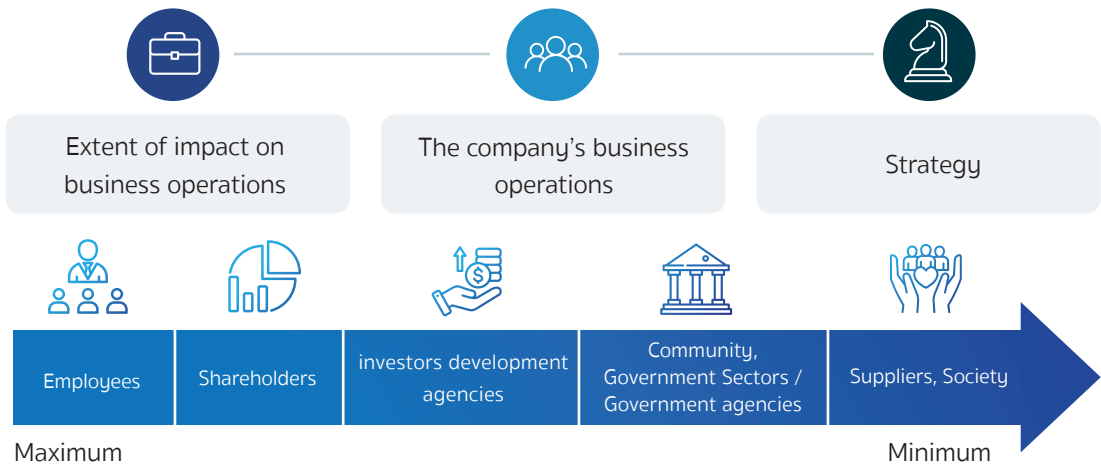
The Company prioritizes the engagement of all stakeholders across the value chain and is committed to conducting its operations in accordance with the AA1000SES stakeholder engagement standard in support of sustainable development. Stakeholders are defined as individuals or entities that are positively or negatively impacted by the company’s business activities. Accordingly, the Company places strong emphasis on understanding stakeholder concerns and expectations through systematic data collection and feedback mechanisms. Insights gathered from these engagements are utilized to develop and refine sustainability strategies that are responsive to, and aligned with, the specific interests of each stakeholder group.

#### Stakeholder Identification and Prioritization.

The Company has identified and defined its key stakeholders who may have an impacted by, the Company’s business operations. These stakeholders comprise six main groups: employees, shareholders and investors, customers, partners, government agencies and regulatory bodies, the community and the private development.





The company held a meeting with representatives from relevant agencies to exchange views and prioritize both internal and external stakeholders. The assessment was conducted based on criteria, including



The expectations of each stakeholder group have been analyzed and identified to develop appropriate management approaches that effectively address their concerns. Stakeholders with high influence and high impact have been classified as priority groups for close engagement to ensure that the Company can appropriately respond to their expectations and mitigate potential external risks. To facilitate and enhance communication efficiency, clear guidelines and engagement channels have been established to address the expectations of each group. Further details are provided in the table below.



Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
<b>Employee</b> 	<ul style="list-style-type: none"> <li>• Development of potential for stability and advancement in work</li> <li>• Fair compensation and benefits</li> <li>• Workplace safety and a pleasant working atmosphere</li> <li>• Equal treatment of employees</li> <li>• Data privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct individual.</li> <li>• Establish a welfare committee.</li> <li>• Develop SAT culture to lead everyone in the same direction.</li> <li>• Implement a policy to ensure adherence to the PDPA principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Direct communication from senior management to employees through a quarterly panel discussion</li> <li>• Quarterly communication through the forum that allows Executive Management to communicate to the management level.</li> <li>• Employee Committee, Welfare Committee and Safety Committee meetings</li> <li>• Annual two-way performance appraisal</li> <li>• Social Media Communication platforms including Line Chat (SAT Group, Somboon Group) and Facebook page (Somboon Group page)</li> <li>• Biannual employee engagement surveys</li> <li>• Internal and external websites of the Company</li> <li>• Complaint channels <a href="https://www.satpcl.co.th/en/corporate-governance/whistleblowing-no-tice/whistleblowing-notice-policy">https://www.satpcl.co.th/en/corporate-governance/whistleblowing-no tice/whistleblowing-notice-policy</a></li> </ul>
<b>Shareholders and investors</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>	<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>

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
<b>Customers</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> </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> <li>• Conduct studies and preparations on human rights.</li> </ul>	<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 Complaint channels</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>• Co-develop potential and business growth</li> <li>• Supplier Code of Conduct, Transparency and fair competition</li> <li>• Sharing knowledge for development</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>	<ul style="list-style-type: none"> <li>• Annual supplier meeting</li> <li>• Sustainability guidelines for suppliers.</li> <li>• Joint effort in the development of efficient use of resources in the production process</li> <li>• Supplier site visit for ESG</li> <li>• Sustainability report</li> <li>• Company website</li> <li>• Complaint channels</li> </ul>

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
<p>Government and Regulatory Agencies</p> 	<ul style="list-style-type: none"> <li>• Compliance with regulations, statutes, and 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 public sector activities, consistently supporting social activities with the government, such as CSR-DIW activities.</li> </ul>	<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>
<p>Community and Private Development Agencies</p> 	<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>• Public participation</li> <li>• Collaborative Partnership for Sustainability Projects</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>• Donations to the underprivileged.</li> </ul>	<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>



## 3.2 Materiality Identification



The Company has conducted a review and identification of sustainability materiality topics, considering both internal and external organizational factors. This process involves gathering feedback and understanding the evolving expectations of stakeholders throughout the year, as well as analyzing internal factors influencing the Company's strategic direction. The identification of material issues is aligned with the Company's vision, mission, and sustainability strategy, and is guided by international frameworks such as the Global Reporting Initiative (GRI) Standards for sustainability disclosure and the United Nations Sustainable Development Goals (UN SDGs), to ensure alignment with both national and global sustainable development objectives.

The information obtained from this assessment is then analyzed for its short-term, medium-term, and long-term impacts. This analysis is then used to define sustainability policies, strategies, and action plans, as well as to effectively designate responsible personnel for each area.

### Materiality Identification Process



#### 1. Identification of Organizational and Stakeholder Material Issues (Context Analysis)

The Company collects sustainability issues under the ESG framework, utilizing key analytical tools such as STEEP Analysis (Social, Technological, Economic, Environmental, Political). This analysis is used to examine economic trends, government policies, industry conditions, and the sustainability directions. Internal factors are also considered, including the Company's vision, mission, long-term objectives, and corporate strategy.

Additionally, the Company identifies material business issues by gathering and analyzing stakeholder feedback through relevant departments. This is done via various company activities, projects, and communication channels, including the following:

- Meetings and Seminars: Discussions between the Company and stakeholders such as customers, suppliers, investors, and government agencies.
- Opinion Surveys: Interviews with executives and employees who engage directly with stakeholders.

- Corporate communication channels: Gathering feedback through the Company's website or email.
- Sustainability Projects: Implementing projects related to sustainability, such as customer CSR initiatives, supplier development programs, or social and community development projects.

## 2. Materiality Assessment

In 2024, the Company analyzed both its internal and external contexts, identifying some certain changes due to external factors. These included the continuous decline in automotive industry production trends and increased customer expectations regarding greenhouse gas management. However, the material issues identified by the Company in 2023 continue to encompass these changes and remain under continuous management.

The Company then forwarded these material issues to each relevant department for review. The departments assessed the continued relevance of these issues to the organization and its stakeholders and considered their alignment with the Company's strategic direction and current sustainability trends.

This review process revealed that two issues have significantly increased in importance and impact for both the organization and its stakeholders: climate change management and business continuity management.

## 3. Policy and Strategy

Once issues have been reviewed and prioritized, the Sustainability Development unit coordinates with relevant departments to collaboratively define long-term sustainability goals and activities. These efforts lead to the formulation and revision of the Company's sustainability policy. The proposed strategies and targets are then submitted to the Executive Sustainability Development Committee for approval.

## 4. Communication and Implementation

After establishing sustainability policies and goals, the Company communicates these to ensure all employees understand and implement them responsibly. The communication and implementation channels include:

- Top Management Communication Activity: Communicate and build understanding of policies and plans at the highest organizational levels.
- Sustainability Working Team: Responsible for translating policies into operational implementation at the departmental level.
- Communication to All Employee Levels: Ensuring all employees are informed through diverse channels such as meetings, emails, the Company's intranet, and social media platforms, facilitating quick access to information.

## 5. Control and Review

Once policies and plans are implemented, monitoring, controlling, and reviewing goals are crucial steps to ensure operations aligned with defined targets. This involves:

- Data Monitoring and Collection: The Company monitors and collects data related to established policies and goals on a quarterly basis, gathering key information throughout the plan's execution.
- Presenting Monitoring Results: Findings are presented quarterly to the Executive Sustainability Development Committee. This allows them to assess performance against defined goals and make decisions regarding plan adjustments or additional actions required to achieve the objectives.

## 6. Sustainability Reporting and Disclosure

To ensure transparency and reliability of information, the Internal Audit department verifies the accuracy of data before it is presented to management for review and approval of public disclosure. Subsequently,

the Sustainability Development unit proceeds with disclosing this information in accordance with the Global Reporting Initiative (GRI) Standards and other relevant benchmarks. Furthermore, third-party verification is conducted to validate key performance results, such as the calculation of greenhouse gas (GHG) emissions under Scope 1, 2, and 3, to ensure that the disclosed data are accurate, complete, and aligned with internationally recognized sustainability standards.

### Materiality Assessment Results

The Company conducted a materiality assessment covering three key dimensions: 1) Environmental, 2) Social, and 3) Governance, identifying a total of 16 material issues. These issues represent both opportunities and risks that could significantly impact the organization. The assessment process involved collaboration with relevant departments, considering the Company's context, stakeholder expectations, and current sustainability trends.

The assessment revealed three top-priority issues that are of utmost importance and have a significant impact on stakeholders: (1) Energy Management, (2) Climate Change Management, and (3) Employee Engagement. A detailed summary of each issue is provided below.

#### 1. Employee Engagement

In the context of an increasingly competitive labor market, skilled personnel are recognized as a key resource for driving sustainable organizational growth. The risks associated with this include the loss of talented employees and high costs incurred from recruiting and training new staff, potentially impacting business efficiency and continuity. Therefore, the Company prioritizes fostering employee engagement through holistic welfare programs that address employee needs, creating a work environment that encourages creativity and participation, and developing new skills aligned with automotive industry

technologies. These efforts aim to enhance performance and cultivate a strong organizational culture, thereby enabling employees to support long-term corporate goals. The Company has set a target to raise the employee engagement score to over 80% within the next five years.

#### 2. Climate Change Management

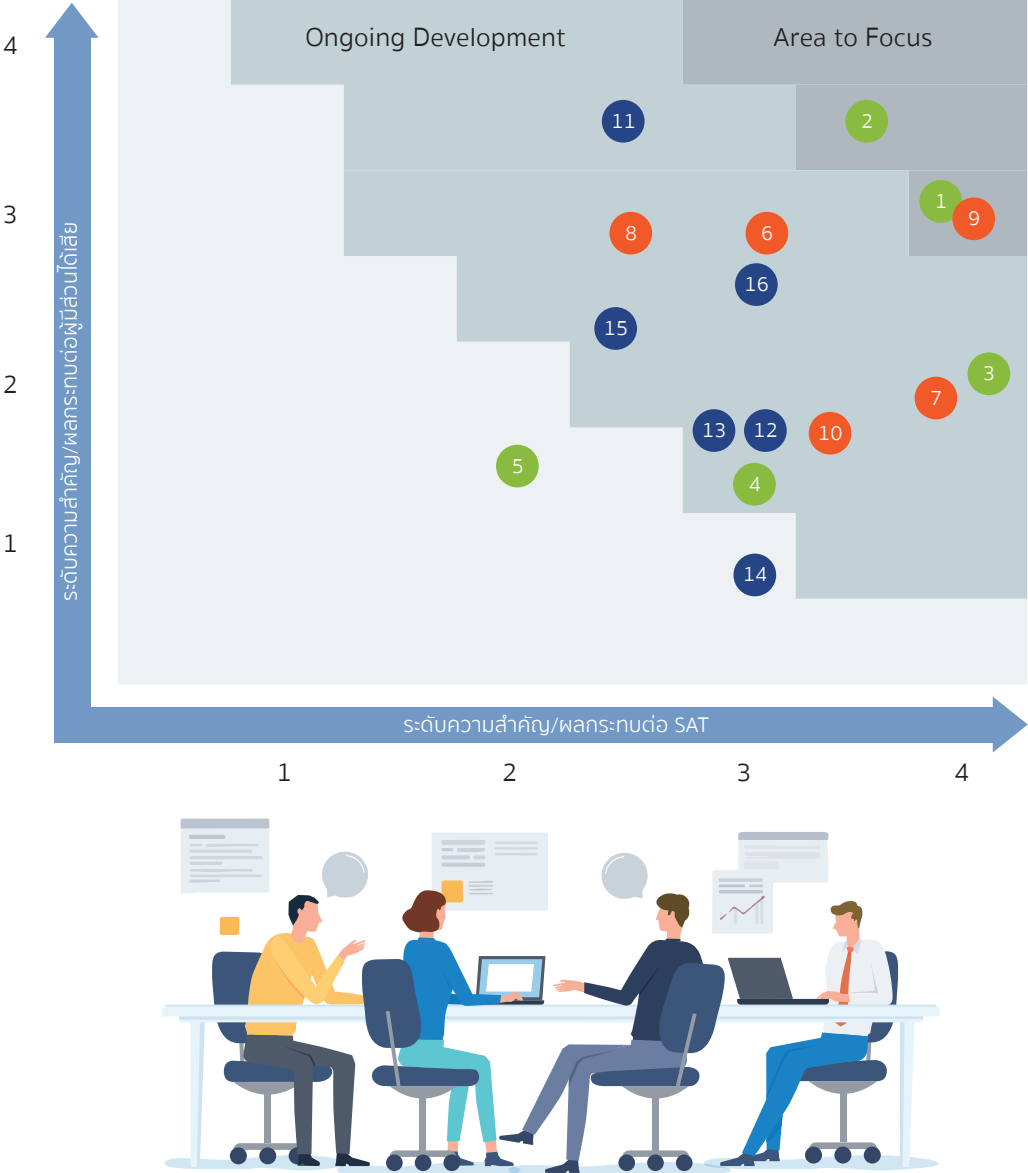
Amid increasing expectations from both the government sector and customers to reduce greenhouse gas (GHG) emissions, a lack of clear mitigation plans could expose the organization to reputational risks, non-compliance with customer requirements, and rising environmental costs. The Company recognizes its role in addressing environmental challenges and is proactively establishing strategic goals and systematic plans for greenhouse gas emission reduction. This also presents an opportunity to build credibility and sustainability among stakeholders. The Company aims to reduce GHG emissions (tCO<sub>2</sub>e) per production output and net emissions by at least 26% from the 2018 baseline within five years.

#### 3. Energy Management

Energy management directly impacts the Company's cost competitiveness and its ability to manage increasing customer demands regarding greenhouse gas emissions. Therefore, the Company prioritizes systematic energy management, focusing on improving energy efficiency, utilizing renewable energy, and fostering organizational awareness. This approach enables the Company to adapt to rapidly evolving trends, while also creating opportunities for long-term cost reduction and strengthening environmental performance. These efforts enhance competitive advantage and meet customer expectations. The Company aims to reduce energy consumption per unit of production by 6.5% from the 2018 baseline within five years.



Table of 2024 Materiality Assessment Results



**Environmental**

- 1 Energy management
- 2 Climate change management
- 3 Waste management
- 4 Raw material management
- 5 Pollution management

**Social**

- 6 Human capital development
- 7 Occupational health and safety
- 8 Human rights
- 9 Employee engagement
- 10 Creating value for society and local communities

**Governance**

- 11 Regulatory compliance and anti-corruption
- 12 Innovation and product development
- 13 Business continuity management
- 14 ESG development in the value chain
- 15 Customer relationship management
- 16 Enhancing production efficiency

## 1. Monitoring and Reporting Topics



<ul style="list-style-type: none"> <li>Changes in energy laws and policies, such as the establishment of Net Zero targets and the European Union's Carbon Border Adjustment Mechanism (CBAM) requirements, may impact business operations and the supply chain.</li> <li>Increased demand for clean energy from Original Equipment Manufacturers (OEMs) and international customers enhances the Company's competitive advantage.</li> <li>Create new opportunities for business development and the introduction of new products that respond to evolving energy market demands.</li> </ul>	<ul style="list-style-type: none"> <li>Promote the use of renewable energy sources.</li> <li>Optimize energy efficiency in production processes.</li> <li>Encourage the utilization of electricity from environmentally friendly sources.</li> <li>Foster employee awareness and understanding regarding energy consumption reduction.</li> <li>Verify greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in energy consumption per production unit (GJ/Tons) by 6.5% compared to the baseline year 2018.</li> </ul>	<ul style="list-style-type: none"> <li>7.7 Environmental Management</li> </ul>
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## 2. Climate change management



<ul style="list-style-type: none"> <li>Long-term greenhouse gas (GHG) reduction targets, driven by government policies and customer demands, have prompted the Company to expedite the study, establishment of targets, and planning for GHG reduction.</li> <li>Present new opportunities for developing and offering environmentally friendly products or services.</li> </ul>	<ul style="list-style-type: none"> <li>Promote the use of renewable energy sources.</li> <li>Optimize energy efficiency in production processes.</li> <li>Encourage the utilization of electricity from environmentally friendly sources.</li> </ul>	<ul style="list-style-type: none"> <li>Greenhouse gas emissions, measured in tons of carbon dioxide equivalent per unit of production weight and net emissions, to be reduced by 26% from the 2018 baseline.</li> </ul>	<ul style="list-style-type: none"> <li>7.7 Environmental Management</li> </ul>
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Impacts	Strategy / Action	5-Year Targets	Monitoring and Reporting Topics
<ul style="list-style-type: none"> <li>• Enable the Company to participate in environmental conservation or energy efficiency promotion programs, which may help reduce operational costs in the long term.</li> <li>• Support the Company in adapting and developing new products or services that align with shifting consumer behavior, particularly the increasing emphasis on environmental impact.</li> </ul>	<ul style="list-style-type: none"> <li>• Foster employee awareness and understanding regarding energy consumption reduction.</li> <li>• Verify greenhouse gas emissions</li> </ul>		

### 3. Waste management



<ul style="list-style-type: none"> <li>• Efficient waste management can help reduce management costs and improve production processes.</li> <li>• Waste management incurs high expenses due to the need for investment in complex technologies to ensure effective handling.</li> <li>• Opportunities can be created by converting waste into value through the adoption of Circular Economy and Zero Waste concepts.</li> </ul>	<ul style="list-style-type: none"> <li>• Waste reduction through the implementation of the 3R principles (Reduce, Reuse, Recycle).</li> <li>• Minimization of hazardous waste and waste sent to landfills.</li> <li>• Value creation from waste in alignment with Circular Economy principles.</li> </ul>	<ul style="list-style-type: none"> <li>• A 5% reduction in hazardous industrial waste (tons) disposed per unit of production compared to the baseline year 2018.</li> <li>• A 16% reduction in non-hazardous industrial waste (tons) disposed per unit of production compared to the baseline year 2018.</li> <li>• Zero landfill waste achieved from the year 2023 onward.</li> </ul>	<ul style="list-style-type: none"> <li>• 7.7 Environmental Management</li> </ul>
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#### 4. Raw material management



<ul style="list-style-type: none"> <li>Shortages or price volatility of raw materials can impact business continuity.</li> <li>Sustainability requirements from OEM customers and the supply chain, such as the use of low-carbon or recycled materials.</li> <li>Efficient raw material management reduces production costs and enhances competitiveness by minimizing process waste and optimizing resource utilization.</li> </ul>	<ul style="list-style-type: none"> <li>Source or diversify raw materials from additional international markets.</li> <li>Collaborate with suppliers and customers to conduct quality testing of products made from new raw materials.</li> <li>Reuse raw materials from production processes, adhering to Circular Economy principles.</li> </ul>	<ul style="list-style-type: none"> <li>Increase alternative raw material sources from international markets such as China, India, and Korea.</li> <li>Test and propose new raw materials to customers as substitutes.</li> <li>Achieve 100% recycling of internal process scrap materials (Forging &amp; Machine process scrap to Casting process) as raw material.</li> </ul>	<ul style="list-style-type: none"> <li>5.5 Risk Management.</li> <li>7.6 Supplier and Supply Chain Management.</li> </ul>
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#### 5. Pollution management



<ul style="list-style-type: none"> <li>Enhancing operational efficiency and maintaining a healthy work environment contribute to employee well-being, satisfaction, and overall productivity.</li> <li>Non-compliance with regulations or legal requirements poses a risk of business disruption or incurring additional costs for problem resolution and community impact compensation.</li> </ul>	<ul style="list-style-type: none"> <li>Regular air quality monitoring</li> <li>Strict adherence to environmental regulations.</li> <li>Promotion of efficient resource utilization.</li> </ul>	<ul style="list-style-type: none"> <li>Emission levels for all pollutants remain below legal requirements.</li> <li>Installation of real-time monitoring systems (TDS System) to prevent PM10 particle emissions.</li> </ul>	<ul style="list-style-type: none"> <li>7.7 Environmental Management</li> </ul>
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## 6. Human capital development



<ul style="list-style-type: none"> <li>Labor market competition and shortages of skilled labor in the industrial sector necessitate the Company's development of strategies to retain and attract high potential talent.</li> <li>Technological advancements and evolving production processes within the automotive industry, such as Automated Manufacturing, Digital Transformation, AI, and IoT, mandate continuous employee skill development.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing organizational culture to align employee behavior with Company objectives.</li> <li>Implementing individual development plans.</li> <li>Providing training and development opportunities, alongside fostering lifelong learning.</li> <li>Organizing and participating in Quality Control Circle (QCC) and Kaizen activities, both internally and with clients, to promote analytical thinking that enhances operational efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Average training hours per person per year exceeding 20 hours.</li> <li>Employee development through closing two competency gaps per person per year.</li> </ul>	<ul style="list-style-type: none"> <li>6.2 Smart People Development</li> </ul>
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## 7. Occupational health and safety



<ul style="list-style-type: none"> <li>Stricter safety laws and standards, such as Thai labor laws and ESG requirements from customers, necessitate the Company's continuous improvement of safety standards.</li> <li>Workplace accidents and injuries can directly impact employees and potentially disrupt business operations.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing workplace safety measures helps mitigate associated risks.</li> <li>Provide training on safety standards and guidelines.</li> <li>Assess risks related to occupational health and safety.</li> <li>Create a suitable and safe working environment.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a zero Lost Time Injury Frequency Rate (LTIFR) for employees.</li> </ul>	<ul style="list-style-type: none"> <li>7.4 Occupational Health and Safety Management</li> </ul>
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## 8. Human rights

<ul style="list-style-type: none"> <li>Non-compliance with laws and human rights violations pose significant legal risks and financial liabilities for businesses.</li> <li>Respecting human rights and complying with laws enhance the Company's credibility among stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Establish clear and standardized policies and procedures to prevent human rights violations.</li> <li>Promote awareness and understanding of human rights among employees to prevent violations within the organization.</li> <li>Support diversity and equality within the Company.</li> <li>Provide accessible channels for reporting human rights concerns.</li> </ul>	<ul style="list-style-type: none"> <li>100% assessment of human rights risks across all Company operational areas.</li> <li>100% of employees trained and successfully tested on human rights principles.</li> <li>Zero incidents of human rights violations within the organization.</li> </ul>	<ul style="list-style-type: none"> <li>7.2 Human Rights</li> </ul>
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## 9. Employee engagement

<ul style="list-style-type: none"> <li>Increasing competition in the labor market requires the Company to enhance employee benefits and improve the working environment to retain talent.</li> <li>Improved job security for employees fosters stronger employee engagement and commitment to the organization</li> </ul>	<ul style="list-style-type: none"> <li>Create a positive work environment.</li> <li>Offer employee benefits that are competitive within the industry.</li> <li>Provide opportunities for employees to develop new skills and knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve an employee engagement score exceeding 80%.</li> </ul>	<ul style="list-style-type: none"> <li>7.3 Employee Care and Employee Engagement</li> </ul>
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## 10. Creating value for society and local communities



<ul style="list-style-type: none"> <li>• Create business opportunities through CSR projects aligned with the Company's core business operations.</li> <li>• Enhance a positive corporate image, fostering strong relationships and mitigating negative impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• Explore projects that enhance social value through business processes or employee capabilities.</li> <li>• Support educational and training programs that promote skills and knowledge for youth, seniors, and underprivileged individuals.</li> <li>• Provide essential tools and resources to individuals with disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% participation in CSR activities promoting good deeds.</li> <li>• Generate social value equivalent to 0.5% of net profit.</li> </ul>	<ul style="list-style-type: none"> <li>• 6.3 Good people development</li> <li>• 8.1 Smart People Strategy</li> <li>• 8.2 Creating Educational Opportunities</li> <li>• 8.3 Community Development Participation</li> <li>• 8.4 Enhancing the Quality of Life for Persons with Disabilities</li> </ul>
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## 11. Regulatory compliance and anti-corruption



<ul style="list-style-type: none"> <li>• Build credibility with stakeholders, fostering confidence in business operations.</li> <li>• Reduce legal risks by minimizing the potential for the business to face penalties from regulatory violations.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a corporate governance and business ethics policy as a code of conduct for all employees.</li> <li>• Promote and enhance transparency by extending anti-corruption networks to include suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% compliance with applicable laws and regulations.</li> <li>• 100% of employees acknowledge and pass assessments on ethical guidelines</li> <li>• Zero violations of the Company's Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>• 5.1 Good Corporate Governance</li> <li>• 5.2 Business Ethics</li> <li>• 5.3 Anti-Corruption</li> </ul>
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Impacts	Strategy / Action	5-Year Targets	Monitoring and Reporting Topics
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## 12. Innovation and product development



<ul style="list-style-type: none"> <li>Enhance product value and quality, leading to increased revenue generation.</li> <li>Enhance business competitiveness.</li> <li>Financial and human resource investments may increase development and testing costs for new products.</li> </ul>	<ul style="list-style-type: none"> <li>Research and analyze new products and business opportunities.</li> <li>Collaborate with customers during the product development phase.</li> <li>Pilot and test new products to improve performance and efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>100% participation of target employee groups in Lean, QCC, and Kaizen activities.</li> <li>Launch one social or environmental innovation project annually.</li> </ul>	<ul style="list-style-type: none"> <li>6.2 Smart People Development</li> <li>7.5 Customer Relationship Management</li> <li>7.8 Business Process Innovations for Sustainability</li> </ul>
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## 13. Business continuity management



<ul style="list-style-type: none"> <li>Increased external risks, such as natural disasters, geopolitical instability, cyber threats, and supply chain volatility, necessitate that the business has clear contingency plans in place.</li> </ul>	<ul style="list-style-type: none"> <li>Implement a Business Continuity Management (BCM) policy.</li> <li>Develop robust contingency plans.</li> <li>Conduct training programs and drills for business continuity management.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve 100% completion of business continuity plan drills.</li> </ul>	<ul style="list-style-type: none"> <li>5.6 Business Continuity Management</li> </ul>
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**14. ESG development in the value chain**

<ul style="list-style-type: none"> <li>Growing demand from investors and customers for businesses to implement ESG practices throughout their supply chains.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Procurement Policy</li> <li>Sustainable Procurement Handbook</li> <li>ESG risk assessments conducted with suppliers.</li> <li>Supplier Development and Enhancement Programs</li> </ul>	<ul style="list-style-type: none"> <li>All suppliers have declared their anti-corruption commitment with SAT.</li> <li>100% ESG risk assessment conducted with targeted suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>7.6 Supplier and Supply Chain Management.</li> </ul>
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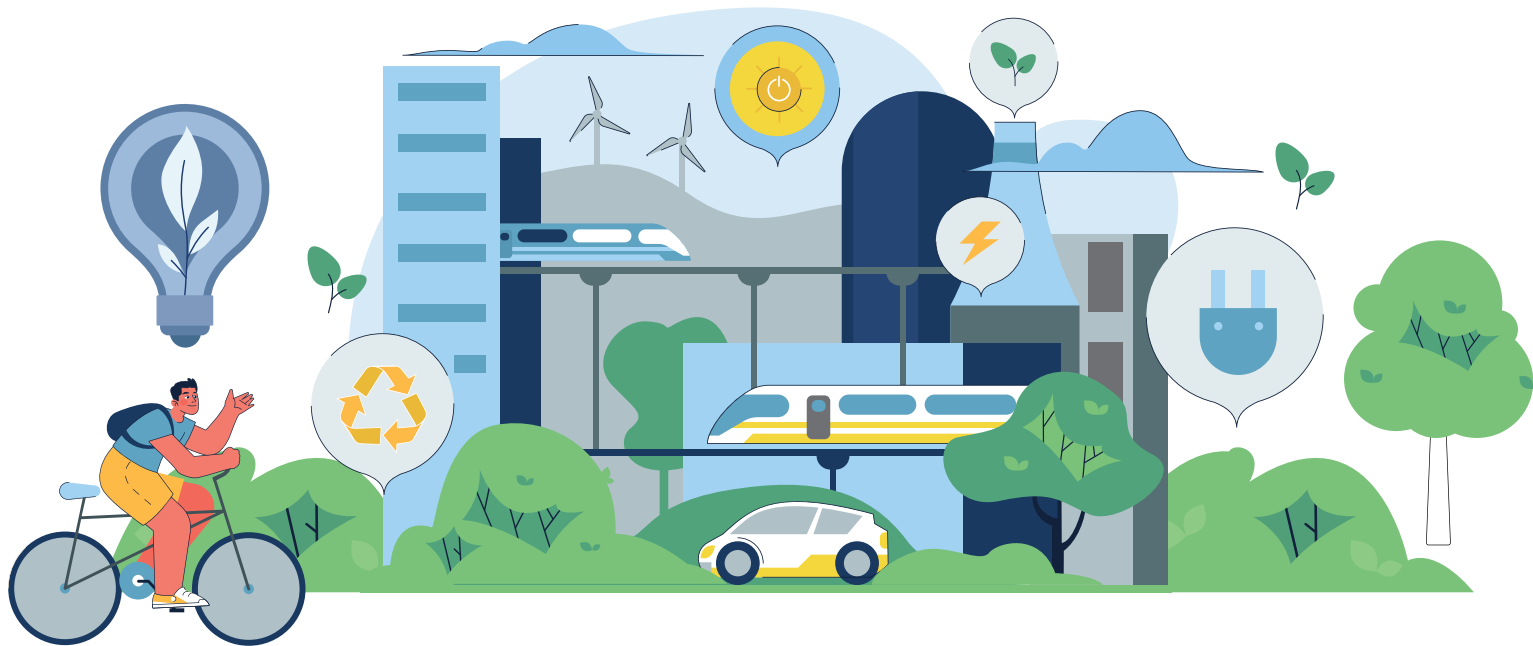
**15. Customer relationship management**

<ul style="list-style-type: none"> <li>Enhancing customer satisfaction contributes to long-term relationship retention.</li> <li>The ability to offer products or services that meet customer needs results in increased sales and revenue generation.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce production costs.</li> <li>Collaborate with customers during the product development phase.</li> <li>Conduct annual customer satisfaction evaluations.</li> <li>Participate in customer engagement activities.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve a 100% customer satisfaction evaluation score.</li> </ul>	<ul style="list-style-type: none"> <li>7.5 Customer Relationship Management</li> </ul>
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## 16. Enhancing production efficiency



<ul style="list-style-type: none"> <li>Enhancing competitiveness by enabling the business to deliver high-quality products or services at competitive prices.</li> <li>Reducing production costs in terms of raw materials, energy, and time, leading to overall cost savings and increased revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt new technologies, such as automated manufacturing and robotics.</li> <li>Lean Manufacturing</li> <li>Quality Management Systems</li> </ul>	<ul style="list-style-type: none"> <li>Reduce costs by 5% through Lean Manufacturing System activities.</li> </ul>	<ul style="list-style-type: none"> <li>6.2 Smart People Development</li> <li>7.5 Customer Relationship Management</li> </ul>
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# 4

## Sustainability Management

4.1 Sustainability Management

4.2 Supporting Sustainable Development Goals



# 4.1 Sustainability Management


## Sustainability Policy and Goals


The Company operates under the principle of sustainability as a guiding approach to managing risks and opportunities across economic, social, and environmental dimensions, including geopolitical considerations. The Company is committed to achieving long-term profitable growth while enhancing the well-being of all stakeholder groups. All business operations are aimed at establishing a solid foundation capable of addressing emerging challenges and seizing new opportunities in the future. The Company also focuses on developing a resilient business that can sustain growth amidst fluctuating market conditions and business environments in 2024.


The Company continues to integrate ESG (Environmental, Social, and Governance) strategic pillars into its business management to enhance operational sustainability and remains committed to building a better future for all stakeholders.


Environmental

Focus on minimizing environmental impact and promoting efficient resource utilization through business processes




 Reduce greenhouse gas emissions and energy consumption


 Manage waste through resource optimization


 Mitigate the impact of water resource consumption


Social


Commitment to ethical business practices and creating a positive social impact





 Promote employees to develop their potential and share knowledge with society

 Sustainably enhance employees' skills and capabilities

 Manage occupational health and safety within the organization


 Build employee engagement and foster mutual growth with the workforce


 Respect human rights for all stakeholders


 Create opportunities and value for society and local communities


Governance


Focus on operating with good governance with all stakeholders, adhering to both legal requirements and code of conduct




 Continuously improve operational efficiency

 Foster collaboration with suppliers for sustainable growth

 Promote data security and cybersecurity practices

 Promote creative thinking in innovation and technology development across economic, social, and environmental aspects

 Encourage all personnel to understand and uphold the principles of good governance



## Sustainability Governance Structure

The Company's Sustainability Department works closely with its subsidiaries, the Board of Directors, the Risk Management and Sustainability Development Committee, and the Executive Sustainability Development Committee. Their primary responsibility is to drive sustainable development, ensuring that all subsidiaries and relevant departments operate effectively and achieve progress in line with the organization's sustainability plans and targets.



## Sustainability Development Goals and Performance










With a commitment to conducting business under the principles of good corporate governance, the Company strives for sustainable growth by aligning its mission with the current and future organizational context. This approach appropriately addresses the needs of key stakeholders, adhering to the **"Somboon Triple Bottom Line"** business philosophy and supporting the United Nations Sustainable Development Goals (SDGs), as well as sustainability reporting guidelines based on the Global Reporting Initiative (GRI) standards, and various ESG assessment criteria.

The Company has established clear sustainability goals, focusing on balancing business growth with social and environmental responsibilities. ESG (Environmental, Social, and Governance) principles are integrated into the corporate strategy. Key performance indicators (KPIs) have been defined, with regular monitoring and evaluation to ensure that the Company consistently meets stakeholder expectations in a sustainable manner.

Key Goals and Performance Results are as follows:

Indicator		Target	Performance
  			
 <p>Greenhouse gas emissions (Scope 1 and Scope 2)</p> <ul style="list-style-type: none"> <li>Tons of CO<sub>2</sub> equivalent per production unit</li> <li>Absolute GHG emissions reduction</li> </ul>	14%	Tons CO <sub>2</sub> eq/ Tons Production Unit) = 33%	
	14%	Absolute GHG = 26.5%	
 <p>Reduced energy consumption (Gigajoules per Ton of Production Unit)</p>	4.5%	5%	
 <p>Reduced volume of hazardous industrial waste sent for disposal per ton of production (Tons Hazardous Waste / Tons Production Unit)<sup>1</sup></p>	3%	Increased by 37%	
 <p>Reduced volume of non-hazardous industrial waste sent for disposal per ton of production (Tons Non Hazardous Waste / Tons Production Unit)<sup>1</sup></p>	12%	14%	
 <p>Landfill waste volume: Target to reach zero within 3 years</p>	Reduced by 30% from 2023	Reduced by 16% from 2023	
 <p>Reduced water consumption per ton of production (m<sup>3</sup> / Tons Production Unit)<sup>1</sup></p>	25%	20%	
 <p>Air pollutant emissions (CO, NO<sub>x</sub>, SO<sub>2</sub>, TSP)</p>	<u>Below legal limits</u>	<u>Below legal limits</u>	

Social		Target	Performance
 			
	Good deeds participation	100%	98%
	Training hours Employee development through competency gap closure	12 hours/person/year 2 issues/person/year Chief Up	16 hours/person/year 1.7 issues/person/year Chief Up
	Employee lost time injury frequency rate (LTIFR)	0	0.22%
	Employee engagement rate (%)	Evaluation for 2025	
	Human rights risk assessment at company operational sites	100%	100%
	100% of employees received training and passed the assessment	100%	97%
	Number of human rights complaints	0	0
	Value of positive social impact as a percentage of the Company's net profit	0.5 %	1.01%

Governance		Target	Performance
			
	Customer satisfaction survey results	100%	92%
	New suppliers signing the declaration of intent with SAT	100%	100%
	ESG risk assessment with suppliers	100%	100%
	Information technology security and cybersecurity	85%	91%
	Business continuity plan drills	100%	100%
	Employee training and passing of Business Code of Conduct assessment	100%	95%
	Incidents of Code of Conduct violations	0 Case	1 Case
	Legal compliance	100%	100%

# 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 2024.

## Operations aligned with the goal in 2023



### Environmental

Greenhouse gas emission reduction: 30 %				✓	✓	✓	
Energy consumption reduction 5%				✓	✓		
Clean energy in the production process				✓	✓		
Water consumption reduction: 20%				✓			
Waste recycled: 49,597 tons				✓	✓		
Community impact complaints: 0 cases			✓				

### Social

The average training hours per employee 16 hours.	✓						
The Lost Time Injury frequency rate (LTIFR): 0.22 (per 1,000,000 working hours)		✓					
100% of all business units have undergone human rights risk assessments		✓				✓	
Employment of disabled individuals within the nearby community: 23 individuals		✓					✓
Supported youth and elderly in education: 192 individuals	✓	✓					✓

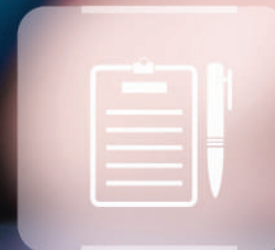
### Good Corporate Governance

Employees trained and tested on ethics and sustainability	✓					✓	
Certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC)						✓	✓
Member of Business Development and sustainability Development							✓

# 5

## Governance and Sustainability

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

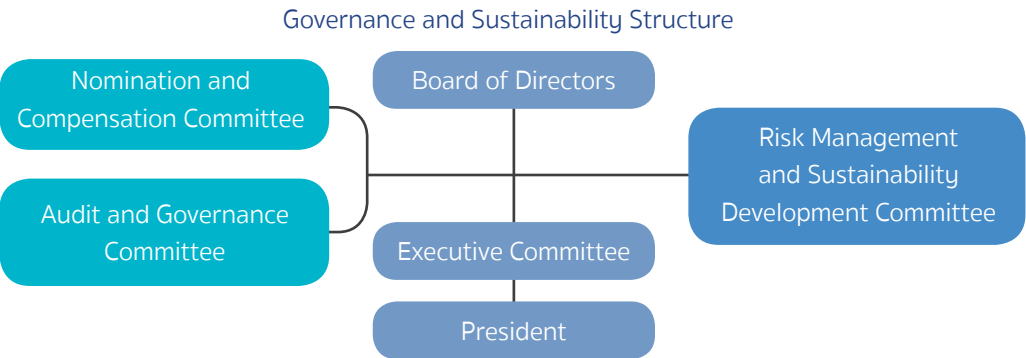


# 5.1 Good Corporate Governance

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

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

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



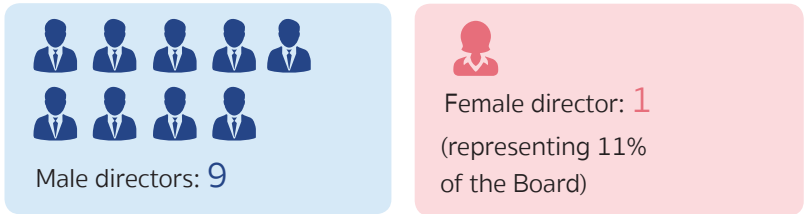
## Management Approach

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

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

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

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



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

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



Knowledge/Experience/Expertise Unit: Persons

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

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

### Board Meetings

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

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

### Board training and development

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



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



### Performance Evaluation of the Board of Directors

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

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

#### Self-Assessment Results:



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

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

#### 2. The Sub-Committees

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

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

The Company participated in the following corporate governance assessments:

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

#### Corporate Governance Report: CGR

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



#### Goals for

2024 Excellent

#### Performance Results

2567 Excellent

2566 Excellent

2565 Excellent

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

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

## Enhancing Corporate Governance Systems

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

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



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

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

- Insider List and Blackout Period Policy

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

## Legal and Regulatory Compliance

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

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



## 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
- 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 22 individuals; all employees achieved a good level of knowledge and understanding of organizational ethics.

For this year, the company has enhanced its corporate governance and business ethics training curriculum by requiring all employees at every level within the Somboon Group to attend and pass an online course. This is to strengthen the knowledge and understanding of employees throughout the organization. (Further details can be found in the Good Corporate Governance section)

The Company has provided reviews of the Business Ethics Manual regularly to be updated with new law, 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) ,1992 for listed companies according to the Securities and Exchange Act, the Securities and Exchange



Link : Business Ethics  
Manual (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  
02-080-8271 nopamas.p@somboon.co.th



### Telephone

Directly contact the Company Secretary or  
Compliance Department



### 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

The company has a screening and consideration process for all received complaints. The Internal Audit Department will conduct a preliminary verification. If a complaint is found to be substantiated, the Internal Audit Department will propose that the President appoint an Investigation Committee to conduct a fact-finding inquiry. The Investigation Committee will then recommend disciplinary action in accordance with the company's work regulations for approval by the authorized person or committee.

The Internal Audit Department will report the results to the Executive Committee for their consideration and for directing management to take further action as required.

## 3) Monitoring Code of Conduct practices

The company is committed to upholding the highest standards of business ethics. Accordingly, it is mandatory for department heads or assigned representatives to report any breach of the Code of Conduct to the Compliance and Audit Department immediately upon becoming aware of an incident. Any violation of the Code of Conduct constitutes a disciplinary offense.

The matter will be subjected to the company's formal investigation process, and disciplinary measures will be imposed on the offender commensurate with the severity of the violation. Furthermore, corrective and preventive measures will be determined on a case-by-case basis to prevent future occurrences.

Furthermore, the company continuously implements preventive measures to prevent violations of its corporate code of ethics throughout 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 all complaints are to be reported through these designated channels. In the event of a complaint, the



Investigation Committee will determine disciplinary action based on the severity of the issue. The committee will also establish corrective and preventive measures to prevent a recurrence of the matter. Furthermore, the committee will monitor the implementation of these corrective and preventive measures until it is confident that the issue has been resolved and that appropriate and sufficient preventive guidelines have been established.

- (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.

In 2024, the company received one complaint through its designated channels concerning a case of internal fraud. The Investigative Committee conducted a factual inquiry and gathered evidence, which substantiated the allegation. However, the misconduct did not have a significant impact on the company's operational performance or its internal control system.

The Investigative Committee resolved to penalize the employee with termination without severance pay, effective immediately. Following this case, the company analyzed the root cause of the issue to establish corrective actions and enhance the preventive measures within the internal control system for greater rigor. The implementation of these measures is being continuously monitored to mitigate the risk of recurrence.

The corrective and preventive measures have been fully implemented, and there are currently no other outstanding complaints under investigation or remediation.





## 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. This initiative reflects the company's strong intention to operate under the **"Zero Tolerance"** approach.

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 2024, the company maintained its certified membership status in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). This follows the third renewal of its certification in 2023, which is valid for three years from the date of approval. This demonstrates the commitment of the company and its subsidiaries to seriously adopting and implementing all CAC principles and guidelines across its business processes, such as policies on giving and receiving gifts, charitable donations, and business hospitality.

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 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.
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 recognizes the importance of assessing corruption risks to identify significant risks separately from the overall enterprise risk assessment. This year, the Company conducted a workshop with groups of employees and executives who engage with government agencies to review the assessment and identify the Company's corruption risks. The assessment also involved updating the risk levels and considering the implementation of additional internal control measures to further strengthen the Company's corruption risk prevention efforts.



Furthermore, the Internal Audit Department continues to conduct reviews of the anti-corruption risk control processes for each activity of the Company. This includes analyzing potential channels and opportunities for corruption, together with assessing the probability and related impact of such risks (based on the risk assessment and impact criteria specified in the Company's Enterprise Risk Management Manual). Identified high-risk areas are incorporated into the annual audit plan, which is reviewed and updated on a yearly basis.

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

1. The Compliance Department is assigned to review corruption risks and to develop a review plan aligned with the Company's annual internal audit plan.
2. Whistleblowing channels and whistleblower protection measures are clearly defined and made available on the Company's Website and Intranet system. These channels are communicated to all employees to ensure accessibility and to encourage the reporting of misconduct or suspicious activities, which is considered a duty of all employees. In cases where complaints are filed and investigations confirm acts of corruption, follow-up on the implementation of preventive measures will be conducted. Progress reports will be submitted to the President, the Audit and Corporate Governance Committee, and/or the Executive Committee until there is assurance that the corrective actions have been fully executed.
3. Acts of corruption are considered violations of the Company's Code of Ethics and are subject to disciplinary action in accordance with the Company's regulations, as well as legal penalties if such actions are in breach of the law.
4. The Company promotes awareness and understanding through the training course **"Ethics for Organizational Sustainability"** for new

employees, aimed at fostering comprehension of Business Ethics, Code of Conduct, the anti-corruption policy, and guidelines on the receipt and offering of gifts or other benefits of the companies within the Somboon Group.

#### 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 2024

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.

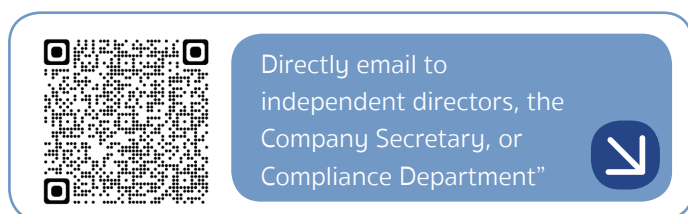
3. Report plans and activities on anti-corruption and adherence to good governance principles to the Board of Directors through the Audit and Corporate Governance Committee on a quarterly basis.
4. The Board of Directors has established channels for complaints and suggestions (Whistle Blower), providing 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 2024, training was provided to 22 new employees and 1,854 management personnel received annual training.
  - 5.2 The company organized a training course on corporate governance and business ethics, which included the anti-corruption policy as one of the key topics. This year, the company enhanced the program by requiring all employees across all levels within the Somboon Group

to participate in the training and complete an online examination. This initiative aims to strengthen employees' knowledge and understanding throughout the organization. (Further details can be found under the section on Good Corporate Governance.)

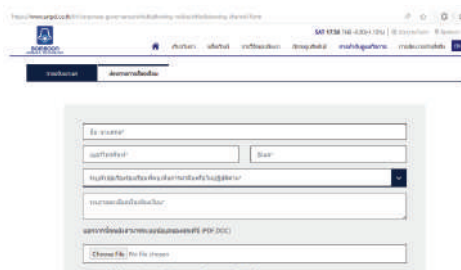
In 2024, the company received a total of one complaint corruption and ethical violations in business operations. related to internal employee fraud through the designated whistleblowing channels concerning corruption and violations of the business code of conduct. (Further details can be found under the section on Business Code of Conduct.)

### Complaints and Suggestions Channels

Channel: Email.



Channel: Company Website



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

Mr. Sansern Wongcha-um	Email: sansern.w@somboon.co.th or
Mr. Paitoon Taveebhol	Email: ptaveebhol@somboon.co.th or
Dr. Suthad Setboonsarng	Email: suthad.set@somboon.co.th or
Mr. Prayong Hirunyawonich	Email: prayongh@somboon.co.th or
Mr. Sobson Ketsuwan	Email: sobson.k@somboon.co.th or
Dr. Somchai Harnhirun	Email: somchai.har@somboon.co.th or
The Company Secretary	Email: Nopamas.p@somboon.co.th call or 02-080-8271
The Compliance Department	Email: Sathit.tun@somboon.co.th call Or 02-080-8267

Or send by post to the Company Secretary at The Company Secretary, Tower 2, Somboon Advance Technology Plc., No. 215 , 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 2024, the company continues to promote awareness and encourage its business partners to participate in declaring their intent to join the Thai Private Sector Collective Action Against Corruption (CAC).





## 5.4 Cybersecurity and Information Technology Policy

The company prioritizes and recognizes the importance of managing risks, 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:

The company has established systematic and effective guidelines for managing and controlling risks related to data and information system security. These guidelines are based on principles and practices that align with international standards, such as ISO 27001 and the NIST Cybersecurity Framework. The objective is to strengthen the security of data and IT systems to be robust and ready for planning, preventing, detecting, and responding to potential threats in a timely, systematic, and effective manner. The company operates according to the following guidelines.



### Governance of Information Technology Security and Safety

In 2024, 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-cyber-security-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.

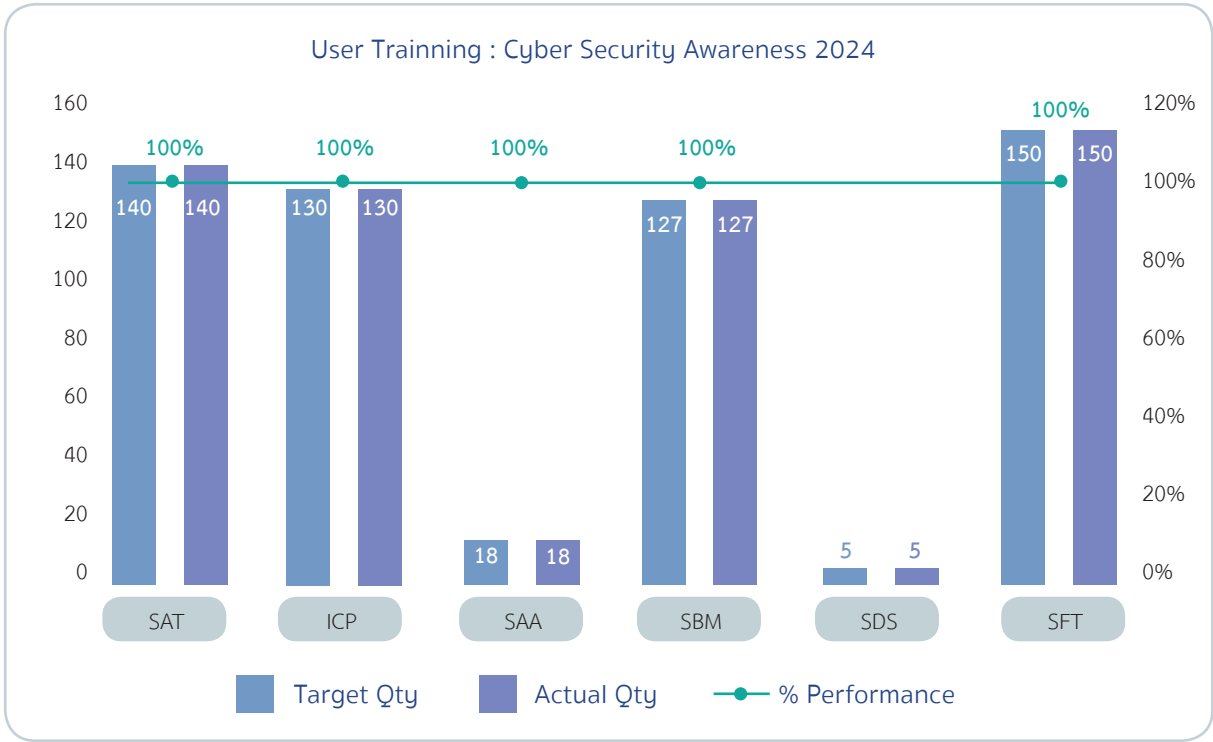
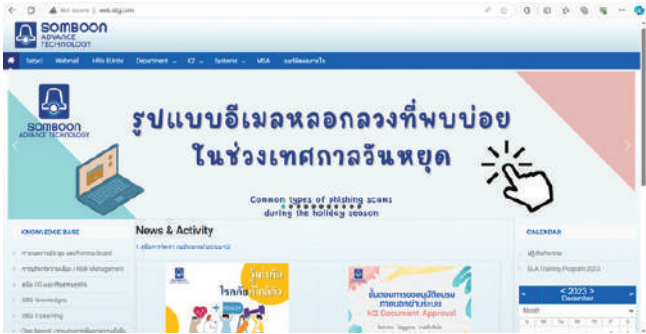
### Planning and improving information technology security policies

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.



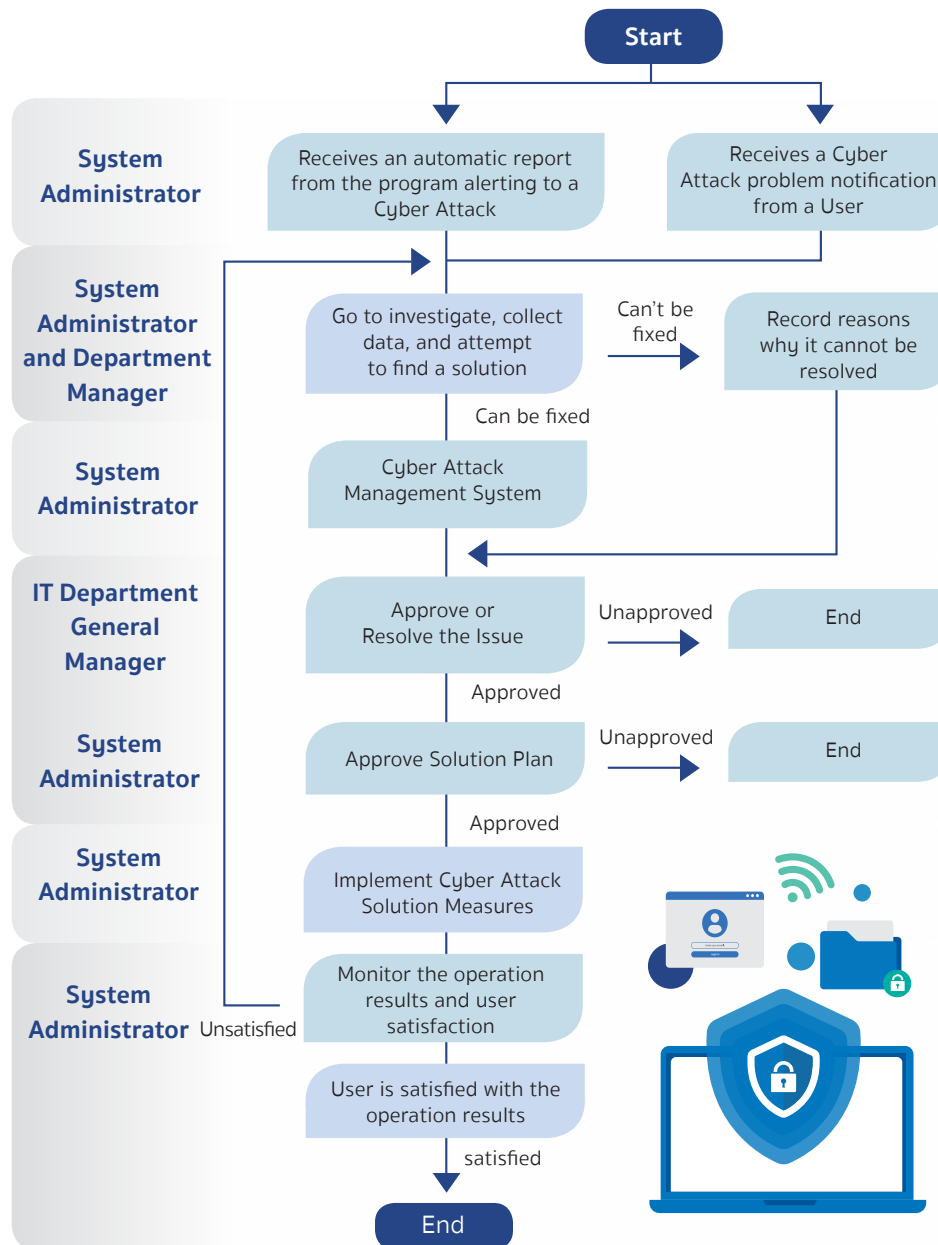
### Continuous monitoring and risk assessment

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:

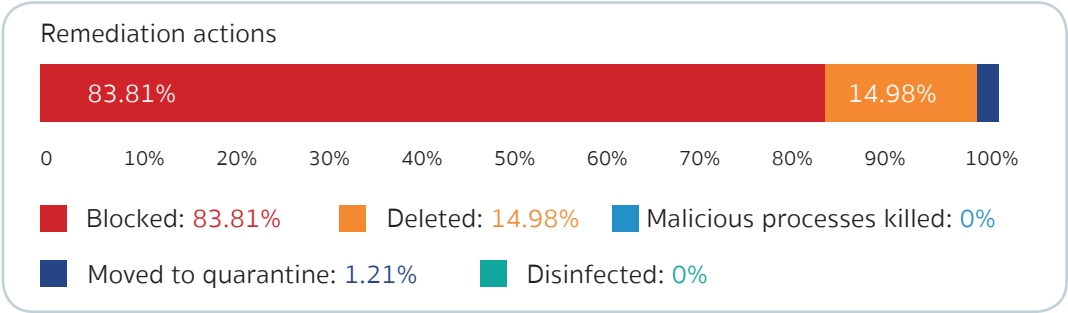


Performance Result of IT and Data Security in 2024


The Organization’s Preventive Computer Virus Capability for 2024


November			
Month	No of Attacks	No of Preventions	No of Successful Incidents
January	561	561	0
February	563	563	0
March	613	613	0
April	557	557	0
May	597	597	0
June	631	631	0
July	701	701	0
August	596	596	0
September	641	641	0
October	639	639	0
November	630	630	0
December	817	817	0
Total	7546	7546	0


Protection Model





Performance 2024


- 

1 Project to Upgrade ERP-SAP ECC to ERP-SAP S/4HANA
- 

2 Establish a backup server system that provides authentication and authorization services for devices accessing the internal network in the Cloud
- 

3 Prevented **100%** of attacks from computer viruses
- 

4 **None** of interrupted business continuity incidents arising from cybersecurity risk
- 

5 The SAP-ERP system vulnerability test has been validated by an independent audit company.
- 

6 Provided **100%** of cybersecurity and information system trainings to new employees using computers.



# 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.

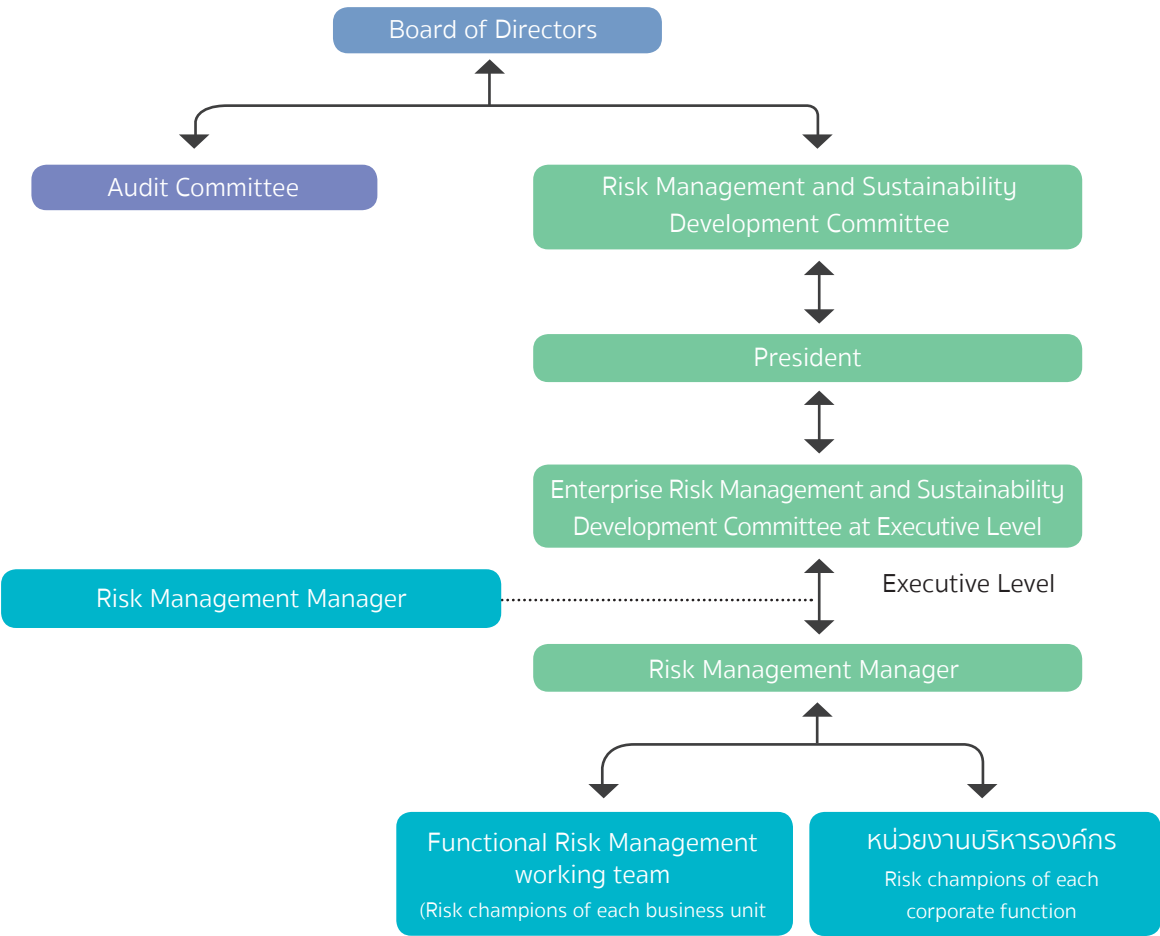
## Risk Management Policy and Plan

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.



**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) 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.

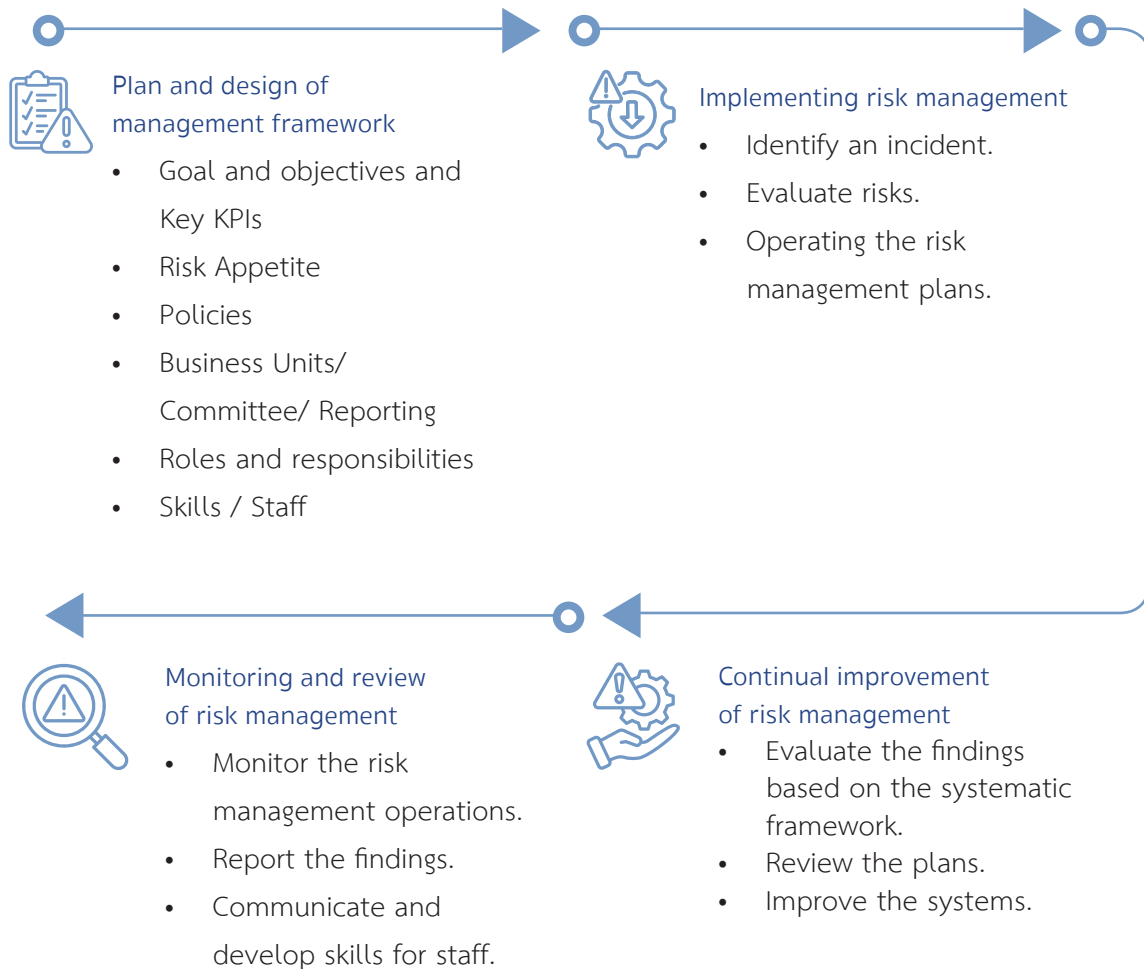
### Risk Management Culture

The company 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, 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 to access it and apply it appropriately.

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:



Support from all functional management units and Commitment from Staff at all levels.



- 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.

### Emergency Response Drill

The Company recognizes the importance of emergency response drill in preparing for unforeseen events to ensure business continuity and facilitate rapid recovery. In 2024, the Company's Business Continuity Management (BCM) team conducted emergency response drills simulating flood scenarios at both the Bangna site in Samut Prakan and the Rayong site. The drills were successful, effectively testing employee preparedness for real-life scenarios and evaluating resource management and communication systems during a crisis. This reinforces confidence in the Company's ability to maintain efficient operations.

### Business Operation Risk Factors

#### Risks to Business Operations of the Company or Group of Companies

The Company analyzes and evaluates its business environment by considering both internal and external factors. This includes organizational goals and strategies, as well as economic, industrial, technological, competitive, and other environmental trends at global, regional, and national levels. This analysis defines appropriate operational guidelines while identifying and assessing potential risks that may affect operations and the achievement of organizational objectives.

The Company has developed a risk management plan focused on mitigating potential impacts. This plan operates within a systematic risk management framework that aligns with sustainable business development principles. In 2024, the Somboon Group carried out an assessment and formulated risk management plans for key business risks, by integrating additional analysis of key sustainability issues, as follows:

### Strategic risks

#### 1. Risk from Industry Competition



Environmental



Social



Governance

The automotive industry faces intensifying competitive pressure. A significant factor is the rivalry with parts manufacturers from low-cost countries. These countries possess a cost advantage in raw materials due to their domestic steel sources, as well as lower labor costs, which allows them to offer more competitive pricing.

### Risk Management

The Company is proactively prepared and has implemented risk management measures to mitigate these impacts, as follows:

- 1) The Company focuses on optimizing production and raw material costs by collaborating with suppliers on raw material sourcing and development. It also emphasizes strict quality control and the upskilling of employees in technological capabilities to integrate automation systems that reduce waste and increase production efficiency, thereby preserving cost competitiveness. Furthermore, the Company maintains strong, long-term relationships and trust with customers at all levels, and continuously monitors their needs to sustain positive customer relationships.

- 2) Expanding Market Share (Domestically and Internationally): The Company seeks new business opportunities to expand both existing and new product lines. This strategy aims to mitigate the impact of the mentioned risks and ensure the continued achievement of business plan objectives.

## 2. Risk in Investment Expansion



### Governance

The Company has expanded its investments into electric vehicle (EV) component and platform businesses, as well as the development, manufacturing, and distribution of agricultural machinery and equipment. This aligns with the Company's established goals and strategies, representing a new key business development approach to drive growth. However, investments and the operational performance of the mentioned joint ventures and subsidiaries carry several risks and uncertainties, including: 1) Order (volumes and pricing) 2) Assembly costs 3) Product quality. These factors present management challenges for the Company, encompassing equipment procurement, supplier management, funding acquisition, capital expenditures, and securing skilled labor with relevant knowledge and expertise. Furthermore, climate change can impact testing in the agricultural machinery sector. These various risk factors could potentially lead to performance shortfalls relative to the Company's business targets.

## Risk Management

The Company has implemented the following measures to manage these potential risks:

- 1) Partner Management: Seeking out partners with specialized knowledge and extensive experience.
- 2) Assembly System Oversight: Company representatives are appointed to the boards of joint ventures to closely monitor and review operational

performance. This includes regular joint meetings between senior executives of the Company and its partners, thorough reviews of feasibility studies, evaluations of investment returns, and adapting business models to rapidly changing circumstances. Reports are then submitted to the Board of Directors.

- 3) Supply Chain Management: Identifying opportunities to advance engineering knowledge and modern technologies to continuously enhance the Company's capabilities.

## 3. Risk from Climate Change



### Environmental



### Governance

Climate change continues to be recognized globally as a significant risk factor, with all sectors increasingly aware of its potential impacts. At the 29<sup>th</sup> session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), held in November 2024 in Baku, Azerbaijan, the focus remained on climate change issues. Key agenda items include establishing new financial targets and a transparent framework for climate reporting and adaptation.

In Thailand, the anticipated shift from El Niño to La Niña phenomena in mid-2024 could significantly impact the agricultural sector, including industries involved in the production and distribution of agricultural machinery and equipment. Changes in rainfall patterns and temperature may pose risks to agricultural yields, production costs, and supply chain stability. Furthermore, demand for agricultural machinery could fluctuate in response to market conditions and the purchasing power of farmers, potentially impacting production planning, inventory management, and overall competitiveness.



## Risk Management

The Company recognizes the importance of climate change risks and is committed to being part of the solution by mitigating their impacts. The Company has established targets to reduce greenhouse gas emissions and has continuously implemented measures to combat global warming and efficiently manage energy. The approach encompasses various operational areas:

- 1) Utilization of clean energy through solar power systems
- 2) Optimizing the efficiency of machinery use and maintenance processes
- 3) Reducing energy loss from the production of substandard goods through the application of digital technology. This is an essential mechanism for reducing greenhouse gas emissions.

In the production of agricultural machinery components, the Company has implemented flexible adjustments to its production lines. This includes raw material procurement plans, product manufacturing schedules, and inventory management, to ensure responsiveness and efficiency in adapting to rapidly changing circumstances.

In addition, the Company continues to pursue its sustainability strategy with the goal of becoming a climate-resilient organization. This includes promoting the use of renewable energy and energy conservation. This commitment strives to achieve a balance between business growth and environmental responsibility.

## Operational risks

### 1. Risk from Declining Production Volumes in the Pickup Truck and Agricultural Machinery Segments Due to Economic Factors



The overall economic recovery in the country remains slow, posing limitations on household income growth and contributing to rising household debt levels, thereby weakening the repayment capacity of consumers, particularly in the pickup truck segment. These factors have prompted financial institutions to tighten lending criteria, especially for auto loans, resulting in a significant increase in loan rejection rates. This impacts consumers' public access to credit and purchasing power, consequently leading to a substantial decrease in domestic automobile production volumes.

## Risk Management

The Company acknowledges the potential impact of these risks and has implemented measures to adjust production plans in line with changing demand. This involves optimizing resource utilization across the supply chain and continuously improving production processes to minimize losses and enhance efficiency. Concurrently, the Company is actively seeking new market opportunities and sales channels by increasing export volumes. This includes expanding product offerings in current export markets and extending sales to other countries, while also focusing on maintaining the existing customer base. These measures aim to mitigate the impact of this risk on the Company's operational performance.

## 2. Human Resource Management Risk in Response to Business Transformation



Social



Governance

The declining trend in the domestic automotive market directly impacts the manufacturing sector within the automotive industry and its related parts manufacturers. These entities face the challenge of adapting to changing market conditions. Concurrently, the agricultural machinery and equipment manufacturing sector in 2024 is influenced by the shift from El Niño to La Niña. If La Niña's impact is minimal, it could result in sufficient and suitable water availability for cultivation, leading to increased agricultural output. This would be a positive factor for the agricultural sector and consequently benefit businesses related to agricultural machinery and equipment.

### Risk Management

In response to the declining trend in the automotive market and the improving outlook for the agricultural machinery and equipment manufacturing sector, the Company has implemented workforce adjustments and continuously upskilling its personnel. Work processes are adapted to be more agile by leveraging digital technology. The objective is to align with current market conditions and business trends, ensuring operational adaptability and effectiveness. Concurrently, the Company is optimizing work processes, such as consolidating production lines, and preparing various employment strategies and procedures to ensure the operations remain appropriate and responsive to circumstances.

## 3. Cybersecurity Risk



Social



Governance

The rapid evolution and development of technology have made access to information systems easier and faster. This presents a significant risk that could lead to data breaches and the security of the Company's information systems. Without adequate and appropriate cybersecurity measures or systematic management, such vulnerabilities could severely damage the Company's reputation, corporate image, and stakeholder confidence.

### Risk Management

The Company places high importance on safeguarding information, including all data related to stakeholders across the entire value chain. A policy for the appointment of a Cybersecurity and Information Technology System Committee and Working Group is officially implemented. Preparedness and response to cyber threats are conducted in alignment with the NIST (National Institute of Standards and Technology) Cybersecurity Framework, which systematically covers identification, protection, detection and monitoring, and measures of incident response and recovery. The Company has also undergone cybersecurity risk assessments as per the requirements of key customers and utilized Two-Factor Authentication (2FA) for network administrators, an effective method for enhancing organizational system security. Additionally, personnel are assigned to assess and monitor cybersecurity risks through monthly line-level risk assessments, which are subsequently reported to the Enterprise Risk Management Committee for consideration. Furthermore, the Company continuously and effectively promotes awareness and knowledge regarding information technology and cybersecurity risks among personnel and stakeholders. This is achieved through pre- and post-training comprehension tests on “The Importance of Cybersecurity” and “Cyber Threats.” These

comprehensive measures aim to reduce the risk of cyberattacks and build stakeholder trust in the organization’s data security.

4. Human Rights Risk



The Company places high importance on and is committed to treating all personnel fairly and equally, without discrimination. In addition to respecting human rights, our labor practices adhere to international standards, the Thai Labor Protection Act, Thai Labor Standards, and all other relevant laws and regulations. As the Company and Somboon Group operate across diverse locations and involve a wide range of individuals, the Company manages this by disseminating information and fostering an environment that encourages cooperation and shared understanding.

Risk Management

The Company and Somboon Group recognize the importance of and respect human rights in all aspects for all individuals, as well as society and communities. This adherence is in accordance with national laws and international treaties to which each country is signatory. The Company assesses and ensures compliance with relevant regulations and continuously integrates international human rights principles into its practices. These include: the Thai Labor Standard 8001-2020 (TLS), the United Nations Guiding Principles on Business and Human Rights (UNGP), and the Guide to Human Rights Impact Assessment and Management (HRIAM). The Company communicates and instructs employees on human rights through comprehension tests and has publicly announced its Personal Data Protection Policy on the Company’s Website. Furthermore, multiple communication channels are available for receiving feedback and complaints,

such as suggestion boxes and the Company’s whistleblowing channels. Currently, no high-risk human rights issues have been identified.

5. Supplier Risk



In line with the “Somboon Triple Bottom Line” business philosophy, aimed at fostering sustainable growth for “Smart People,” “Business Trust,” and “**Growth Society,**” the Company supports, promotes, and develops both upstream and downstream suppliers. This collaborative approach aligns with the Company’s sustainable business practices, ensuring mutual and long-term growth. The Company’s core business involves the manufacturing of automotive and agricultural machinery parts, for which steel is the primary raw material. The Company sources steel from domestic distributors and collaborates with international steel manufacturers to develop material specifications as required by customers, who specify both the specifications and the source of the steel. Additionally, the Company procures compressed scrap steel from multiple domestic suppliers.

Risk Management


The Company prioritizes enhancing the efficiency of its supply chain management and is committed to integrating sustainable development practices throughout the entire supply chain. Regarding raw material suppliers, the Company develops its suppliers to align with customer requirements and technological advancements. In addition, the Company diversifies its raw material sources through strategic sourcing, screening, and research and development of alternative suppliers. This is complemented by efforts to foster long-term relationships with suppliers under mutually beneficial conditions that support price, volume, and quality stability. Furthermore, The Company collaborates closely with suppliers to jointly

develop raw material sources and production processes, aiming to create a shared competitive advantage.

Regarding customer relationship management, the Company places significant emphasis on conducting business with good governance, strictly adhering to and supporting customers' guidelines and No Gift Policy. The Company is committed to fostering an organizational culture rooted in ethics, transparency, and accountability. Moreover, the Company collaborates with its suppliers to ensure fair business practices that align with relevant laws, regulations, and standards. This effort aims to build mutual trust and cultivate sustainable business relationships.

Financial risk

1. Raw Material Price Volatility

 Governance

The volatility of raw material prices, particularly steel, which serves as a primary input in the Company's production process and is classified as a commodity, presents poses a significant risk. Price fluctuations driven by market mechanisms can create uncertainty in product pricing and lead to variations in the Company's overall financial performance.

Risk Management

The Company has established a framework for managing the risk of raw material price volatility. This includes appropriately considering product price adjustments in sales contracts based on changing costs, in line with industry standards. The Company also monitors and negotiates with customers to adjust product selling prices according to contract cycles. In addition, it continues to source and develop new raw material suppliers to mitigate the impact of price fluctuations.

Compliance Risks

1. Preparedness for Regulatory and Compliance Changes

 Environmental

 Social

 Governance

According to the ongoing revisions or changes to regulations, requirements, and measures relevant to its business operations, the Company recognizes the importance of compliance and is committed to thoroughly studying and adhering to all such mandates, especially a focus on sustainability and environmental responsibility. For instance, the Company is assessing the implications of the IFRS S1 and S2 Sustainability Disclosure Standards should they become effective. Similarly, the Company is preparing for the implementation and compliance with the requirements of the Clean Air Act once it is enacted. These represent significant challenges that the Company and the Somboon Group must prepare for, study, comply with, and effectively adapt to in alignment with the changing legal and regulatory circumstances.

Risk Management

The Company has implemented risk management measures by mandating regular reviews and assessments of all regulations and requirements relevant to its business operations. This includes training employees on relevant changes and actively studying, updating, and developing policies to accommodate evolving criteria. To achieve this, the Company has appointed responsible personnel and established working groups as necessary to oversee implementation. In preparation for environmental reporting, the Company is systematically collecting and organizing data related to the environmental impact of its operations. The Company is in the process of developing and upgrading its ESG Data Platform to serve as a centralized

management system for the Company's ESG data. This will significantly improve the efficiency of data retrieval, access, and reporting.

## Emerging Risk

### 1. Supply Chain Risk from Geopolitical Factors



Environmental



Social



Governance

Ongoing geopolitical tensions, such as the prolonged conflict between Russia and Ukraine, continue to pose significant risks to the Company's strategic planning and operations. These impacts include fluctuations in fuel prices, increased transportation costs, and potential shipping delays. Furthermore, trade measures between the U.S. and China, ASEAN, Thailand, and other countries globally that engage in international trade with the U.S. are a concern. The anticipated re-entry of President Donald Trump in early 2025 is expected to directly affect the automotive industry's supply chain and, consequently, Thai automotive parts manufacturers, primarily due to his proposed import tariffs. While an analysis of the impact on key suppliers regarding exports and raw material steel has not revealed severe disruptions to transportation, the situation requires close monitoring and vigilance.

### Risk Management

The Company has implemented measures to closely monitor and track news related to these geopolitical risk factors. Comprehensive analyses of both internal and external factors are conducted, with a specific focus on potential U.S. trade policies that could increase import tariffs and affect cost structures and sourcing processes. To prevent and mitigate potential impacts, the Company has adjusted its strategies. These adjustments include optimizing international inventory levels, rerouting transportation paths,

and exploring alternative shipping channels. These actions aim to meet customer demands on schedule, reduce risks associated with delivery delays, and maintain supply chain continuity. Additionally, the Company continues to seek opportunities to diversify markets into other regions to minimize the potential impacts on overall business performance stemming from geopolitical uncertainties.

## Risks to Security Holders' Investments

### 1. Uncertainty of Returns Expected by Investors

The Company's share price is influenced by its operational performance and long-term growth prospects, which may be affected by various factors, including:

- Thai automotive production volumes.
- Thai agricultural machinery production volumes.
- Changes in policies, regulations, or conditions impacting the automotive and agricultural machinery industries.
- Increased production costs due to rising raw material and energy prices.

- Economic conditions, crises, or unusual situations, such as:

The slowdown of the Thai economy, affecting domestic automotive demand and production. The Red Sea crisis, directly impacting automotive parts exports. And the international trade policies that influence cost structures and prices, including import and export tariffs and local content requirements. These factors may adversely affect the Company's business performance and share price.

### 2. Risk of Dividend Payout Not Meeting Investor Expectations

The ability to pay dividends depends on several factors, including maintaining sufficient cash reserves for business operations, regular capital expenditures, and reserving capital for business expansion. These



factors may affect the amount of cash available for dividend payouts to shareholders. However, the Company has established a dividend payout policy of not less than 30 percent of net profit after deductions for all required legal and company-specific reserves.

#### Risk of Investing in Foreign Securities (for foreign issuers)

-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

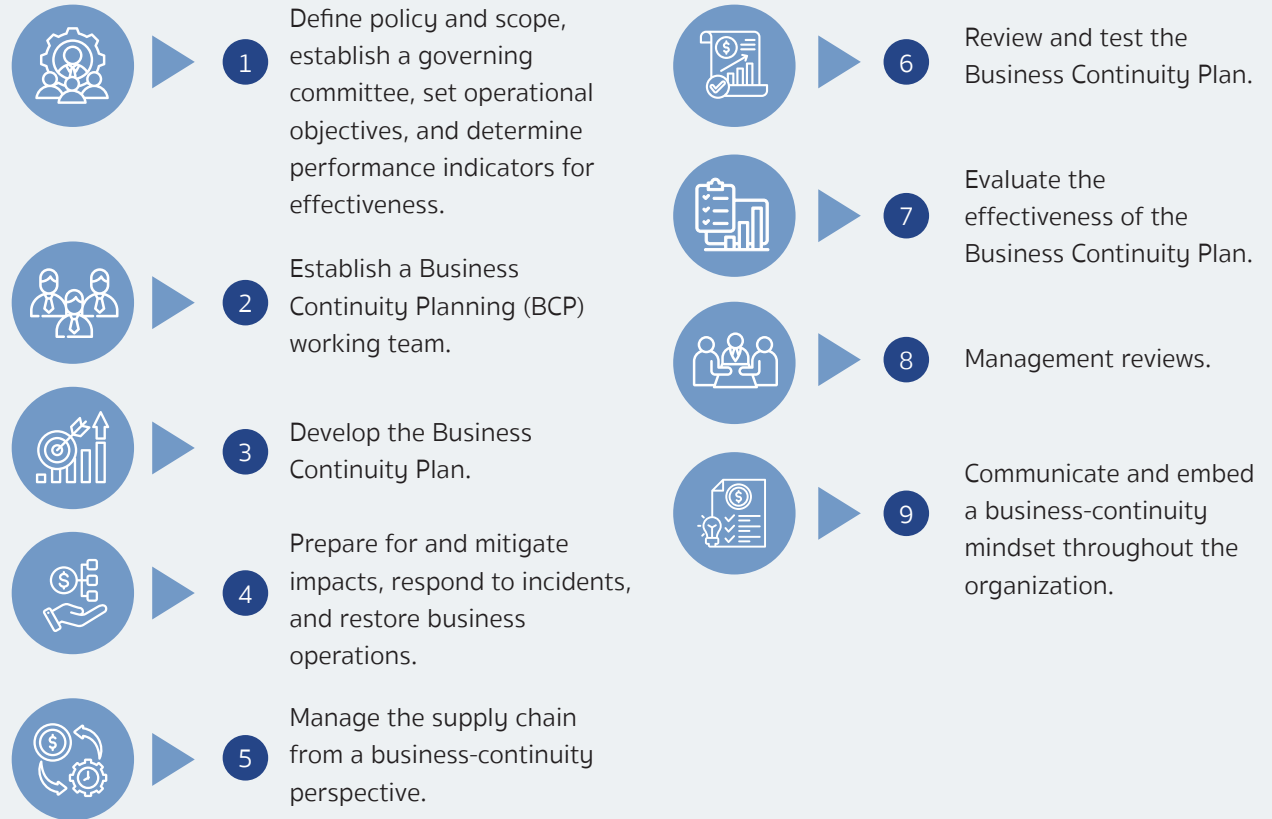
The company has established a Business Continuity Management Committee (BCM Committee) responsible for overseeing business continuity management and reporting to the Enterprise Risk Management Committee at the executive level. This policy focuses on developing a business continuity system according to 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 Approach

The company has adopted the ISO 22301 : 2016 Business Continuity Management standard as a framework to develop a 9 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 2024, 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.

Objectives and Results of Operations

Based on the proportion of the company’s sub-business 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)



Goals for 2024

100%

Performance 2024

100%





Business Continuity Plan



# 6



## Smart People

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

# SMART PEOPLE





## Performance 2024



Employee participation in  
social contribution activities

98%



Average training provided

16 Hour/People /year



Course personnel Development

132 Programs



Budget for employee  
capability development

4.2 Million Baht



# 6.1 The Smart People Strategy



## “Create Value for Oneself, the Organization and Society”

Amid rapid global changes in technology, economy, society, and the environment, the company recognizes the importance of adapting its “**people**” and “**organizational culture**” management strategies. This is to ensure resilience in the face of change and to enable sustainable growth at the individual, organizational, and societal levels.



## The Smart People Policy

The company is committed to creating a positive work experience for its employees and aims to become a learning organization, employees can develop future skills to cope with changes in society, technology, and the environment. The company also seeks to instill a strong sense of ethics, responsibility, and good corporate citizenship, with the ultimate goal of nurturing truly “**Smart People.**”



## Management Approach



### 1. Developing Competent People (Competency for Performance & Growth)

Emphasizing the development of essential skills for career advancement through a variety of strategic development tools such as.

- Reskilling Upskilling : Developing new skills in employees to adapt to technological changes.
- IDP (Individual Development Plan): Defining Individual Development Plans Based on Career Paths.
- On-the-job Learning: Learning through actual work, ex. CI Projects, Talent Projects
- Coaching & Mentoring: Transferring leadership experienced to employees



### 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.



### 2. Developing Good People

Focusing on instilling ethics, transparency, and social responsibility alongside skill development

- 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.



### 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

In today's dynamic and increasingly competitive business environment, particularly within the automotive industry, **"personnel"** remains the Company's most valuable asset. The Company recognizes the critical importance of developing employee potential and fostering their professional growth to drive sustainable organizational advancement across all dimensions.

In 2024, the Company prioritized a structured approach to human resource development. This encompassed analyzing personnel development models aligned with strategic organizational goals, setting clear personnel development objectives, designing diverse development programs, and effectively evaluating outcomes. The aim is to achieve tangible results, not only in terms of enhancing work capabilities and creating organizational value, but also in extending the value of learning to daily life and family.

The Company believes that investing in employee development is an investment in the organization's future. Employees who are continuously developed can apply new knowledge, skills, and mindsets to their work, thereby increasing efficiency, minimizing losses, and innovating value-creating solutions in a concrete manner. Simultaneously, employees can apply this knowledge in their personal lives, such as financial planning, leveraging technology for convenience, and enhancing communication skills, thereby promoting a better quality of life and enabling them to share knowledge with family members.

### Personnel Development Policy

The Company recognizes that employees are the cornerstone of driving sustainable organizational growth, guided by the principle of **"Smart People"** which means both ethical and skilled. This forms the foundation of the **"3 Somboon Triple Bottom Line"** which means both ethical and skilled. This forms the foundation of the "Somboon Triple Bottom Line" philosophy. The

Company is committed to enhancing the potential of employees at all levels to strengthen competitive capabilities and achieve business objectives with stability.

Furthermore, the Company places an emphasis on fostering a **"learning organization"** that promotes lifelong learning. Employees are provided with continuous opportunities to grow professionally and become drivers of change within the organization and the broader society. The Company also encourages a culture of knowledge, skill, and experience sharing to collectively create value for individuals, the organization, families, and society at large.

#### 1. Systematic Analysis of Training Needs and Development Goals

The Company prioritizes a systematic approach to human resource development, beginning with a Training Needs Analysis (TNA). This ensures that development efforts are targeted, aligned with organizational goals, and equipped employees to effectively adapt to future changes. The analysis approach is categorized into four key areas:

##### 1) Annual Performance Evaluation Combined with Job Competencies

The Company analyzes annual performance evaluations in conjunction with job-specific competency assessments to identify individual **"skill gaps"** for each employee position. The results of this analysis are then used to formulate Individual Development Plans (IDPs), ensuring employees receive training that directly addresses their specific needs.

##### 2) Technological Changes and Business Trends

The Company continuously monitors and analyzes technological trends and industry shifts, such as electric vehicle (xEV) technology, automation & robotics, and modern agricultural technology (Agri-tech). This allows designing



development programs that equip employees with future-ready skills, thereby maintaining the Company’s long-term competitiveness.

### 3) Employee Needs Surveys and Executive Line Walks

The Company directly surveys employee training needs and conducts “Line Walk” interviews with supervisors and executives through on-site visits. These activities are designed to collect in-depth information that reflects actual operational contexts, which is then used to refine and develop highly relevant training programs.

### 4) Development of Skill Maps for Operational Staff

The Company utilizes the Standard Skill for Operation (SSO) framework to analyze the essential skills required for each operational role, such as specialized knowledge, technical skills, and specific proficiencies. This approach facilitates targeted development planning and long-term progress tracking.

Based on the four key areas of the training needs analysis, the Company has established a clear and measurable training policy and objectives. To achieve these goals, the Company has implemented an In-house Training Program, designed and developed internally by the organization’s team. These programs are tailored according to the results of the Training Needs Analysis and aligned with the actual business context of each department.

ตำแหน่งงาน	ความรู้	ทักษะ	สมรรถนะ
ช่างเทคนิค	ความรู้เกี่ยวกับเครื่องจักรกล	การซ่อมบำรุงเครื่องจักรกล	การแก้ไขปัญหา
ช่างไฟฟ้า	ความรู้เกี่ยวกับระบบไฟฟ้า	การติดตั้งและซ่อมบำรุงระบบไฟฟ้า	การแก้ไขปัญหา
ช่างเชื่อม	ความรู้เกี่ยวกับเทคนิคการเชื่อม	การเชื่อมโลหะ	การแก้ไขปัญหา
ช่างควบคุมเครื่องจักร	ความรู้เกี่ยวกับระบบควบคุมเครื่องจักร	การควบคุมเครื่องจักร	การแก้ไขปัญหา
ช่างตรวจสอบคุณภาพ	ความรู้เกี่ยวกับมาตรฐานคุณภาพ	การตรวจสอบคุณภาพ	การแก้ไขปัญหา
ช่างบำรุงรักษา	ความรู้เกี่ยวกับระบบบำรุงรักษา	การบำรุงรักษาเครื่องจักร	การแก้ไขปัญหา
ช่างความปลอดภัย	ความรู้เกี่ยวกับกฎระเบียบความปลอดภัย	การปฏิบัติตามกฎระเบียบความปลอดภัย	การแก้ไขปัญหา
ช่างสิ่งแวดล้อม	ความรู้เกี่ยวกับกฎระเบียบสิ่งแวดล้อม	การปฏิบัติตามกฎระเบียบสิ่งแวดล้อม	การแก้ไขปัญหา

In-house Training Program’s key advantage is its flexibility and adaptability to the specific needs of each functional area, covering both technical competencies and supporting skills. The curriculum encompasses the following key topics:



1) **Digital Skills** This includes productivity software utilization, basic data analysis, collaboration with automation tools, and the effective use of AI (Artificial Intelligence) as a future innovation.



2) **Management & Leadership Skills** Courses under this category include training for new supervisors and entry-level managers (New Supervisors Training), leadership development, team management, and conflict resolution within teams.



3) **Occupational Safety Skills** This involves fundamental safety training for new employees, safe operation of machinery, basic fire safety, and emergency response drills.



4) **Sustainability & Environmental Awareness** Programs such as the “ESG DNA: Sustainability Knowledge Set”, waste segregation and the organization’s carbon footprint awareness.

In 2024, the Company implemented the “ESG DNA: Sustainability Knowledge Set” project from the Stock Exchange of Thailand as a tool to promote sustainability knowledge and awareness among employees, starting with those at the head office. The Company set a goal of 100% online training participation for employees and achieved a 98% completion rate.



External Training Program

In addition to internal training, the Company encourages employees to participate in external training programs. This initiative aims to enhance specialized knowledge and skills that address the specific needs of individuals or functional teams, based on the results of Training Needs Analysis (TNA). This ensures that selected courses are aligned with the Company’s requirements and strategic objectives, such as preparing for new roles or adapting to technological advancements.

Furthermore, the Company promotes the implementation of On-the-Job Training (OJT) by departments. This allows employees to learn from real-time operational situations and immediately apply their knowledge, which is considered a key element in achieving continuous development at the operational level.



Training Hours

2024 Target

12 hours / person / year

2024 Performance

16 hours / person / year



Competency Gap Closure

2024 Target

2 topics / person / year Chief Up

2024 Performance

1.7 topics / person / year Chief Up

2. Training and Capability Development Program

To systematically foster human resource development that aligns with the Company’s policies and strategic direction, the training program is designed to cover job-specific skills, general competencies, and strategic development. The objectives are to enhance employee capabilities, create opportunities for professional advancement, and strengthen the organization’s long-term competitiveness.



Projects	Benefits to Employees	Benefits to the Company
<b>1. Individual Development Plan (IDP)</b> Employees at all levels are given the opportunity to develop personalized skill development plans in collaboration with their supervisors. These plans are aligned with job competencies and organizational goals. Development outcomes are linked to merit evaluations and considered in compensation adjustments.	<ul style="list-style-type: none"> <li>Employees are provided with a clear, systematic development and career growth path.</li> <li>23 employees received promotions.</li> </ul>	<ul style="list-style-type: none"> <li>The turnover rate among employees with IDPs decreased from 7.5% to 4.2%.</li> </ul>
<b>2. Talent Successor</b> This project is designed to prepare successors for managerial positions and above. It focuses on developing essential leadership skills, strategic analysis capabilities, and other competencies critical for future roles.	<ul style="list-style-type: none"> <li>12 employees were provided opportunities for career growth and advancement.</li> <li>1 employee received a promotion.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the time required to recruit executives from 60 days to 45 days.</li> <li>Mitigated the risk of 12 critical positions lacking qualified successors</li> </ul>
<b>3. Skill Map Training Based on SSO Standards</b> This program provides training aligned with the Skill Matrix defined by each department, particularly within production lines, to ensure employees possess skills that meet the Company's professional standards.	<ul style="list-style-type: none"> <li>Section chiefs and supervisors gain opportunities to learn new technologies and are eligible for performance-based compensation or promotions.</li> </ul>	<ul style="list-style-type: none"> <li>Employees developed a correct understanding of operational standards, leading to a 20% reduction in operational errors.</li> </ul>
<b>4. The learning project, "Artificial Intelligence (AI) and its Applications in the Workplace,"</b> was established to enhance understanding of technological trends that are transforming the work environment. It focuses on fostering an open mindset for continuous learning among employees, aligning with the SMART Culture principle: M – "Mindful Learning" (lifelong learning, leveraging technology for problem-solving and development). The project also promotes the practical application of AI to tangibly improve work efficiency and quality.	<ul style="list-style-type: none"> <li>54 employees gained a fundamental understanding of AI concepts and its role in daily life and the workplace, along with increased awareness and readiness for technological change.</li> <li>Repetitive tasks (e.g., document/report generation) were reduced by an average of 20% within three months of AI implementation.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's image has been elevated as a modern organization that prioritizes employee skill development and promotes technology to enhance operational efficiency.</li> <li>54 employees are now proficient in using at least one AI tool (e.g., ChatGPT, Copilot).</li> </ul>

Projects	Benefits to Employees	Benefits to the Company
<b>5. Continuous Improvement (Kaizen, QCC, Lean)</b> The Company continuously enhances operational efficiency and quality by fostering teamwork and systematic problem-solving through Kaizen, Quality Control Circle (QCC), and Lean practices.	<ul style="list-style-type: none"> <li>100% of staff-level employees and supervisors participated in practical learning and development.</li> <li>100% of staff-level employees and supervisors received KPI-based bonuses.</li> </ul>	<ul style="list-style-type: none"> <li>Cost reduction of <math>\geq 5\%</math>.</li> <li>Enhanced corporate image through national awards, such as the Golden Award.</li> </ul>
<b>6. The Financial Planning Training Program</b> was implemented to enhance employees' financial planning knowledge, particularly in managing financial risks, preparing for emergencies, and planning for post-retirement life. It also promotes employees' life planning skills and helps them effectively understand financial trends in the digital era.	<ul style="list-style-type: none"> <li>50 participating employees can concretely plan their monthly budgets.</li> <li>The proportion of employees joining the provident fund increased by 5%.</li> <li>Employees gained comprehensive financial planning knowledge, enabling them to apply it in their daily lives.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced financial stress among employees, which can positively impact work performance and reduce turnover rates.</li> </ul>

### 3. Building a SMART Organizational Culture

The Company prioritizes cultivating a robust organizational culture as a foundation for sustainable human resource development. This includes particularly embedding the “**SMART Culture**” which reflects the Company’s core values. Recognizing the evolving business needs and dynamic industry trends, the Company has designed the “Step Culture” organizational culture-building process to foster rapid adaptation and flexibility among employees in the workplace. Furthermore, the Company continuously monitors employee perception and behavior of this culture through Culture Assessments. The objectives for building this organizational culture are to:



Promote employee behavior at all levels that aligns with SMART values.



Instill the concepts of a “Learning Organization” and “Ownership Culture.”



Elevate the organizational culture assessment results to  $\geq 90\%$ .





In addition, the Company has established a step-by-step approach to implementation:

1. Plan operations from recruitment, orientation, and training to performance evaluation and awareness-building activities, ensuring SMART behaviors are integrated from an employee's first day.
2. Learning and behavior reinforcement activities.
3. Organize collaborative learning activities (Learning Culture) both online and onsite.
4. Conduct internal communications such as clip sharing, quizzes, and mini workshops on SMART values.
5. Evaluate performance by linking behavior to organizational values.
6. Integrate demonstrated SMART behaviors into the employee performance evaluation system for salary adjustments, bonuses, and career advancement considerations.
7. Utilize in the selection of talent and successors for critical organizational roles.

Benefits to Employees	Benefits to the Organization
<ul style="list-style-type: none"> <li>Employees understand and practically apply organizational values. According to the 2023 assessment, 91.48% of employees reported awareness of the SMART Culture.</li> <li>Employees gain increased confidence in their work and receive recognition from supervisors for their behavioral alignment.</li> <li>Employees receive enhanced compensation, including bonuses and promotion considerations, due to their behavior aligning with the organizational culture.</li> </ul>	<ul style="list-style-type: none"> <li>The organization fosters a workforce with unified behaviors, enabling smoother strategic execution.</li> <li>The turnover rate among talents and high-potential employees is reduced.</li> <li>The organization enhances its adaptability to ongoing business changes.</li> <li>Organizational brand credibility is elevated through consistent internal behavioral alignment.</li> </ul>





## 6.3 Good People Development

The Company is committed to fostering social and community development alongside its business growth by instilling in employees a strong sense of the “**morality**” and “**gratitude**” principles, in alignment with the vision of the founder, Mr. Somboon Kitaphanich. These principles serve as the foundation for building a robust, sustainable, and mutually supportive society across all dimensions, including education, environment, and health. The goal is to reduce disparity, promote equality, and enhance the quality of life for all sectors, empowering them to achieve self-reliance.

Furthermore, the Company encourages employees to leverage their knowledge, abilities, and skills to develop and implement beneficial activities that deliver value back to society. This is achieved through their sustained participation in various projects aimed at improving the quality of life.



### Good Deeds Promotion Policy

The Company recognizes the importance of fostering processes that enable the development of surrounding societies and communities, growing together without leaving anyone behind. Consequently, the Company has reviewed and formulated various community development strategies to align with the needs of each stakeholder group appropriately. This is achieved through collaboration among the Company, government agencies, local authorities, customers, and communities, supporting the UN Sustainable Development Goals (UN SDGs).

### Management Approach

Regarding managing participation and developing good people, the Company acknowledges the significance of employee participation and the development of their potential alongside social responsibility. Therefore, the Company has set a target for 100% of all employees to participate in social activities as per established goals. This initiative aims to genuinely instill a sense of responsibility and active participation in society.



Target for social activity participation

100%

of all employees

Actual social activity participation

98%

of all employees



In 2024, the Company initiated **72** social projects and activities, including blood donation, with a total of **1,981** employee participants.

“72 Smart People Activities for Sustainability” Project ”

### 1. The “72 Smart People Activities for Sustainability” Project

In commemoration of the auspicious occasion of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua’s 72nd Birthday Anniversary, the Company and its employees collaboratively organized beneficial social and community activities under the **“72 Smart People Activities for Sustainability”** project. These activities were conducted as a royal tribute to His Majesty the King, aligning with the principle of **“Continue, Preserve and Build”** to foster lasting stability.

This project was created from the collaborative power of employees at all levels, who collectively brainstormed, shared perspectives, and exchanged experiences. This effort led to the development of initiatives that maximize benefits for society, communities, and the environment. The resulting diverse activities align with community needs and generate tangible outcomes, reflecting the comprehensive nature of **“Smart People”**. This project was created from the collaborative power of employees at all levels, who collectively brainstormed, shared perspectives, and exchanged experiences. This effort led to the development of initiatives that maximize benefits for society, communities, and the environment. The resulting diverse activities align with community needs and generate tangible outcomes, reflecting the comprehensive nature of **“Somboon Triple Bottom Line.”**

The Company believes that encouraging employee participation in social activities inspires collaboration skills, fostering positive change at the organizational, social, and community levels, thereby creating a more livable environment. This commitment ensures that the Company genuinely grows sustainably alongside its communities and society.

Department	Education	Traditions / Volunteerism	Knowledge and Quality of Life Enhancement	Environmental Conservation	Health and Hygiene Promotion
ICP1		2	3	7	
ICP2	1	3	2	4	2
SAT / SDS / STRON / SST /SAA		1	5	4	2
SBM	2	1	4	5	
SFT1-2			5	7	
SFT3	1	5	2	4	
Total	4	12	21	31	4

A key initiative is **“Environmental Conservation”** which aligns with royal initiatives on forest restoration and efficient water management. Employees have educated communities on waste management and utilized black sand dust from production to manufacture bricks, thereby reducing waste and promoting resource efficiency. The Company supports ecosystem conservation activities, such as collaborating with government agencies and local communities on reforestation and releasing aquatic species. Furthermore, the Company promotes clean energy by installing solar cells in temples, schools, and communities to reduce fossil fuel consumption etc.





Royal Reforestation Project in collaboration with Amata City Rayong Industrial Estate.

The Company also promotes **“Knowledge and Quality of Life Enhancement”** by empowering employees to create CSR initiatives that enhance community well-being. These efforts focus on empowering local leaders, residents, and youth to achieve self-reliance and generate income. Examples include kitchen garden (homegrown vegetable) projects, mushroom cultivation farms, and the donation of rotary blades to farmers, all in line with the **“New Theory Agriculture”** royal initiative, enabling self-sufficiency through efficient natural resource utilization.



Aquatic Resource Conservation activities (fish releasing) and artificial fish habitat construction with Amata City Rayong Industrial Estate.



Improving mushroom farms and kitchen gardens to provide lunch for students at Baan Nong Kainao School.



The “Donation of Rotary Blades to Farmers for Sustainable Social Development” project.



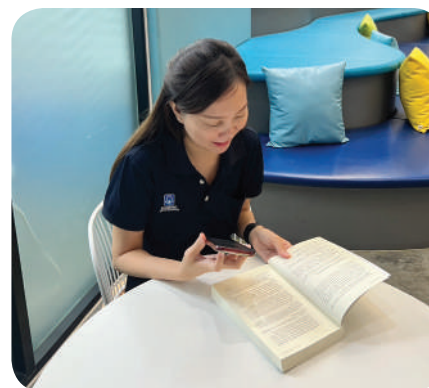
The Company's commitment to community engagement and strong relationships is further demonstrated by its employee volunteers who contribute to public benefit activities, encompassing both traditional customs and volunteerism. These activities include temple cleaning, providing lunch for children, donating essential items to Wat Phrabat Nam Phu, reading audiobooks for the visually impaired, painting pedestrian bridge lines, and participating in the candle procession during Buddhist Lent, etc.



Religious activities.



The "Caring for Pedestrian Bridges" activities.



Reading audiobooks for the visually impaired.



In the area of education, the Company focuses on enhancing safety and fostering a positive learning environment in schools. This is achieved through projects involving the construction and renovation of school buildings, landscaping pathways for public benefit activities, and the installation of solar-powered lighting to boost safety. Additionally, employee volunteers repair tables and chairs using the 3Rs principle to minimize waste, maximize resource utility, and enable schools to efficiently allocate budgets for essential educational needs.



Project: Repairing tables and chairs.



Project: Constructing and renovating school buildings and donating stationery.



Furthermore, **regarding health and hygiene promotion**, the Company emphasizes preventive healthcare through first-aid knowledge programs and volunteer initiatives. These include creating IV-line protection gloves, crafting pillows from plastic straws, and improving parallel walking bars at the Mab Yang Porn Subdistrict Health Promoting Hospital. These efforts aim to enhance access to healthcare services, reduce inequality, and improve quality of life, aligning with the UN Sustainable Development Goals (UN SDGs).



Renovating the exercise area for patients learning to walk at Mab Yang Porn Subdistrict Hospital

The Company aims for the **“72 Smart People Activities for Sustainability”** project to symbolize the collective dedication of all employees within the organization. This initiative is envisioned as a foundational element for the sustained well-being of Thai society, steadfastly following in the royal footsteps with profound gratitude for His Majesty the King’s immeasurable benevolence.

## 2. Blood Donation

The Company supports its employees in contributing to society through blood donation, recognizing it as a meaningful way to create value and extend compassion to others. In collaboration with the Thai Red Cross Society, the Company has consistently organized annual blood donation for its employees over the past 26 consecutive years. In 2024, a total of 182 employees, executives, and suppliers collectively donated 75,000 cc of blood. This reflects the Company’s unwavering commitment to promoting good deeds and contributing to society.



# 7



## Business Trust

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- 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





# BUSINESS TRUST



## Performance 2024



Customer satisfaction assessment

92%



The Lost Time Injury frequency rate

0.22



GHG release from process Scope 1,2

33%

## 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 2024, the company enhanced its 2024 sustainability strategy with a more proactive approach in response to the increasingly challenging global context, Such as climate change, evolving customer expectations across the supply chain, and rapid technological adaptation. The company has refined its management approach to align with the Sustainable Development Goals (SDGs) and evolving global trends while reinforcing inclusive engagement from all stakeholder groups.

### 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 human rights, labour rights, and equality principles.
- Responsible for safety according to the working environment .
- Develop products and services that meet customer needs.
- Promotion of employee well-being, motivation, and organisational engagement.
- Promote responsibility towards society and the environment.

#### 2. Supply Chain Management:

- Expansion of partner engagement in ESG.
- Support for supplier standards enhancement, including international standard development and ESG assessments.

#### 3. Efficient Resource Use:

- Resource Intensity Reduction Targets per Production Unit (e.g., energy, water, and waste)

- Promotion of Environmental Management Based on the Circular Economy.

#### 4. Innovation Creation:

- Develop technology and innovations that create business value while contributing to the reduction of environmental impacts.
- Promotion of Internal Creativity and Innovation. (e.g., SAT Innovation Day)

#### 5. Tax Management:

- Development of Financial and Tax Strategies in Accordance with Corporate Governance Standards.
- 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		
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 dedicated to protecting and promoting human rights across all aspects of its business operations. Human rights are fundamental entitlements from birth, and equality is a core principle for fostering a positive society and work environment. The Company encourages collaboration with all relevant parties to address diverse issues, thereby mitigating risks that could lead to human rights violations. This includes creating a safe working environment, treating suppliers equitably, and controlling pollution that might impact communities. The Company upholds ethical practices and respects the rights of all individuals, with the goal of contributing to a better world for everyone involved.

### The Company's Human Rights Policy

The Company places high importance on compliance with human rights principles and is committed to adhering to international standards, including: the United Nations Guiding Principles on Business and Human Rights (UNGP), the Human Rights Impact Assessment and Management (HRIAM) guidelines, and recommendations from the Stock Exchange of Thailand (SET). The Company has integrated these essential guidelines to develop a comprehensive human rights due diligence process, as outlined in the Company's Human Rights Policy and incorporated into the manual of Business Ethics and Code of Conduct, which provides clear operational guidelines.

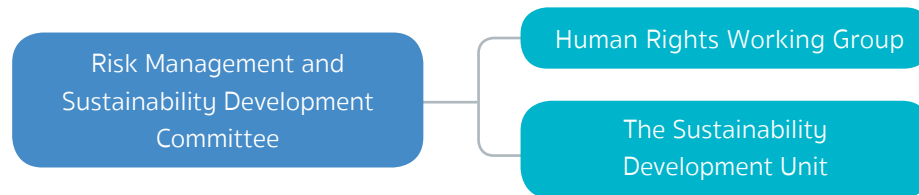
### 1. Human Rights Governance Structure and Working Group

#### The Risk Management and Sustainability Development Committee

directly oversees human rights, playing a crucial role in setting policy direction, monitoring implementation, and evaluating the effectiveness of related measures. This ensures the Company's operations align with universal human rights principles.

In 2024, the Company officially established a Human Rights Working Group to enhance the efficiency of specific human rights risk management. This working group comprises executives and employees from relevant departments, including Human Resources, Procurement, Manufacturing, and Safety. This diverse representation ensures a comprehensive perspective and specialized expertise across various human rights aspects. The Sustainability Development Unit supports and coordinates the working group's efforts on related issues, ensuring the Company's human rights initiatives are effective and consistent with organizational policies and practices.

The working group is primarily responsible for assessing human rights risks that may arise across the Company's value chain and for planning and executing preventive and mitigating measures. This includes consideration of various factors such as working conditions, treatment of suppliers and customers, environmental management, and other elements that may impact human rights.



Additionally, the working group is responsible for continuously monitoring and evaluating performance to ensure that implemented measures effectively prevent and mitigate human rights risks. They also adapt operational plans to suit evolving situations and emerging needs.

## 2. Human Rights Practices and Employee Education

In 2024, the Company reviewed and updated its Human Rights Policy and defined clear operational guidelines, considering a broad spectrum of human rights issues relevant to all stakeholders. This involved an assessment of human rights considerations across four key areas: 1) Employees and Subcontractors, 2) Customers, 3) Suppliers, and 4) Communities and Society. This assessment was conducted by teams from Human Resources, Procurement, Manufacturing, and Sales, underscoring the commitment to respecting and upholding human rights for all stakeholders. The Company also conducted human rights risk assessments at both departmental and organizational levels, as follows:

- Treat everyone equally based on human rights principles, without discrimination.
- Prohibit the use of forced labor within the Company's supply chain, including child labor, foreign labor, or compulsory overtime.
- Treat all organizational stakeholders equitably, including customers and suppliers.
- Respect customer rights, ensuring no violation of personal data.
- Respect supplier rights, treating them fairly and promoting their adherence to human rights principles.
- Respect community rights, listen to their feedback, support their participation, and not obstruct access to natural resources and the environment.

The Company has consistently communicated its Human Rights Policy to employees through internal channels such as meetings, internal announcements, the intranet system, and work-related documents. This policy is also communicated to stakeholders, including customers, suppliers, and communities, to ensure consistent operations throughout the entire supply chain.

Furthermore, the Company conducts training and testing for all employees to enhance their understanding of human rights principles and appropriate workplace practices. The goal is to ensure practical application across all dimensions of the business operations and to mitigate the risk of human rights violations within the organization's activities.



### Key Performance Indicator

2024 Target

100%

2024 Performance

98%

## 3. Fair Labor Practice Guidelines and Related Operations

In addition to the establishment of a Human Rights Policy, the Company has implemented Fair Labor Practice Guidelines, which emphasize respect for fundamental labor rights, non-discrimination, and the promotion of workplace equality. These guidelines have been communicated to all employees in both Thai and translated foreign languages to ensure foreign staff have full understanding. The guidelines are also clearly included in the Company's official work regulations.

Furthermore, the Company is a participant in the UN Global Compact, a collaborative initiative aimed at enhancing the organization's labor standards to align with both national laws and international principles. The operational guidelines and management approach for each key area are as follows:

- **Freedom of Expression** The Company respects and encourages employees to express their opinions openly and constructively through designated channels, such as suggestion boxes, internal online systems, employee meetings, and the Company's complaint channels.
- **Support for Freedom of Association** The Company supports employees' right to form associations in accordance with legal and human rights principles. It does not obstruct or interfere with any such associations and provides appropriate guidance within legal frameworks.
- **Right to Collective Bargaining** The Company respects employees' right to collective bargaining and has appointed employee representatives, including the Company Welfare Committee. The Company also conducts appropriate negotiation meetings as required by law.
- **Non-Discrimination** The Company is committed to fostering an equitable organizational culture, free from discrimination based on race, religion, gender, or personal status. All considerations are based on ability and suitability.
- **Promoting Diversity** The Company supports diversity in the workplace by providing opportunities for individuals of all genders, ages, nationalities, races, and backgrounds to collaborate and grow within the organization to their full potential.
- **Protection of Personal Data** The Company is committed to safeguarding the personal data of both employees and customers in strict compliance with the Personal Data Protection Act (PDPA), ensuring that access to such information is limited to authorized personnel only.
- **Working Hours** The Company strictly complies with regulations regarding working hours, overtime, and holidays. In addition, the Company controls and monitors these aspects to ensure alignment with labor and welfare standards.
- **Prevention of Child and Forced Labor** The Company strictly prohibits all forms of child labor and forced labor. A rigorous verification process is in place to review employee age and employment documents before commencement of work.
- **Minimum Wage Compliance** The Company provides compensation that surpasses the minimum wage required by law and regularly reviews wages to align with the cost of living and industry trends, ensuring fairness for all levels of workers.
- **Equal Compensation** The Company adheres to the principle of equitable compensation, based on overall corporate performance and individual employee contributions. No group is treated with bias, and wage disparity is regularly monitored and assessed.
- **Workplace Harassment Prevention** The Company strives to create a work environment free from harassment, intimidation, or violence. The Company explicitly states the anti-harassment policy and provides secure channels for reporting complaints.
- **Employment of Underprivileged Individuals** The Company supports inclusive employment by offering job opportunities to people with disabilities and other disadvantaged groups. Appropriate facilities and training are provided to support their integration.

#### Management of Non-Compliance

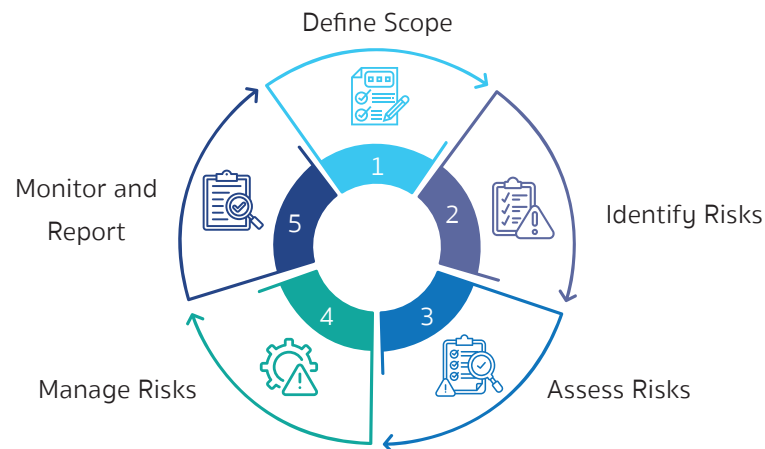
In the event that the Company identifies any practices that violate the Fair Labor Practice Guidelines or involve breaches of employees' fundamental rights, whether intentional or unintentional, the Company has established the following response framework as follows:

- **Fact-Finding with Fairness and Transparency:** The Company conducts investigations that protect the anonymity of complainants and adhere to robust good governance principles.

- **Corrective Opportunities:** In cases resulting from misunderstandings or inappropriate internal processes, the Company may offer corrective training or issue warnings, depending on the severity.
- **Disciplinary Measures:** For serious offenses or clear intentional breaches of guidelines, such as discrimination, harassment, or illegal labor practices, disciplinary action will be taken.
- **Remedy for Affected Parties:** The Company comprehensively assesses any damage incurred and provides appropriate assistance, which may include compensation, medical treatment, or reinstatement of violated rights.
- **Internal Process Review:** The Company continuously reviews and enhances internal control procedures to prevent the recurrence of such incidents.

#### 4. Human Rights Risk Assessment

In 2024, the Company reviewed and updated its Human Rights Policy to appropriately address current needs and circumstances, reflecting its commitment to protecting and promoting human rights. This includes a comprehensive Human Rights Due Diligence (HRDD) process, as follows:



- **Defining Scope** The objective is to identify areas or activities with potential human rights risks. This can be categorized into three primary groups:
  - **Group Company Business Activities:** This encompasses areas where the Company operates, including its operational sites, headquarters, and industrial estate locations. Within these contexts, the Company has full authority and where potential impacts on employees and surrounding communities may arise.
  - **Supply Chain Business Activities:** These activities involve sourcing raw materials, transporting goods, and managing supplier relationships. While the Company may not have direct control over these areas, it's crucial to monitor and prevent potential human rights violations that could occur in production processes or among subcontractors.
  - **Investments in Related Businesses:** This refers to mergers, acquisitions, or the initiation of new business ventures with partners. Such activities may involve human rights risks, particularly in business or geographical contexts with labor limitations or concerns regarding fundamental human rights.
- **Risk Identification** The Company identifies human rights risks arising from activities within its value chain. It considers the overall human rights situation in the areas or locations of operation, as well as significant risks that could affect stakeholders, for example, employees, local communities, customers, and shareholders. Therefore, the Company encourages stakeholders to participate in identifying problems and human rights issues through feedback mechanisms, meetings, surveys, or various complaint channels. These enable the incorporation of diverse perspectives and contribute to a comprehensive and effective human rights risk management.
- **Risk Assessment** After identifying human rights risk issues, the Company assesses both the likelihood of the risk occurring and the severity of its impact if it materializes. This assessment is carried out using both qualitative and quantitative methods to prioritize issues and plan appropriate management

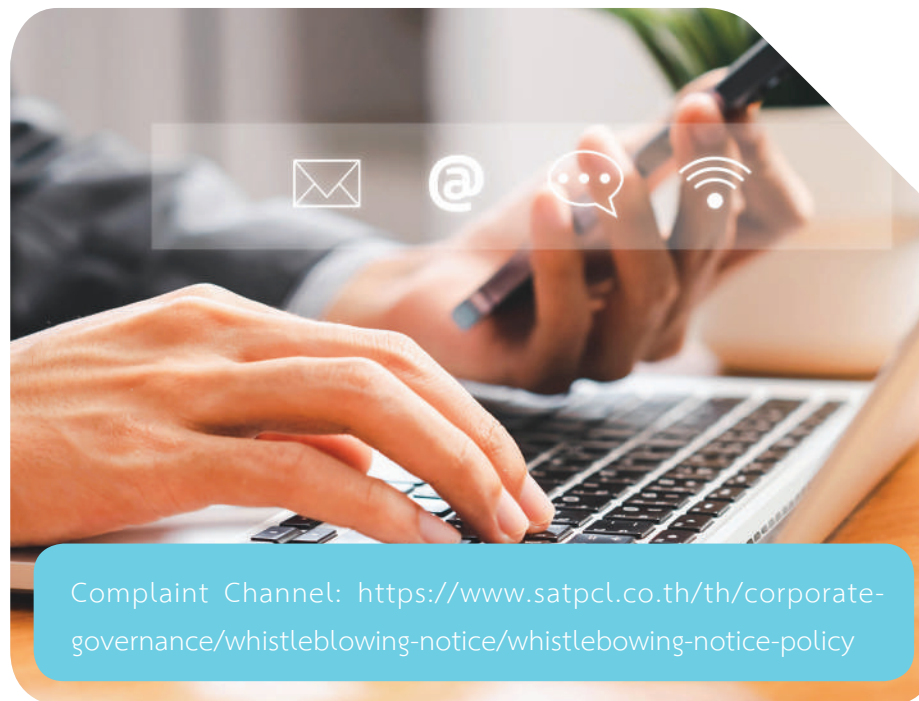
strategies. The Company utilizes risk assessment criteria developed based on its organizational risk management framework, considering key elements such as:

- Severity of Impact
- Number of People Affected
- Frequency or Likelihood of Occurrence
- **Human Rights Risk Management** is the process by which the Company analyzes and develops plans to prevent potential human rights issues and risks, including having response plans in place should problems arise. The Company promotes stakeholder engagement in managing human rights issues concretely. Meetings and consultation forums with relevant stakeholders are organized, such as employees, suppliers, and communities, to gather feedback, suggestions, and address human rights concerns. The insights gained from these engagements are then used to appropriately consider and refine human rights risk management plans, ensuring they align with stakeholder expectations, especially for high and very high-risk issues. The Company focuses on mitigating negative impacts while enhancing positive outcomes. Once measures are implemented, the Company continuously reviews its operational plans.
- **Monitoring and Reporting** The Company conducts human rights monitoring and reporting by collecting data related to impact assessments, implementation of measures, and performance results, as well as reviewing and updating action plans. The Company's monitoring and reporting adhere to principles of transparency and accountability, ensuring that reported information is accurate, complete, and reflects the true situation. The Human Rights Working Group reports these monitoring results to the Risk Management and Sustainability Development Committee, assuring stakeholders that their concerns will be considered and incorporated into the Company's assessment and decision-making processes.

## 5. Complaint Mechanism and Remediation for Human Rights Violations

The Company has established a systematic complaint and remediation mechanism to ensure that individuals and communities adversely affected by the Company's business operations are treated fairly and appropriately. The Company transparently and comprehensively discloses information about this mechanism, covering human rights, complaint procedures, confidentiality, and anonymity. This ensures stakeholders can easily and securely access and exercise their rights within the process.









Furthermore, the Company is committed to providing remediation to affected parties when investigations confirm that its actions or operations have directly or indirectly impacted human rights. Remediation will be determined on a case-by-case basis, considering appropriateness and fairness.









Complaint Channel: <https://www.satpcl.co.th/th/corporate-governance/whistleblowing-notice/whistleblowing-notice-policy>



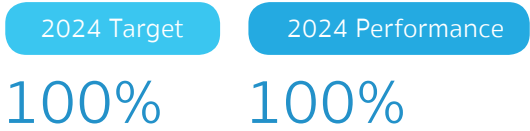
## 2024 Human Rights Risk Issues

Human Rights Risk Issue	Risk Level	Preventive Measures	Remedial Measures	Relevant Stakeholders
<p>Inadequate communication of Human Rights Policy across the supply chain.</p> 	<p>Medium</p> 	<ul style="list-style-type: none"> <li>Consistently communicate the Human Rights Policy to suppliers.</li> <li>Require suppliers to conduct annual human rights self-assessments</li> </ul>	<ul style="list-style-type: none"> <li>Provide safe and accessible complaint channels, investigate complaints and respond with appropriate measures.</li> </ul>	Suppliers, customers
<p>Suppliers failing to conduct human rights self-assessments in alignment with the Code of Conduct.</p> 	<p>Medium</p> 	<ul style="list-style-type: none"> <li>Make self-assessment a mandatory requirement in procurement agreements.</li> </ul>	<ul style="list-style-type: none"> <li>Suspend or review the status of non-compliant suppliers and recommend improvement strategies.</li> </ul>	Suppliers
<p>Discrimination in hiring and promotion.</p> 	<p>Medium</p> 	<ul style="list-style-type: none"> <li>Implement fair employment policies.</li> <li>Establish clear promotion processes.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct investigations and provide appropriate remediation for any adverse impacts.</li> </ul>	Employees
<p>Unfair compensation for daily wages and temporary workers.</p> 	<p>Medium</p> 	<ul style="list-style-type: none"> <li>Review compensation criteria to align with legal requirements and industry standards.</li> </ul>	<ul style="list-style-type: none"> <li>Provide retroactive compensation if underpayment is identified.</li> </ul>	Employees
<p>Workplace accidents due to lack of protective equipment.</p> 	<p>Medium</p> 	<ul style="list-style-type: none"> <li>Procure and distribute adequate Personal Protective Equipment (PPE).</li> <li>Regularly inspect equipment availability and readiness.</li> </ul>	<ul style="list-style-type: none"> <li>Cover medical expenses.</li> <li>Report incidents and implement measures to prevent recurrence.</li> </ul>	Employees

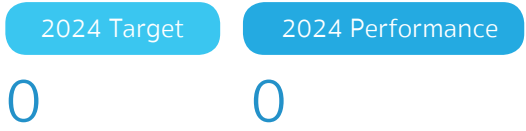
Human Rights Risk Issue	Risk Level	Preventive Measures	Remedial Measures	Relevant Stakeholders
Use of minerals from conflict-affected and high-risk areas 	Low 	<ul style="list-style-type: none"> <li>Establish a Conflict Minerals Policy.</li> <li>Verify the origin of minerals.</li> </ul>	<ul style="list-style-type: none"> <li>Immediately instruct suppliers to change sourcing if a link to human rights violations is found.</li> </ul>	Suppliers
Impacts from pollution or waste potentially affecting surrounding communities 	Medium 	<ul style="list-style-type: none"> <li>Regularly monitor waste and pollution discharge.</li> <li>Implement control measures in accordance with legal requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Provide clear and transparent information to the communities.</li> </ul>	Communities Government agencies and regulatory bodies.
Labor risks in new projects lacking internal controls (e.g., illegal labor, lack of contracts) 	Medium 	<ul style="list-style-type: none"> <li>Establish labor contracting guidelines for new projects in compliance with labor laws.</li> <li>Verify labor documentation before project commencement.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct traceability investigations in case of irregularities.</li> <li>Compensate workers affected by rights violations.</li> </ul>	Employees Suppliers



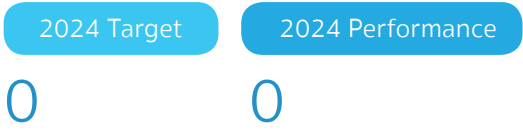
Human rights risk assessment of Company operational sites.



Number of human rights violations within the organization.



Number of non-compliance cases with labor standards.



## 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 fostering and maintaining positive relationships between employees and the organization through two-way communication, listening to feedback, skill development, and a supportive work environment. The goal is to enhance job satisfaction, reduce turnover, and strengthen career stability.

The company believes that when employees have career stability, clear goals, and feel like an integral part of the organization, it positively affects their overall quality of life, as well as that of their families. This includes having a stable income, the ability to plan their lives, and adequately care for their family members. As a result, employees experience happiness and maintain a good work-life balance, which enables them to return and contribute value and sustainable productivity to the organization.

### 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 continues to prioritize communicating key organizational information to ensure that all employees are well-informed and have timely and equal access to such information. To enhance communication efficiency, the Company has introduced an additional channel via its official LINE Official Account (Line OA). This aims to ensure that employees receive accurate information directly from the Corporate Communications unit and can actively participate by providing feedback through interactive activities in the LINE OA menu. This two-way communication approach enables employees to respond in real-time.

In addition, face-to-face communication remains essential for promoting direct engagement between management and employees, facilitating the exchange of information, and enhancing



Number of  
employees promoted

**23** peoples

(Effective date of  
promotion: January 1,  
2025)

collaborative participation. To support this, the company regularly organizes communication forums where operational performance results and significant policies are shared. These forums also serve as valuable channels for executives to actively listen to Employee Voice directly from frontline staff, fostering increased interaction and mutual understanding.

Furthermore, the Human Resources (HR) team implements Line Walks, engaging directly with production-line employees at their workstations. This initiative aims to assess employee well-being, confirm the effective dissemination of company information, and collect direct feedback, thus ensuring accurate and timely insights into employee perspectives and experiences.



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**, Annual Bonus, provident fund contributions, cooperative savings, employee savings plans, etc.
- **Work and life benefits, such as special holidays**, Car purchase discount ,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 prioritizes listening to its employees and fostering sustainable engagement between employees and the organization. A comprehensive employee satisfaction and engagement survey is conducted every two years through a reputable external agency. The survey covers key issues impacting employee engagement, including job security, compensation and benefits, support and career advancement opportunities, working environment and

atmosphere, and the effectiveness of internal communication within departments and the organization.

The Company has set an employee engagement target of 85% by 2026. In 2024, efforts continue to address the gaps identified from the 2022 satisfaction survey, which yielded an overall engagement score of 78%. The survey results serve as primary data for systematically planning and improving key issues highlighted by employees, encompassing four main steps:

1. **Data Analysis** – Analyze survey results to identify areas for improvement, categorized by department or employee group.
- 2) **Goal Setting and Improvement Planning** – Develop action plans in collaboration with departmental management and define success metrics.
- 3) **Implementation of Improvements** – Execute improvement activities in relevant areas, such as communication enhancements, welfare improvements, or leadership development
- 4) **Monitoring and Evaluation** – Assess the progress of each plan and collect employee feedback for continuous improvement.

The Company remains committed to a People-Centric Development approach, believing that employee satisfaction and engagement are crucial factors for achieving long-term organizational sustainability and success. The 2024 operations focused on closing the gap identified in the 2022 annual survey.



1

### Enabling Infrastructure



- Improved and upgraded the work environment in operational areas and common spaces, including ventilation systems, relaxation areas, exercise facilities, restrooms, and office buildings.

2

### Senior Leadership



- Enhanced leadership skills through courses on communication, feedback, conflict management, and participatory team leadership.
- Elevated the role of leaders in internal organizational communication through activities such as Top Management Communication and Leadership Forums, fostering trust and mutual understanding.

3

### Reward and Recognition



- Organized the “Kaizen & QCC Award” to acknowledge employees’ creativity and contributions to work improvement.
- Promoted “Innovation Day” as a platform for various departments to showcase their work development and improvement projects.
- Provided tangible positive recognition, such as certificates, awards, or diplomas, to foster continuous motivation and participation.

### 5. Promoting Diversity

The Company embraces workforce diversity, encompassing differences in race, nationality, gender, age, physical ability, attitudes, and experiences. This diversity reflects the Company’s genuine commitment to human rights, fostering an inclusive society that respects individual differences.



Number of foreign employees:

**7** Persons



Number of employees with disabilities

**23** Persons

Exceeding the legal requirement



## Good Health and Well-being Project

In 2024, the Company continued its comprehensive employee care through the **“Good Health and Well-Being”** project. This initiative focuses on promoting employee well-being across three key dimensions: Good Physical Health, Good Mental Health, and Good Financial Health. This initiative supports employees in achieving a high quality of life, financial security, and effectively sustained productivity in an increasingly challenging business environment.

### 1. Good Physical Health

The Company conducts employee health surveys to gather baseline data, particularly concerning severe chronic diseases such as stroke and heart disease. This information enables proactive care for at-risk employees. The Company also implements various health campaign activities, including

- Promoting continuous physical activity to foster long-term healthy habits.
- Providing knowledge on Non-Communicable Diseases (NCDs).
- Launching the **“Less Salty, Still Tasty”** campaign to encourage healthy eating habits using low-sodium seasonings.

### 2. Good Mental Health

Mental health survey results indicated that some employee groups experience stress levels that could impact their long-term mental well-being. The Company, therefore, conducts individual follow-up, arranging consultations with specialized personnel to provide tailored advice and support.

Furthermore, during the automotive industry slowdown, the Company recognized the psychological impact on employees. The Company initiated internal communications, including messages of encouragement from the President. These messages reinforced workforce morale and motivation amidst the uncertain situation, emphasizing organizational stability and collective resilience.

### 3. Good Financial Health

The Company surveyed employees’ financial status and categorized them into three groups based on their level of financial security, allowing for the development of appropriate educational and support programs.

- Group with savings and no debt
- Group with savings and manageable debt
- Group without savings, in debt, and requiring financial guidance

Utilizing this data, the Company implements targeted support activities. These include financial literacy workshops on savings and income management, led by speakers from the Government Savings Bank. The Company also collaborates with credit unions to extend debt repayment periods, facilitate access to low-interest loans to reduce financial burdens, and continuously monitor and evaluate employees’ financial behavior to ensure ongoing and sustainable assistance.



## 7.4 Occupational Health and Safety Management

The Company implements occupational health and safety management practices to control and mitigate risks that may affect employee health, safety, and the working environment. Committed to fostering a safe and healthy workplace, the Company promotes employee well-being through comprehensive occupational health and safety management, as follows:

### Governance of Occupational Health and Safety

The Company prioritizes systematic and efficient management of Safety, Occupational Health, and Working Environment, ensuring compliance with legal requirements and international standards. The Company has a clear governance structure that spans both policy and operational levels to ensure sustainable practices:

- **The Risk Management and Sustainability Development Committee** oversees the organization's overall risk management, including safety and occupational health risks. This is integrated with the Company's sustainable development direction, with meetings held at least once per quarter.
- **The Executive Sustainability Development Committee** chaired by the President, sets policies, targets, and operational directions for the organization's safety, occupational health, and environmental management efforts. It also regularly monitors performance and reviews the effectiveness of management systems, with meetings held at least once per quarter.
- **The Safety, Occupational Health & Environment Committee (SHE Committee)** comprises representatives from all departments, chaired by the Plant Manager. Its role is to drive the implementation of policies from the executive level and to consider approaches for preventing and resolving employee safety and health issues at the operational level.

- **The Safety, Occupational Health, and Environmental Unit** is responsible for planning, managing, and monitoring the Company's safety performance. The head of this unit oversees strategic planning, risk assessment, and the development of effective preventive measures.
- **The Safety Committee (Kor Por Or)**, composed of employee and employer representatives, jointly reviews, recommends, and provides input on safety, occupational health, and environmental plans and measures. It also monitors performance to ensure continuous improvement, with regular monthly meetings.
- **Safety Officers (Jor Por)**, This includes Safety Officers at the management, professional, and supervisory levels. They're assigned duties as required by law, ensuring operations at each level are rigorous and align with the organization's safety management guidelines.



### Occupational Health and Safety Policy

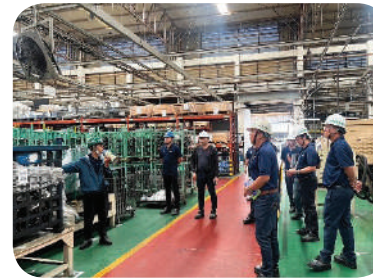
The Company aims for excellence in production process development and improvement to enhance safety, reducing critical accident and incident risks. Such efforts align with the safety policies of both clients and regulatory authorities, ensuring full compliance with applicable laws and training requirements. The Company trains and develops personnel, fostering a culture of safety and safe behaviors to build skills, knowledge, and awareness of workplace safety and environmental conditions. In addition, the Company is dedicated to reducing accident impacts through activities like Job Safety Analysis (JSA), executive-level workplace inspections, fire-risk area inspections, and promoting safe behaviors, etc.



### Promoting Occupational Health and Safety Activities

In 2024, the Company implemented its occupational health and safety plan, focusing on improving the working environment and employee well-being, as well as encouraging employee participation. Key activities included:

**Executive-level workplace inspection** walks to identify hazardous areas and facilitate corrections and improvements for a safer work environment. The goal was to inspect 100% of all areas for safety.



**Hazard Identification Activity (Completely Check, Completely Find Out: CCCC)** This initiative encourages employees to identify workplace hazards and propose solutions. Additionally, the Company organized a Workplace Safety Week to foster awareness of safety, energy, and environmental issues. 100% of employees participated in this activity.





### Personnel Training and Development Program:

Employees received fundamental safety training to enhance general safety awareness and build technical knowledge in specific areas such as working at heights. The target group included maintenance staff and relevant personnel, with 19 participants from all affiliated companies. All participants successfully passed the competency assessment, achieving a 100% pass rate.



### Other Safety Activities:

These include safe driving campaigns and safety inspections of employee shuttle vehicles, as well as personal cars and motorcycles. The Safety, Occupational Health & Environmental Committee mandates quarterly inspection frequencies. 100% of inspections were conducted accurately and completely according to established criteria.



### Risk Assessment in Employee and Contractor Work Areas

Assessing risks for employees and suppliers in operational areas is crucial to ensuring safe and efficient work performance, especially in hazardous activities and environments. Therefore, the Company has implemented the following measures to prevent workplace accidents:

1. Proactive accident dissemination: Communicate and follow up on past accidents, both internal and external, to prevent recurrence.
2. Compliance with the “Stop, Call, and Wait” protocol: Immediate action when unusual events are encountered.
3. Activity/project risk assessment.
4. Pre-work, during-work, and post-work inspections.
5. Kiken Yochi (KY) activity before commencing work.

### Risk Assessment Procedure

#### 1. Risk Identification

- Inspect operational areas to understand the environment and activities taking place, aiming to identify locations and processes that may pose safety risks.
- Analyze activities involving both employees and contractors to identify potential work-related hazards.

#### 2. Risk Assessment

- Risk assessment: After identifying risks, the Company assesses the likelihood of those risks



occurring and their potential consequences. This includes analyzing the frequency and severity of potential incidents.

- Risk assessment for new projects: The Company recognizes the critical importance of preventing accidents and hazards that could arise from new projects or changes in work processes, for example, new machinery installation, workspace modifications, or adopting new technologies. Therefore, risk assessments are conducted prior to each implementation to identify potential hazards in advance and to establish appropriate control measures.

### 3. Risk assessment for new projects

- Control measures: Control strategies are defined to minimize or eliminate identified risks. These may include the use of personal protective equipment (PPE), modifications to machinery, or changes in work processes.
- Training and communication: Provide employees and suppliers with training and communication regarding safety measures and work-related risks.

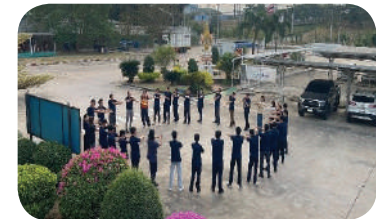
### 4. Monitoring and Review

- Review control measures: Regularly inspect control measures to ensure their ongoing effectiveness and suitability in response to changing environments.

Example of the risk assessment form for occupational safety in employee and supplier operations.

Sample form for work permit and project/activity risk assessment.

Image of KY (Kiken Yochi) activities for various projects/activities before work commencement.



Risk Issues	Management Measures:
<ul style="list-style-type: none"> <li>Workplace accidents due to unsafe environments caused by employee actions, such as non-compliance with safety regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Communicate safety information, such as safety regulations and proactive accident dissemination from both internal and external incidents, to foster a strong safety consciousness.</li> <li>Implement disciplinary actions for non-compliance with safety regulations.</li> </ul>
<ul style="list-style-type: none"> <li>Unsafe work areas, including issues like extreme temperatures, excessive noise, or insufficient lighting among others.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct environmental monitoring and implement improvements to ensure a safe working environment.</li> <li>Verify that employees comply with established safety requirements for each work area.</li> </ul>



Occupational Health and Safety Performance

Indicator	Target	Result	
		2023	2024
1. Employee non-lost-time injuries: (cases)	0	7	5
Non-lost time injuries compared to previous year			28.57% decrease
2. Employee lost-time injuries (cases)	0	1	1
Employee lost-time injuries (cases)			No change
3. Employee lost-time injury frequency rate	0	0.17	0.22
4. Supplier lost-time injuries: (cases)	0	0	0
5. Supplier lost-time injury frequency rate	0	0	0
6. Severe fire incidents: (cases)	0	0	0

In 2024, the Company recorded one employee lost-time injury. The incident resulted from the employee’s non-compliance with safety regulations while operating machinery. The Company conducted a thorough investigation to identify the root cause and prevent recurrence. Multiple corrective and preventive measures were implemented, including:

- Reviewing and updating safety standards for machinery operations.
- Providing focused training to at-risk employees and relevant operators on safety regulations.
- Communicating lessons learned from the incident to all employees, including subsidiaries.
- Continuously monitoring performance and verifying comprehension checks.

## Safety Awards

In 2024, the Company participated in the national competition for model establishments in safety and the campaign to achieve zero workplace accidents. The Company was honored with the following awards:

**SFT1** Certificate of Honor: National Gold-Level Award of Excellence for Model Establishments in Safety, Occupational Health, and Working Environment (Year 1) from the Occupational Safety and Health Division, Department of Labor Protection and Welfare.



**SFT2 (Branch 0001)** Certificate of Honor: National Gold-Level Award of Excellence for Model Establishments in Safety, Occupational Health, and Working Environment (Year 4) from the Occupational Safety and Health Division, Department of Labor Protection and Welfare.



**SFT3 (Branch 0002)** Certificate of Merit for the Zero Accident Campaign (Year 2) from the Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labour.



**SFT1** Certificate of Merit for the Zero Accident Campaign (Year 1) from the Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labour.



**SFT2 (Branch 0001)** Certificate of Merit for the Zero Accident Campaign (Year 1) from the Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labour.



**ICP2 (Branch 0001)** Certificate of Merit for the Zero Accident Campaign (Year 1) from the Thailand Institute of Occupational Safety and Health (Public Organization), Ministry of Labour.



## 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 2024 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**

The Company places great importance on elevating Environmental, Social, and Governance (ESG) standards through engagement with partners and customers across the supply chain. The aim is to drive sustainable development at every level from upstream to downstream.

Participating in ESG development within the supply chain alongside customers is a key strategy to mitigate negative environmental and social impacts, while also enhancing value for partners, customers, and the organization as a whole. In 2024, the Company played a vital role in supporting and promoting ESG within its customers' supply chains, particularly among Isuzu's group of suppliers, as follows:

• ESG Showcase to Isuzu's Supplier

The company held a session to disseminate its ESG guidelines to suppliers within Isuzu's supply chain. The session aimed to enhance supplier understanding and encourage integration of these practices into their own operations. A total of 250 suppliers attended the session.

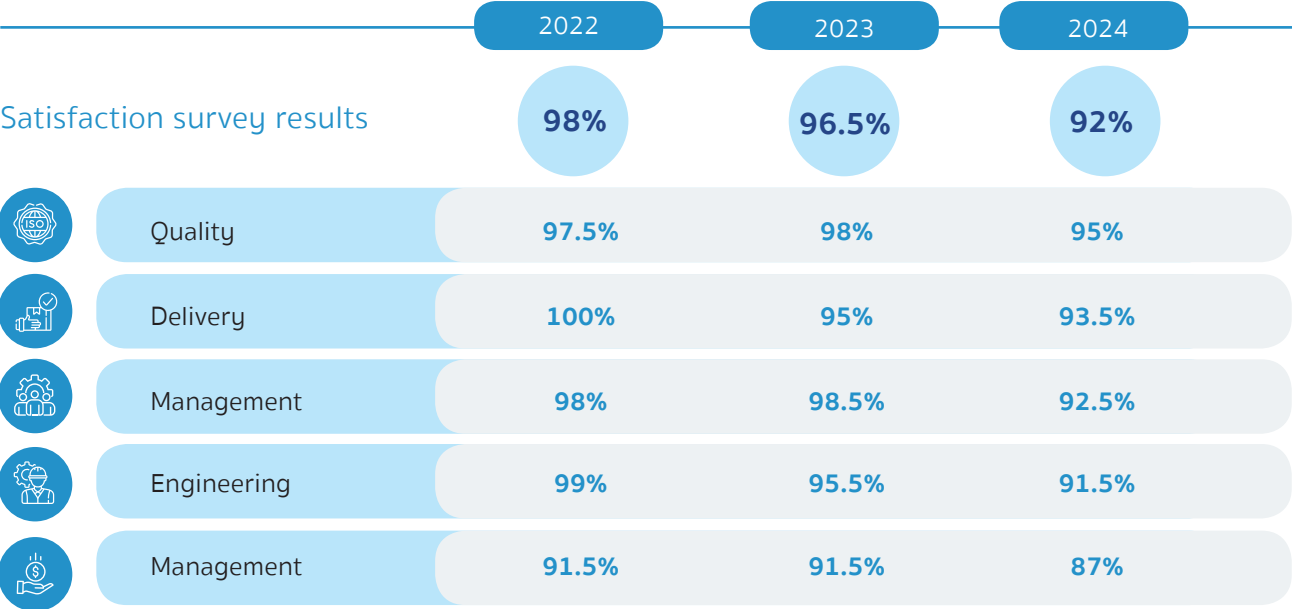
• CFO Advisor to Isuzu's Supplier

The company acted as an advisor to support suppliers in building knowledge and capacity related to greenhouse gas (GHG) data collection and analysis. This initiative aimed to empower suppliers to develop effective GHG emissions reduction strategies within their organizations. A total of 50 suppliers participated in the program.

The company has aligned its operational approach with the ESG policies of its customers, focusing on key areas such as greenhouse gas emissions reduction, respect for human rights, anti-corruption, and the creation of shared social value. These principles form the foundation for building trust, fostering collaboration, and ensuring long-term sustainability across the supply chain.

• 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.





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** Product defects are systematically analyzed within the manufacturing process, with established quality standards implemented to ensure control from upstream to downstream. Key steps have been improved, including:
  - Preparation of operational systems prior to commencing production processes.
  - Implementation of clear standards and guidelines.
  - Proactive defect correction with subsequent follow-up monitoring.
  - Repeated evaluations to ensure continuous improvement.
- **Delivery Aspect** The company has enhanced its daily data inspection system to facilitate accurate and timely inventory planning and management, ensuring effective responses to customer orders. Additionally, it rigorously verifies the accuracy and completeness of all documents and information provided to customers
- **Management Aspect** The company has enhanced its organizational structure to be more systematic, emphasizing clear frameworks, rules, and operational guidelines. This approach aims to improve production efficiency, foster better coordination among departments, and ensure that all activities align effectively with the established objectives.
- **Engineering Aspect** The company integrates advanced and flexible technologies and tools into its engineering processes to enhance product

design and development. This ensures that the products meet customer requirements in terms of quality, safety, cost-efficiency, and timely delivery, thereby reinforcing customer confidence in both products and services

- **Pricing Aspect** response to the rapidly changing competitive landscape, the company has reviewed and adjusted its pricing strategy to align with production costs, economic conditions, and customer expectations. This strategic approach aims to enhance competitiveness while ensuring effective cost control.

- **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.

1. Complaint is received from a customer.
2. Inform relevant departments.
3. Analyze the complaint issue.
4. Identify an appropriate solution and customer response
5. Prepare the Corrective & Preventive Action Report.
6. Process the solution
7. Inform the customer of the outcome

- **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.

#### 2024 TCC Safety Driving / Rally

The company organized a car rally event to promote safe driving. A portion of the proceeds was used to purchase medical equipment, which was donated to the Ban Bon Khao Kaeng Rieng Health Station in Si Sawat District, Kanchanaburi Province. The donation was officially delivered on August 30, 2024.



#### FY2024 Friendship Sport - Car Rally & Social contribute: Donation

This event aimed to strengthen relationships among MCC Club members. Part of the proceeds was used to construct a roofed multipurpose yard for Wat Thaweeponrangsarn School in Ongkharak District, Nakhon Nayok Province. Prior to the handover, a volunteer day was held for painting the facility, in which Somboon Group employees also participated on October 25, 2024.



#### THCC CSR Activity 2024: Bowling Charity

A charity bowling event was held to raise funds for improving the playground at Wat Nakharat School in Bang Bo District, Samut Prakan Province. The handover took place on November 1, 2024. On the same day, Somboon Group donated additional sports equipment to the school.



#### • Customer Awards for 2024

- Winner Gold Award, Kaizen Community 2024 : KUBOTA (SBM)
- Winner MCC-QCC 2024 : MITSUBISHI MOTORS (SBM)
- The 3<sup>rd</sup> Bronze Award, Kaizen world Cup 2024 : KUBOTA (SBM)
- The 4<sup>th</sup> The Best Effort Award QCC 2024 : HONDA (SBM)
- Certificate 4<sup>th</sup>, ISUZU Supplier Lean Production Award 2024 (ISLP) : ISUZU (SBM)
- Excellence Quality with zero defect : MITSUBISHI MOTORS (SFT)
- The 19<sup>th</sup> QA Improvement Activity 2024, 2nd Runner up Group 1 : HINO (SFT)

## 7.6 Supplier and Supply Chain Management

The Company is committed to achieving sustainable business growth through enhanced competitiveness, optimized production costs, and shared growth with its suppliers. This is facilitated by transparent and fair procurement processes, all governed by the Company's procurement management framework.

- **Management Policy**

The Company manages its suppliers and supply chain by fostering their sustainable growth alongside the Company. This is achieved by establishing strategic business partnerships to promote transparency, enhance competitive capabilities in quality, price, and delivery, and prioritize safety. This also includes anti-corruption and sustainable business practices, encompassing environmental, social, and governance (ESG) considerations.

- **Supplier Management**

The Company's procurement policy aligns with sustainable development principles, considering and assessing long-term impacts on the environment, society, good governance, and the economy. The key aspects are as follows:

1. The Company conducts procurement with consideration for quality (Q), cost (C), delivery (D), responsiveness, and alignment with the Company's various policies, emphasizing both efficiency and effectiveness.
2. The Company ensures that all procurement activities are conducted in a transparent, fair, and auditable manner.
3. The Company strictly complies with all applicable laws and regulations related to procurement.
4. The Company treats all suppliers fairly and equitably, providing accurate, complete, and clear information without discrimination. Moreover, the Company is receptive to feedback and suggestions from suppliers for continuous improvement.

5. The Company selects suppliers who prioritize minimizing environmental impacts, demonstrate social responsibility, and uphold good corporate governance practices that promote inclusive and ethical operations.

To align the Company's procurement practices with sustainable development principles, ESG (Environmental, Social, and Governance) considerations are integrated into the procurement process for both new and existing suppliers as follows:

1. **New Suppliers**

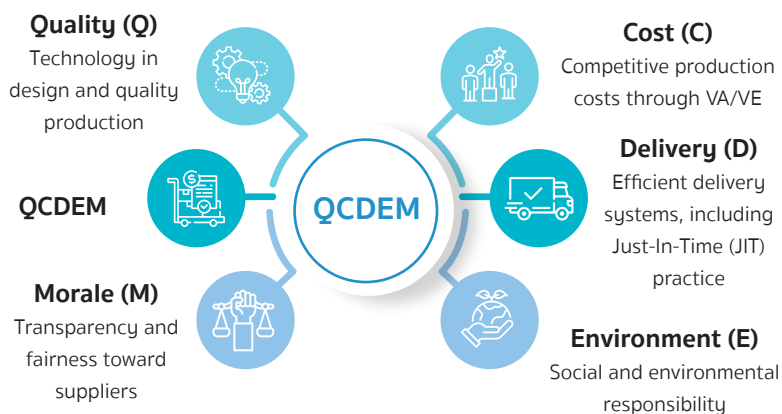
During the selection and approval process for new suppliers, the Company conducts an initial assessment to determine if the supplier has policies, practices, or internal regulations related to ESG (Environmental, Social, and Governance) issues. This involves reviewing supporting documents and evidence, such as an Environmental Policy, Occupational Health and Safety Policy, Labor and Human Rights Policies, Fair Labor Practices, internal Corporate Governance guidelines, and management system certifications such as ISO 14001 or equivalent. The evaluation is conducted based on the Company's procurement manual and the new supplier selection form.

2. **Existing Suppliers**

For approved suppliers, the Company periodically monitors and reviews ESG data, or when there are changes in relevant policies or information. This includes updates to ESG policies, occurrences of environmental, social, or governance risks, changes in management system certification status, or stakeholder complaints regarding non-compliant ESG behavior. For target suppliers, the Company uses a Self-Assessment Form to report relevant ESG data. The assessment results are then used to support decisions regarding contract renewal or further supplier development.

Additionally, in 2024, the Company reviewed its Sustainable Code of Conduct for Suppliers to clarify its objectives and expanded its coverage of ESG issues to align with stakeholder expectations and relevant international standards. The Company communicated these guidelines to all suppliers through various channels, including annual supplier meetings, email, and the Company website.

The Company has revised its procurement manual to enhance the efficiency of the procurement process. This ensures procurement outcomes effectively meet the objectives and needs of requisitioners while maintaining transparency and adhering to sustainable development principles. Furthermore, the Company has established a framework for prioritizing and managing supply chain risks by engaging suppliers to actively participate in developing and elevating standards under the QCDEM framework, which encompasses quality, cost, and other key areas. Suppliers who meet the defined assessment criteria will receive Supplier Recognition, based on the following guidelines:



## Supply Chain Management Strategy and Criteria

1

### Plan and manage suppliers

Plan and manage suppliers using the SBG: Supply Positioning Model, categorizing suppliers into four types.

1. Bottleneck
2. Critical
3. Routine
4. Leverage

2

### Develop and elevate supplier capabilities

The Company has a plan to develop and elevate suppliers by continuously communicating information to key suppliers annually, following these guidelines:

1. Knowledge transfer of the TPS / Lean Supply Chain systems.
2. Guidance on improving work processes to enhance transparency, fostering a collaborative approach to anti-corruption efforts (CAC).
3. SAT Group's Annual Supplier Meeting.

3

### Evaluate performance using QCD

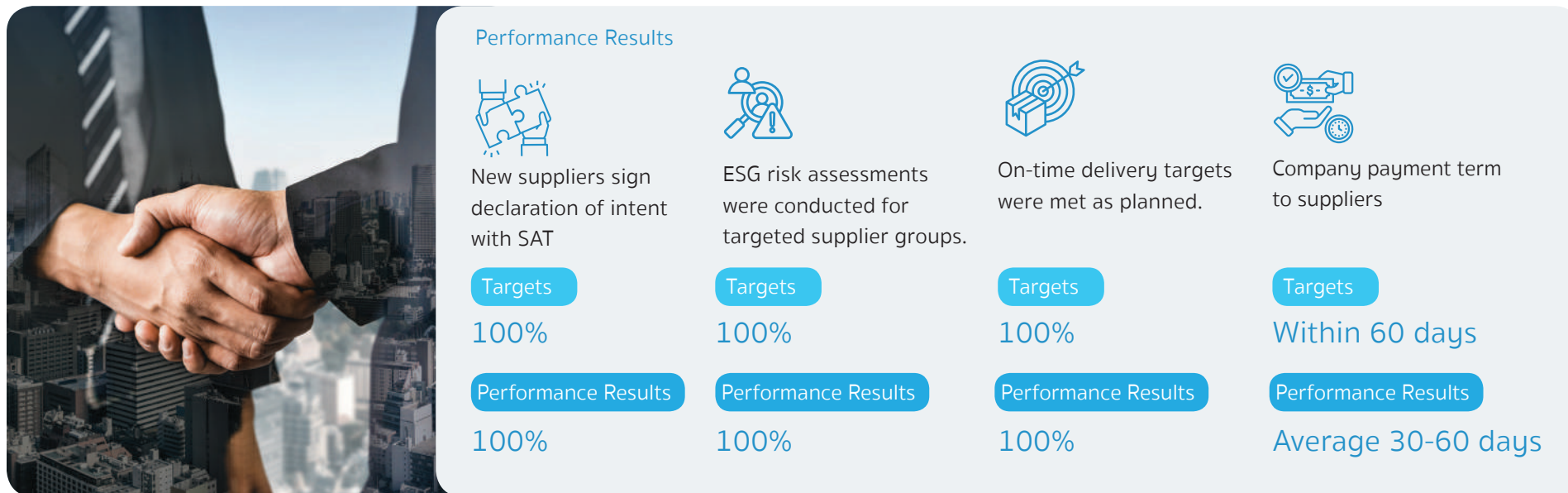
Each time goods are procured for the production process, the Company evaluates product quality using the QCD (Quality, Cost, Delivery) system. This ensures products meet quality standards, are cost-effective, and are delivered within the specified timeframe.

4

### Implement corrective actions for deficiencies

The Company provides communication channels for suppliers to express their views and feedback in two key areas:

1. Areas where suppliers seek the Company's assistance for development needs. These will be incorporated into the annual supplier development and elevation plan.
2. Suggestions from suppliers for the Company to address areas where its actions may impact suppliers. The aim is to ensure maximum fairness and transparency for suppliers.



### Managing ESG Risks in the Supply Chain

Managing ESG (Environmental, Social, and Governance) risks in the supply chain is a critical process. It serves as a vital tool for addressing potential risks arising from environmental, social, and governance factors that impact the company's operations and sustainability. This approach aims to mitigate future challenges while building competitiveness and long-term sustainability.

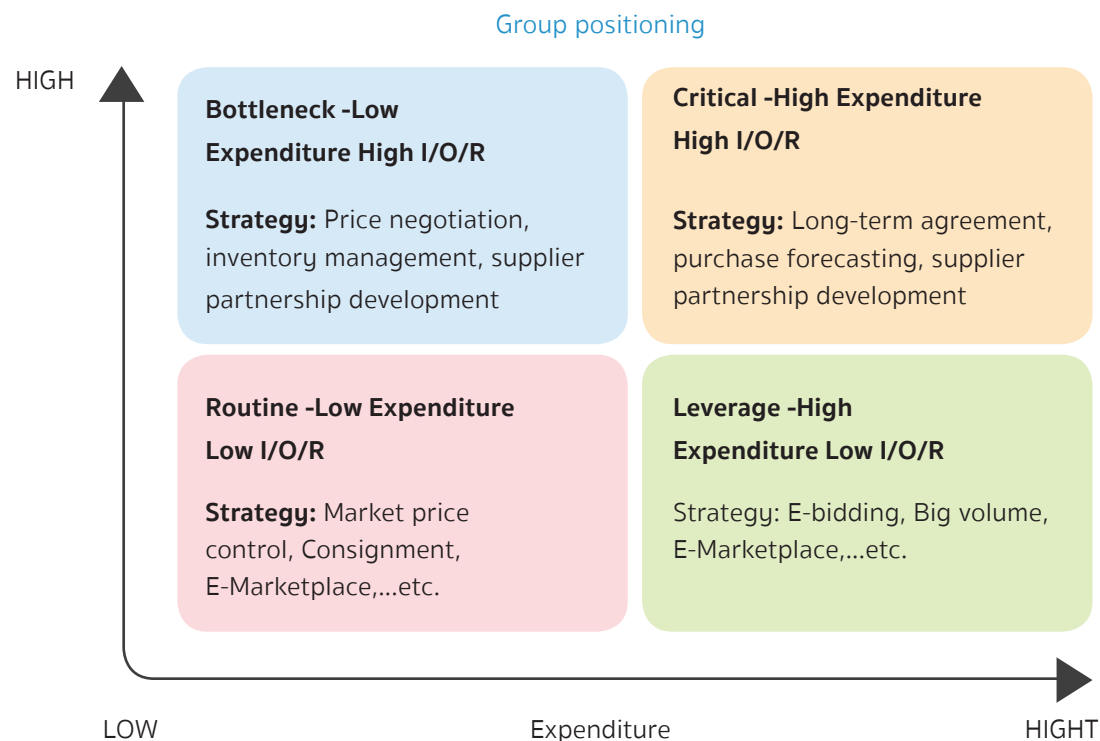
#### 1. Supply Chain Analysis

The Company has analyzed suppliers using the Supplier Performance Management (SPM) system, categorizing them into four groups: Bottleneck, Critical, Routine, and Leverage. Key suppliers are those with high profit potential (annual procurement value exceeding 10 million baht), high technical and sourcing risks, and are placed within the respective SPM model groups. Key suppliers with high or very high risk are classified as Tier 1 high-risk suppliers. The Company also defines Critical suppliers at two levels:

Tier 1 are those who directly supply goods to the Company, and Tier 2 are those who provide direct or indirect goods and services.

2. Bottleneck: High risk, single supplier, specialized parts. (157 suppliers)
3. Critical: High risk, multiple suppliers, significant impact if delivery fails. (87 suppliers)
4. Routine: Low risk, multiple suppliers, easily replaceable. (225 suppliers)
5. Leverage: Low risk, multiple suppliers, price mechanisms can be controlled. (360 suppliers)





The Company concentrates on the Critical category, which is divided into two groups to ensure clarity in operational management:

- 1) **Critical Tier 1:** Suppliers who purchase from manufacturers and resell to the Company. (79 suppliers)
- 2) **Critical Non-Tier 1:** Suppliers who are direct manufacturers and sell to the Critical Tier 1 group. (8 suppliers)

## 2. Supply Chain Risk Assessment

Assessing supplier risks is crucial, as suppliers are key stakeholders driving sustainable business. Therefore, the Company manages and assesses supplier risks to prevent and mitigate environmental, social, and governance risks. This is done through five steps, as follows:

- New Vendor Pre-Qualification: The Company screens and evaluates vendors, categorizing them by group and business type.
- Financial Analysis and Sourcing Risk Analysis: This is conducted using the Supply Positioning Model.
- Supplier Sustainability Risk Assessment

The Company conducts ESG risk assessments with the following details:

### 1) Sustainability (Environment, Social, Governance – ESG)

- Environmental: Includes non-compliance with environmental laws.
- Social: Relates to unsafe working conditions for employees and suppliers.
- Governance: Covers non-compliance with regulations and a lack of operational transparency.

**2) Economic** This assesses risks in sourcing/delivery or the inability to source/deliver goods and services as needed. These risks can stem from business conditions to market uncertainties during the procurement process. Assessment criteria include the Company's experience with the goods and services, delivery efficiency, distance, potential suppliers, irreplaceable suppliers,

and market conditions for goods and services. This accounts for 50% of the total supplier assessment

- Integration of sustainability issues in sourcing and contract management.
- Supplier risk management, such as sector-specific risk and commodity-specific risk, etc.

Each supplier group must be assessed by a Multidisciplinary Team, including a safety review led by the Supply Chain team. The Company also conducts site visits every three years. If high-risk issues are identified, the supplier must develop a plan and corrective measures to mitigate potential risks and severity. They must also have a plan to verify operational compliance with company guidelines to ensure risks are managed to a level that doesn't impact business operations with the Company, the community, or the environment.

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

The Company selects suppliers using a self-assessment survey focused on ESG performance. This data allows the Company to develop future projects that promote supplier growth and development.

- Environmental Sustainability: Assess whether suppliers operate in an environmentally friendly manner, comply with environmental laws, and manage resources efficiently.
- Labor and Human Rights: This involves checking adherence to labor standards, workplace safety, and the absence of child or forced labor.
- Business Management: Evaluate risk management, quality management, and the effectiveness of overall management systems.
- Business Ethics and Anti-Corruption: Assess transparency and compliance with the Company's ethical guidelines.
- Innovation and Development: Evaluate the supplier's capacity to offer innovative solutions and develop new products or services.

The Supplier's ESG Self-Assessment Form Example

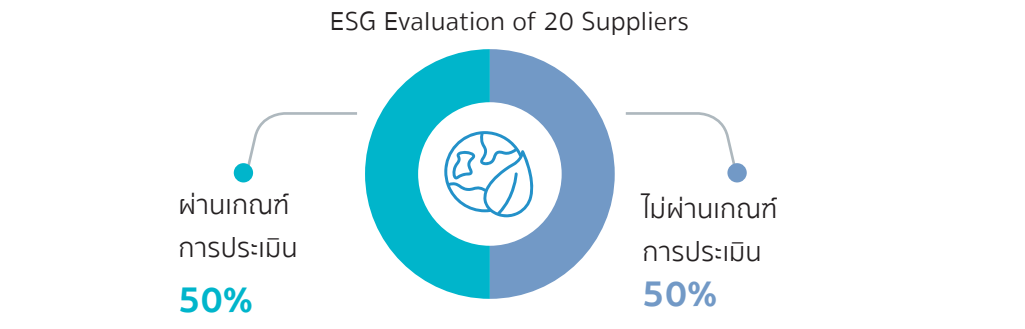
Scoring Criteria	
5	Compliant with standards/laws and environmental management system certified (ISO 14001)
4	Compliant with standards/laws but not yet certified
3	Partially compliant with standards/laws
2	Action taken, but not compliant with standards/laws
1	Minimal action, not compliant with standards/laws
0	No action taken

After suppliers complete their ESG self-assessment, the Company uses the results to select them for further ESG on-site audits.

Evaluation Criteria	
≤ 90%	Meets evaluation criteria
≤ 80%	Meets evaluation criteria, action plan required and be subject to follow-up assessments
≤ 60%	Meets evaluation criteria, requiring an action plan, performance reporting and a repeat audit
≤ 60%	Does not meet evaluation criteria, requiring corrective action and a repeat audit.

ESG On-site Audit Results for Existing Suppliers in 2024: A total of 31 suppliers, categorized into two groups.

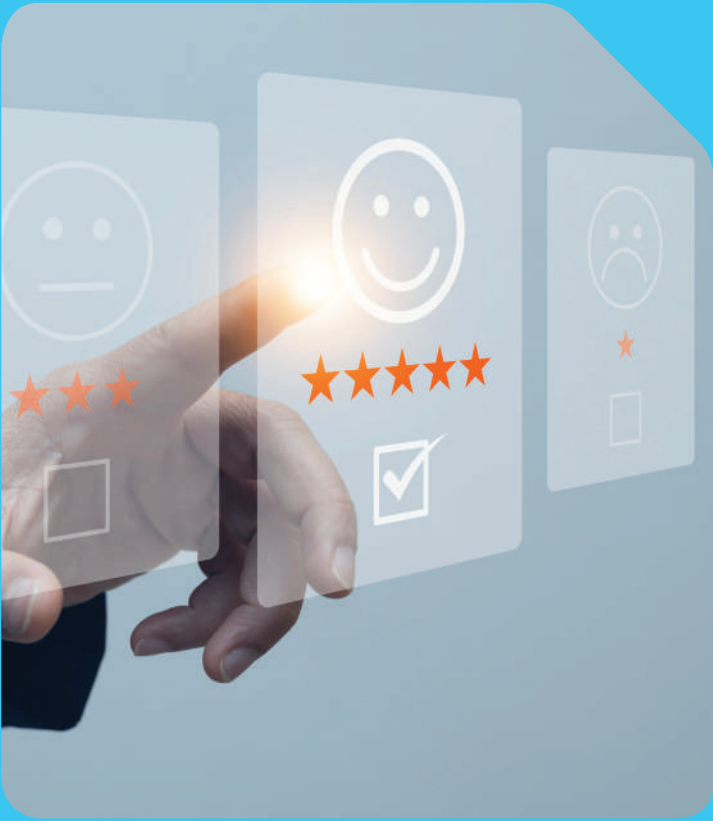
ESG On-site Audit Results for Newly Selected Suppliers in 2024: 20 new suppliers



The ESG risk assessment revealed that 10 suppliers (50%) currently lack formal ESG management systems, such as environmental management system certifications or official ESG policies. This exposes the Company to various risks, including non-compliance with key customer requirements, reputational damage, and potential non-adherence to future legal or target market regulations.

### 2025 Supplier Evaluation Plan

1. On-site audit of existing suppliers: Audit 10 existing suppliers who did not meet the ESG on-site audit criteria in 2024.
2. On-site audit of new suppliers: Plan to audit 28 new suppliers.
3. Communicate with and encourage 5 suppliers to develop their greenhouse gas emission inventories.



Sustainable Supplier Development Project

Project: Expansion of the Anti-Corruption Network through Declaration of Intent with SAT	Supplier Quality System Enhancement Project	Supplier Environmental Management System Enhancement
<b>Objectives:</b> <ul style="list-style-type: none"><li>Promote transparent business operations among suppliers, free from bribery.</li><li>Support suppliers in establishing mechanisms for corruption prevention and suppression.</li><li>Strengthen a transparent business network.</li></ul>	<b>Objectives:</b> <ul style="list-style-type: none"><li>Increase suppliers' systemic capabilities.</li><li>Meet the IATF 16949 quality system requirement that suppliers must achieve at least ISO 9001:2015 certification.</li><li>Foster competitive self-improvement among suppliers within their product groups</li></ul>	<b>Objectives:</b> <ul style="list-style-type: none"><li>To foster suppliers' awareness of their role in systematic environmental management.</li><li>To enable suppliers to utilize resources efficiently and reduce environmental impact.</li><li>To ensure suppliers comply with industrial waste control laws and regulations.</li></ul>
<b>Objectives:</b> <p>This initiative helps suppliers elevate their operations through transparent business practices, enhances credibility for their stakeholders, and mitigates the risk of corruption within their organizations and other potential adverse consequences.</p>	<b>Objectives:</b> <p>Suppliers can develop their systems to international standards, which improves their operational efficiency and increases credibility with their other clients, potentially leading to additional business opportunities.</p>	<b>Objectives:</b> <p>This initiative helps suppliers reduce legal risks related to environmental regulations and enables them to lower costs through more efficient resource utilization.</p>
100%	1 supplier (continuing from 2023)	1 supplier (continuing from 2023 2566)



## 7.7 Environmental Management

The Company implements environmental management by establishing environmental policies and targets under the Sustainability Development Policy 2024–2026. These serve as a strategic framework to guide systematic and continuous environmental operations, focusing on controlling and minimizing environmental impacts arising from business activities, such as pollutant emissions, natural resource consumption, and waste management. The Company also places strong emphasis on strict compliance with relevant environmental laws, regulations, and standards.

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Furthermore, the Company promotes and instills environmental awareness among employees at all levels to foster a corporate culture that prioritizes environmental responsibility. This approach encourages participation in environmental care, ensuring sustainable growth alongside business success.



### Environmental Management Governance

The Company places significant emphasis on systematic and efficient environmental management, with a clear governance structure that covers both policy and operational levels to ensure sustainable operations as follows:

- **The Risk Management and Sustainability Development Committee** oversees the overall environmental management, including approving short-, medium-, and long-term climate change risk management issues and strategies. This involves considering both physical risks and transition risks, integrating them with the Company’s sustainable development direction. This ensures climate management aligns with organizational strategy and sustainable business operations.
- **The Executive Sustainability Development Committee**, chaired by the President, sets the organization’s environmental policies, goals, and operational direction. The Committee is also responsible for identifying, analyzing, and proposing climate change risk management strategies for approval by the Risk Management and Sustainability Development Committee. Furthermore, it is tasked with monitoring performance and regularly reviewing the effectiveness of climate and environmental management systems to ensure timely adjustments and responses to evolving risks.
- **The Sustainability Development Working Team**, comprising representatives from all business units, is responsible for driving the implementation of policies and strategic directions set at the executive level. The group plays a key role in evaluating approaches to achieving the organization’s environmental and sustainability goals. It also coordinates information, conducts analysis, and provides recommendations for addressing climate change-related issues, such as assessing climate risks and opportunities within each unit, and formulating adaptation and mitigation strategies at the operational level to support executive decision-making.



- **The Sustainability Development Unit** is responsible for planning, managing, and monitoring the Company's environmental management performance. The Head of Corporate Strategy and Sustainability Development oversees strategic planning and risk assessment for this unit.
- **The Environmental and Energy Unit** is responsible for implementing the environmental management system at the operational level. This includes monitoring, auditing, and reporting environmental data such as energy consumption, greenhouse gas emissions, waste management, and resource utilization to ensure compliance with laws, standards, and company policies. They also support environmental and energy projects in operational areas to foster continuous improvement and align with the organization's sustainable development goals.

In 2024, the Company successfully achieved its environmental targets as planned:

Indicators	Targets	Performance Results
Greenhouse gas (GHG) emissions (Scope 1 and Scope 2):		
• Absolute GHG emissions (tons of CO <sub>2</sub> equivalent per year): Decreased	<b>14%</b>	<b>33%</b>
• Emissions per unit of production: Decreased. (GHG intensity, in tons of CO <sub>2</sub> equivalent per ton of production)	<b>14%</b>	<b>26.5%</b>
Energy consumption per unit of production: Decreased (Gigajoules per ton of production)	<b>4.5%</b>	<b>5%</b>
Hazardous industrial waste sent to disposal: Decreased (Tons hazardous industrial waste per ton of production) <sup>1</sup>	<b>3%</b>	<b>Increased by 37%</b>
Non-hazardous industrial waste sent to disposal: Decreased (Tons non-hazardous industrial waste per ton of production) <sup>1</sup>	<b>12%</b>	<b>14%</b>
Waste to landfill: Zero within 3 years	<b>Decreased by 30%</b> from 2023	<b>16%</b> from 2023
Water consumption per unit of production: Decreased (Cubic meters per ton of production) <sup>1</sup>	<b>25%</b>	<b>20%</b>
Air pollutant emissions control: CO, NOx, SOx, and TSP emissions are controlled.	<b><u>Below legal</u></b> requirements	<b><u>Below legal</u></b> requirements

Remarks: 1. Greenhouse gas data collection and comparison cover only Scope 1 and 2 emissions within the organization.  
2. The consolidated corporate-level figures result from the integration of distinct business units, Forging and Casting, which have different emission intensities. This integration contributes to higher overall savings figures. However, the organization has adjusted the data to reflect the specific challenges at the business-unit level.

## 1. Climate Change and Energy Management

The Company is committed to effectively managing and responding to climate change challenges. The focus is on reducing carbon dioxide (CO<sub>2</sub>) and other greenhouse gas (GHG) emissions to support the achievement of organizational sustainable development goals and fulfill international climate change commitments.

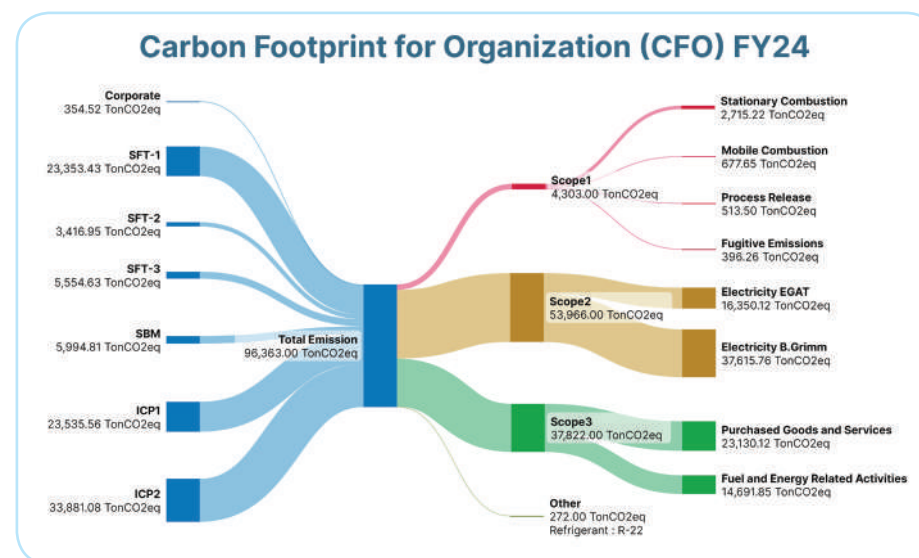
The Company assesses and analyzes the impact of climate change on all aspects of its business operations. Strategic plans have been developed to address risks arising from climate change, encompassing both physical changes and shifts driven by new policies and regulations. Appropriate adaptation and mitigation measures are being integrated across all organizational processes.

Recognizing global warming and climate change as major global challenges, the Company places strong emphasis on environmental and energy management. This includes proactive measures to address energy shortages and reduce dependency on imported resources, which have led to rising domestic energy costs and increased production expenses. The Company has set a target to reduce its greenhouse gas emissions by 30% (Scope 1 + 2) by 2030, compared to the 2018 baseline year. This will be achieved by maximizing energy and resource efficiency and adopting renewable energy sources. Furthermore, the Company emphasizes raising employee awareness and encouraging their participation in mitigating climate change impacts to drive the organization towards long-term sustainability.

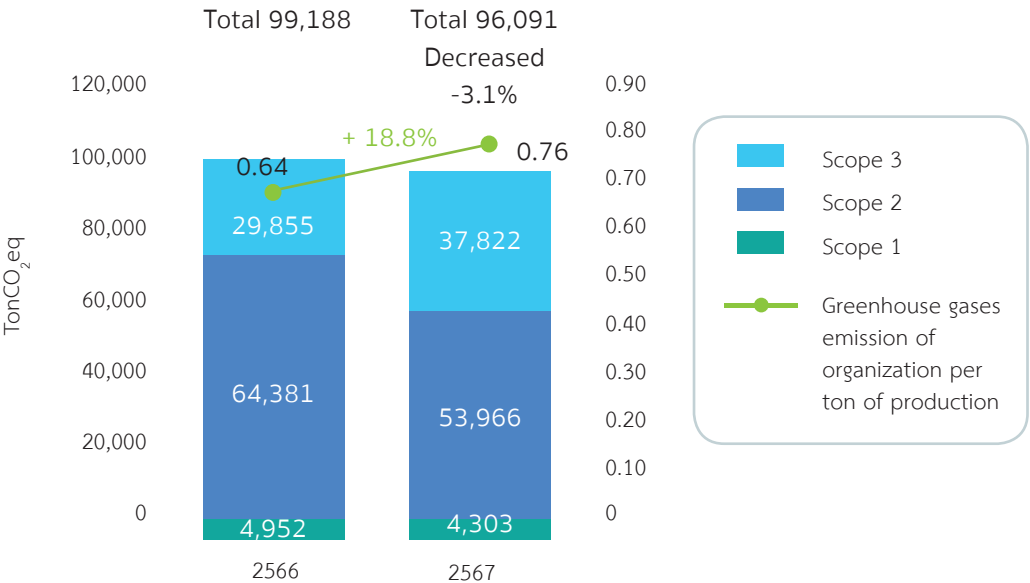
Therefore, the Company annually assesses and verifies its organizational carbon footprint, a practice maintained since 2021. This helps the Company identify significant sources of greenhouse gas (GHG) emissions within the organization, enabling the development of projects that lead to substantial GHG reductions and target achievement.

In 2024, the Company transitioned its GHG inventory and organizational carbon footprint certification from the Thailand Greenhouse Gas Management Organization (Public Organization) standard to ISO 14064-1:2018 certification. This shift aims to enhance the systematic nature, quality, and international comparability of the Company's GHG data collection. The Company's verification was conducted by BSI Group (Thailand) Co., Ltd., a globally recognized verification entity.

The verification results indicate Scope 1 emissions of 4,303 tons, Scope 2 emissions of 53,966 tons, and Scope 3 emissions of 37,822 tons of CO<sub>2</sub> equivalent.

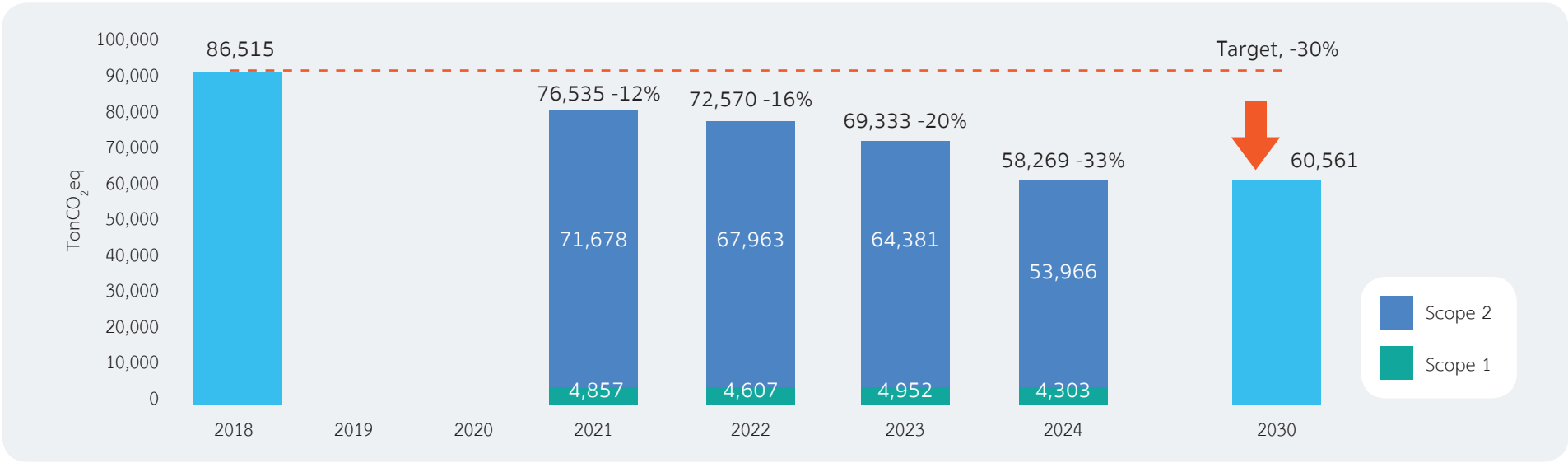


2024 GHG emissions (Scope 1, 2, and 3) compared to 2023



While total GHG emissions (Scope 1+2+3) decreased by 3.1%, the GHG intensity per ton of production increased by 18.8%. This increase is attributed to a change in the emission factor for raw materials within Scope 3.

Considering only Scope 1 and 2 emissions for 2024 compared to the 2018 baseline, the Company achieved a 33% reduction. This aligns with the Company’s goal of reducing GHG emissions by 30% (Scope 1 + 2) by 2030, demonstrating that the Company has achieved its target ahead of schedule. The Company remains committed to implementing various measures to reduce GHG emissions and continuously plans future projects to accommodate anticipated production capacity, which will impact the organization’s GHG emissions.



To effectively manage climate change, the Company prioritizes energy management, a key factor contributing to greenhouse gas emissions. The Company has integrated efficient and environmentally friendly energy practices into all levels of business operations, including production processes, facilities, and internal organizational activities.

The Company continuously monitors and evaluates its energy consumption and has established targets to reduce energy use through various measures. These include managing electricity usage in office spaces, increasing the proportion of renewable energy, particularly through the installation of solar rooftop systems at operational sites, and promoting energy conservation awareness among employees at all levels.

In addition to internal operations, the Company demonstrates its commitment to mitigating climate change impacts by participating in industry networks. The Company is a member of environmental, energy, and sustainability associations and collaborative groups, including UNGC, TCNN, and the ESG Network. It also clearly supports government policies and regulations that promote carbon reduction and clean energy development. The Company believes this systemic participation will create a positive impact on the broader business ecosystem and environment.

Indicators	2024 Targets	2024 Performance Results
Reduction in greenhouse gas emissions per unit of production (TonCO <sub>2</sub> eq per ton of production)	14%	26.5%
Reduction in energy consumption per unit of production (Gigajoules per ton of production)	4.5%	5%
Target to achieve 10% renewable energy usage by 2030		4.31%

### 1) Renewable Energy Consumption

The Company’s current renewable energy consumption stands at 4.31% of total electricity usage for 2024, with a target to increase this to 10% by 2030. In 2024, the Company generated 19,701 GJ (5,472.65 MWh) of renewable energy from solar cells across all subsidiaries. This resulted in cost

savings of 6.99 million baht and a reduction in greenhouse gas emissions of 2,735 TonCO<sub>2</sub>eq. Furthermore, in 2024, the Company increased its proportion of renewable energy by installing 540 MWp of solar cells at SFT-2. This project is expected to reduce GHG emissions by 331.36 TonCO<sub>2</sub>eq, generate cost savings of 2.48 million baht, and raise the total solar power generation capacity across all subsidiaries from 5.03 MWp to 5.57 MWp.



### Solar Power Generation Projects

<div>SFT2</div> <div>(newly installed)</div> <div>Capacity</div> <div>0.540 MWp</div>	<div>SFT1</div> <div>Capacity</div> <div>1.5 MWp</div>	<div>SFT3</div> <div>Capacity</div> <div>0.44 MWp</div>	<div>SBM</div> <div>Capacity</div> <div>2.1 MWp</div>	<div>ICP2</div> <div>Capacity</div> <div>0.997 MWp</div>
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## 2) Efficient Energy Use in Production Processes

The Company has enhanced efficiency and minimized energy loss from electricity consumption through the implementation of various projects and initiatives, as follows:

### Energy Conservation Projects

The Company has undertaken projects to modify machinery and install equipment aimed at improving energy efficiency. As a result, by 2024, the Company successfully reduced energy consumption by 1,178.10 MWh, cost savings of 5.78 million baht and a reduction in greenhouse gas emissions of 517.73 TonCO<sub>2</sub>eq. Key related projects include:

Installation of an ECO energy device superconductor current improvement device (3,200 kVA) to reduce electrical current resistance and minimize energy loss within the transmission system.

Before



**Before improvement :** A survey of low-voltage electrical energy in the MDB1 & MDB2 sections revealed that alternating current (AC) consuming equipment, such as inductive loads (motors) and resistive loads (light bulbs), were affected by heat interference within the electrical wiring, leading to energy loss within the system.

After



**After improvement :** Installed ECO energy device at MDB1, the air compressor, the dust collector for the melting furnace system, and the melting furnace cooling water pump, with a total capacity of 3,200 kVA.



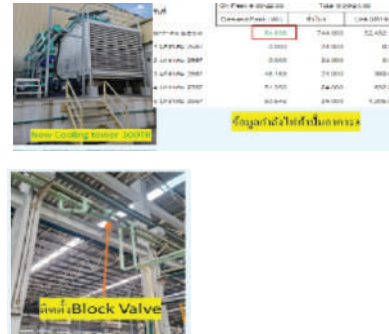
## Installation of 300-ton cooling tower to reduce operation of 55kW water pumps.

### Before



**Before improvement :** Building 3 requires two 55 kW pumps to operate continuously to adequately supply cooling water to the J-line. The installation of the A2-line further increased cooling water demand, necessitating the continuous operation of both pumps in Building 3, which resulted in higher electricity costs.

### After



**After improvement :** Installed new 300 ton cooling tower in Building 2. Additionally, piping was extended, and a block valve was installed to prevent water from Building 3 from flowing to the J-line and A2-line. The new cooling tower was then activated, allowing for the reduction of one 55 kW pump operation in Building 3.

## Inverter Installation of the L-line Fume Hood Blower

### Before



**Before improvement :** The electric motor's speed needed reduction to an optimal level. The manufacturer used a pulley to reduce the speed from 1,988 rpm to 1,590 rpm. The measured current was 18.6 A, with an approximate motor power of 11 kW.

### After



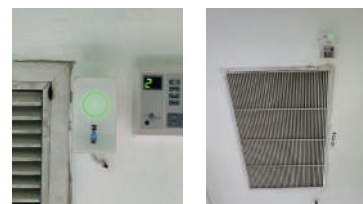
**After improvement:** Installed inverter to reduce the electric motor's speed by lowering the power supply frequency from 50 Hz to 40 Hz. Current measurements showed an average of 10.7 A, with the motor power reduced to 7 kW.

## Installation of KOOM AIR Online Air Conditioning Control System

### Before



### After



**Before improvement :** The testing room had four air conditioning units, each with a capacity of 125,000 BTU, totaling 40 kW of electrical power. These units were controlled by remote and operated approximately 70% of the time.

**After improvement :** Installed KOOM AIR devices and new operational settings were configured to alternate between Cool mode and Fan mode. This reduced compressor operating time by approximately 15%.

Energy Conservation Activities

The Company has promoted and raised awareness regarding energy conservation and greenhouse gas reduction through its Energy Reduction Innovation initiative. This involves identifying and improving areas of energy loss stemming from processes or operational practices. By 2024, these efforts resulted in the 1,843.11 MWh reduction in energy consumption, leading to 6.98 million baht in cost savings and a decrease of 736.57 TonCO<sub>2</sub>eq in greenhouse gas emissions. Key projects under this initiative include:

Patrol air leak: Survey and improvement of air leaks in the air compressor system

Before



**Before improvement :** Leaking equipment in machinery utilizing the pneumatic system was identified, leading to a loss of energy used for air production.

After

No.	Item	Location	Unit	Quantity	Material	Unit Price	Total Price	Photo	Remarks
1	Patrol	100000	1	1	100000	100000	100000		Leaking equipment in machinery utilizing the pneumatic system was identified, leading to a loss of energy used for air production.
2	Patrol	100000	1	1	100000	100000	100000		Leaking equipment in machinery utilizing the pneumatic system was identified, leading to a loss of energy used for air production.
3	Patrol	100000	1	1	100000	100000	100000		Leaking equipment in machinery utilizing the pneumatic system was identified, leading to a loss of energy used for air production.
4	Patrol	100000	1	1	100000	100000	100000		Leaking equipment in machinery utilizing the pneumatic system was identified, leading to a loss of energy used for air production.

**After improvement :** The maintenance department now conducts monthly patrols to survey for air leaks. The results are analyzed to calculate savings and plan for the frequent modification of identified leakage points.

Energy Consumption Reduction: Blower for PAT-2 Paint Drying Oven

Before



**Before improvement :** A blower was used for dust extraction and ventilation at the part cleaning station.

After

kW	Working Hours	Working Days	kWh/Day	kWh/Month	kWh/Year	Baht/Day (4.58 Baht/Unit)	Baht/Month	Baht/Year
1.5	19.5	26	29.25	760.5	9,126	133.965	3,483.09	41,797.08
0	19.5	26	0	0	0	0	0	0
Saving			29.25	760.5	9,126	133.965	3,483.09	41,797.08

**After improvement :** The production department eliminated this cleaning step prior to the painting process, allowing for the discontinuation of the blower's operation at that location.

## Increased Capacity of PAT-2 Paint Curing Process

Before



**Before improvement:** The Painting Line (PAT-2) had only one support pillar for workpiece loading, accommodating one part per cycle.

After



**After improvement:** Installed additional support pillar, enabling two parts to be painted per cycle. This increased production capacity, reducing both operational time and energy consumption.

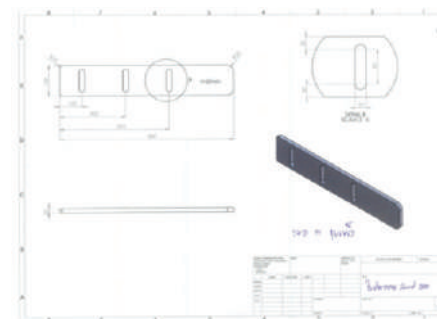
## Reduced Sand Retrieval Time for Molding AMF

Before



**Before improvement :** Retrieving sand from the Stock Sand Bin for mixing and production took 5.44 minutes per retrieval. With 260 retrievals per day, the motor feeding the conveyor consumed 3.7 kW.

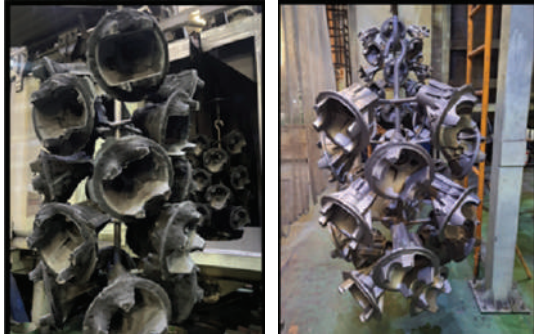
After



**After improvement :** Change new the Stock Sand Bin conveyor from 700 mm to 800 mm. This modification reduced friction during sand transfer to the 4 BC conveyor. Additionally, the conveyor's position was adjusted. These changes reduced the sand retrieval time to 2.40 minutes per retrieval, a significant improvement from the previous 5.44 minutes.

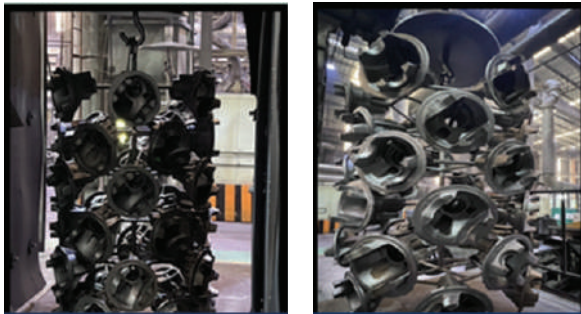
## Capacity Enhancement: Shot Blasting for Carrier Differentials R6, R7, R7.3, and R7.5

### Before



**Before improvement:** The jig used for shot blasting Carrier Differential parts could accommodate 12 pieces per cycle.

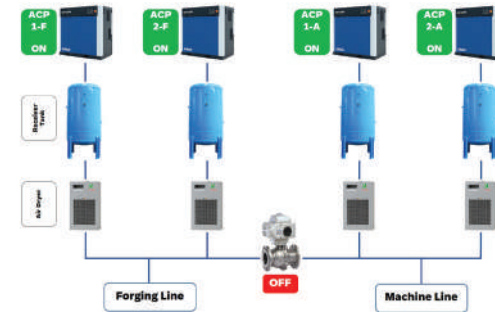
### After



**After improvement:** The jig was redesigned to allow 36 pieces per cycle. This improvement significantly increases production capacity, leading to reduced processing time and energy consumption.

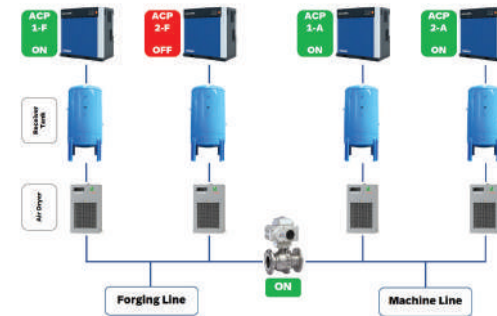
## Optimized Air Compressor Operation for Production

### Before



**Before improvement :** Four air compressors were operated simultaneously, each consuming 60 kW of electricity.

### After



**After improvement :** Shut down one air compressor leaving three operational. The ACP1-F, a Variable Speed Drive (VSD) type compressor, will operates continuously to adjust the compressed air supply according to production line demands. This eliminates the production of unnecessary compressed air and reduces standby power consumption.



Through the implementation of these energy conservation projects and activities, the Company achieved cost savings of 12.76 million baht. Moreover, the Company fosters employee awareness and engagement in energy conservation by encouraging employees to continuously propose energy-saving projects or innovations.

Energy Conservation Measures



GHG Reduction :  
**517.73** TonCO<sub>2</sub>eq /Year



Energy Reduction :  
**1,178.10** MWh/Year



Cost Reduction :  
**5.78** MB/Year

Energy Conservation Activities



GHG Reduction :  
**736.57** TonCO<sub>2</sub>eq /Year



Energy Reduction :  
**1,843.11** MWh/Year



Cost Reduction :  
**6.98** MB/Year

3) Promoting Increased Use of Recycled Materials Among Suppliers

To ensure the efficient utilization of available resources, the Company incorporates recycled materials as raw inputs in production processes. In the Casting business group, 100% of the steel used is derived from recycled materials. The Company's efficient smelting processes enable high volumes of recycled material utilization, complemented by a robust quality control process that adheres to established standards. Similarly, the Forging business group also uses steel bars sourced from recycled materials in its production. Currently, the average recycled content used by the Company's suppliers stands at 66%. Therefore, encouraging suppliers to further increase the proportion of recycled materials, while maintaining customer-defined quality and specifications, remains a key commitment the Company will continue to pursue moving forward.





2.Sustainable Water Resource Management

The Company places strong emphasis on the responsible and sustainable use of water resources, recognizing the risks associated with water scarcity and the environmental impacts of water usage in production processes. Consequently, the Company has established ongoing targets to reduce internal water consumption and promotes employee engagement at all levels to ensure water is used efficiently.

Management Approach

The Company emphasizes responsible and efficient water management within its production processes, particularly in high water-consuming business units such as Casting, Machining, and Forging. A comprehensive analysis has been conducted to identify processes with significant water usage, serving as the basis for ongoing improvements. In addition, the Company has established preventive measures and operational-level water risk management strategies to address potential uncertainties in future water resource availability.

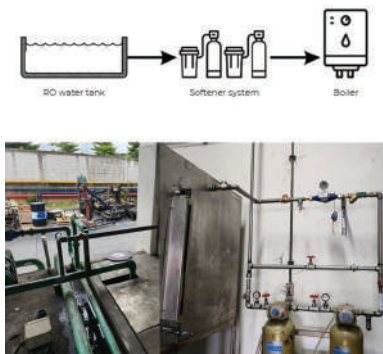
The Company has implemented various water-saving measures through technological and process enhancements. For example, soft water has been introduced to replace reverse osmosis (RO) water in the hot forging process. The Company achieves water reduction through technological and process improvements. Examples include using soft water instead of Reverse Osmosis (RO) water in hot forming processes. The Company also reuses water by collecting rainwater in excavated ponds for plant irrigation. Furthermore, water from the auto-drain system of air compressors is beneficially utilized for 5S cleaning activities, such as washing oil-contaminated equipment, or mixed with coolant oil to further reduce overall water consumption. Moreover, efforts to raise awareness on efficient water use have been promoted. These strategies not only reduce dependence on tap water usage but also contribute to resource conservation and tangible environmental impact reduction.



## Water Reduction Projects or Initiatives

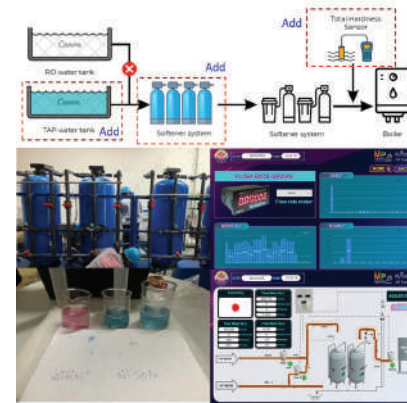
### Project: Reducing RO Water Usage by Utilizing Softened Water in Boiler System SFT-1

#### Before



**Before improvement** The factory consumed 667 cubic meters of tap water per month to produce Reverse Osmosis (RO) water for steam generation in the Forging process. However, only 400 cubic meters per month of RO water were effectively utilized, with the remainder being wastewater from the filtration process, leading to unnecessary resource wastage and costs.

#### After



**After improvement** Installed softener system, allowing city water to be fed directly into the boiler system, replacing RO water. This reduced load on the RO production system, leading to an annual reduction of 3,204 cubic meters of tap water and cost savings of approximately 0.33 million baht per year.

### Project: Rainwater Harvesting for Green Area Maintenance at ICP-2 Factory

#### Before



**Before improvement** Tap water was extensively used across various operations, including production processes, offices, the canteen, and maintaining all green areas within the factory.

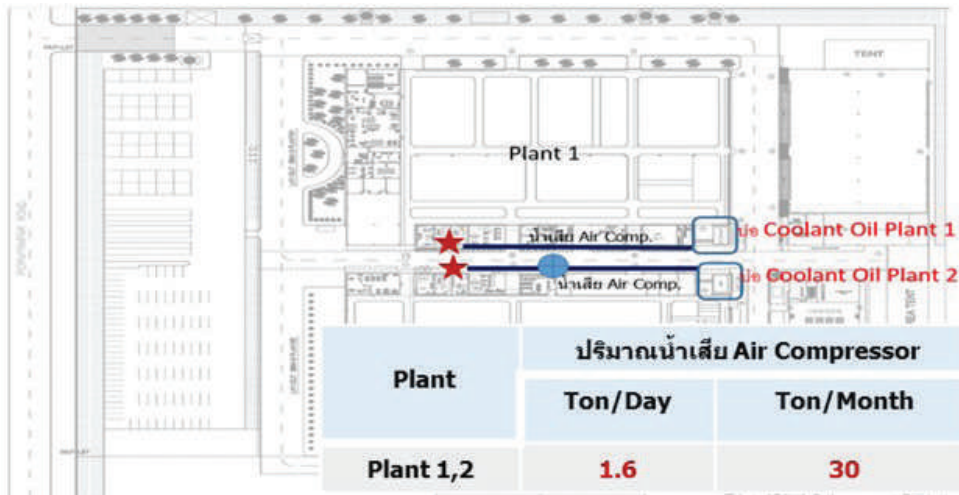
#### After



**After improvement** The Company excavated a pond on the factory premises to collect rainwater. This harvested rainwater now replaces tap water for internal operational activities, leading to an approximate reduction in tap water consumption of 49 cubic meters per year and an annual cost saving of approximately 0.002 million baht.

## โครงการนำน้ำจากระบบ Auto Drain ของ Air Compressor กลับมาใช้ซ้ำในโรงงาน SBM

### Before



**Before improvement** Wastewater from the air compressor system, due to moisture, was discharged into the coolant oil wastewater pond. This resulted in an average of 30 tons of coolant oil wastewater requiring external disposal monthly, incurring significant disposal costs and losing water that could have been repurposed.

### After



**After improvement** Installed a piping system to reclaim auto-drain water from air compressor system. This water is being repurposed for various activities, including cleaning oil-contaminated equipment during 5S initiatives and mixing with coolant oil in our production process. This initiative is projected to reduce our tap water consumption by 24 cubic meters per year, leading to an annual cost saving of approximately 0.0006 million Baht.

### Key Project Outcomes

The Company successfully reduced water consumption by 3,277 cubic meters in 2024, resulting in total cost savings of 332,600 baht.

3. Waste Management and Promotion of Circular Economy

The Company is committed to maximizing the value of existing resources by effectively managing and leveraging waste generated from its processes. Targets have been established for reducing production waste, guided by the 3R principles (Reduce, Reuse, Recycle). Additionally, the Company promotes the use of scrap metal, a by-product from the Somboon Group’s production processes, as a raw material in the melting process. This initiative not only supports the development of a domestic circular economy, but also contributes to waste reduction, cost efficiency, energy conservation, and lower greenhouse gas emissions.

In 2024, the Company reviewed its waste management targets, defining three key performance indicators: reduction in hazardous waste, reduction in non-hazardous waste, and reduction in waste sent to landfills. These indicators are designed to enhance resource management efficiency and minimize environmental impact.

Management Approach

The Company manages waste in alignment with the 3Rs principle, Reduce, Reuse, and Recycle, to minimize waste from production processes. Under the strategy, the Company reintroduces unused materials such as steel scrap into the melting process and implements sand reclaiming to reuse resin sand. Additionally, black sand, which has been analyzed and confirmed as non-hazardous, is repurposed to produce interlocking pavers (block bricks) for internal use, equivalent to 97 tons of recycled sand per year. The Company also improves the efficiency of in-house oily wastewater treatment to reduce the need for

external disposal and promotes the reuse of fabric gloves and oil wipes. For industrial waste that cannot be reused, the Company ensures disposal through licensed waste management operators in compliance with legal requirements. Furthermore, the Company has adopted a forward-looking “Zero to Landfill” strategy, prioritizing alternative disposal methods over landfilling.

Indicators	2024 Targets	2024 Performance Results
Reduction in Hazardous Industrial Waste Disposed per Ton of Production (Tons hazardous waste / ton of production)	3%	Increased by 32%
Reduction in Non-Hazardous Industrial Waste Disposed per Ton of Production (Tons non-hazardous waste / ton of production)	12%	14%
Achieve Zero Waste to Landfill within 3 years.	Reduced by 30% from 2023	16% from 2023





## Project: Production of Interlocking Blocks from Black Sand at ICP-2 Factory

### Before



**Before improvement** The black sand discharged from the production process did not meet the required physical specifications for reuse in manufacturing and was therefore sent for external disposal.

### After



**After improvement** The Company repurposed the black sand by converting it into a raw material for producing “interlocking paving blocks”, mixing it with cement at an optimal ratio. These paving blocks are now used for internal roads and walkways within the plant premises. This initiative significantly reduces the volume of waste requiring external disposal and supports the promotion of a circular economy.

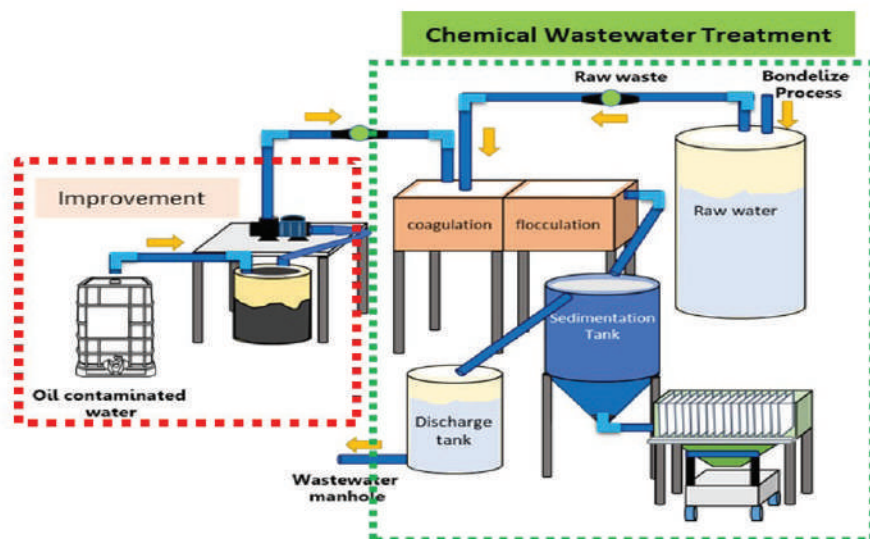
Cement to black sand ratio: (0.8 : 1.5)

Black sand used for block production = 97 tons/year

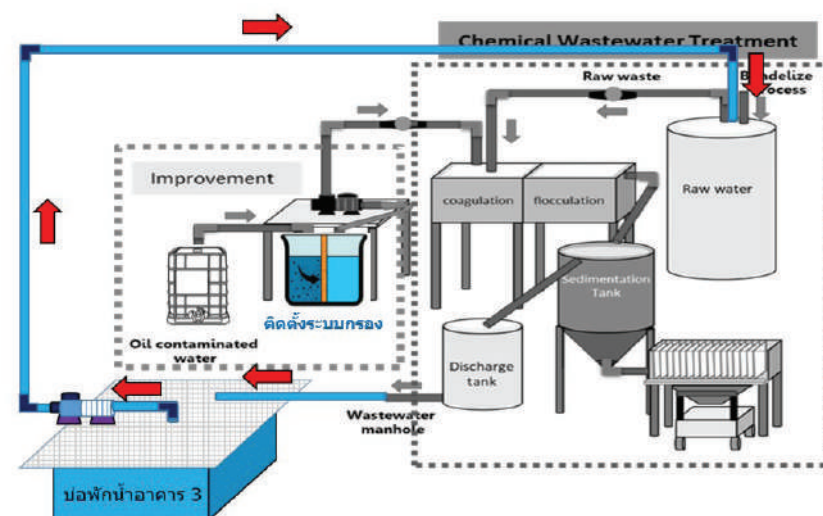
Interlocking blocks produced = 66,495 units/year

Waste disposal cost reduced = 0.024 million baht/year





After



Somboon Advance Technology Public Company Limited 145



The SFT2, ICP1, ICP2, and SBM facilities were honored with the Environmental Governance Flag (Green Star White Flag) under the theme “Green Gold Growth for Sustainability: Governance towards Sustainability.” This recognition, presented by the Industrial Estate Authority of Thailand (IEAT), recognizes industrial estate factories that uphold strong governance principles in environmental management across five dimensions: physical, economic, environmental, social, and management standards. The Company has received this recognition for three consecutive years.

In addition, the Company received the AMATA Best Waste Management Award 2024 from Amata City Industrial Estate. This award honors facilities that demonstrate outstanding

performance in managing industrial waste and general waste in compliance with legal standards and based on the 3Rs principles (Reduce, Reuse, Recycle). This marks the fifth consecutive year the Company has received the award.

#### 4. Air Quality Management

The Company recognizes the environmental and public health impacts associated with air pollution and, therefore, places strong emphasis on controlling air emissions generated from its operations, particularly those arising within its industrial facilities.

##### Management Approach

In 2024, the Company established its first air quality management targets, with an aim to maintain factory air quality at levels superior to the legal standards and the requirements outlined in our Environmental Impact Assessment (EIA) report. To ensure that emissions remain at safe levels and do not negatively affect the environment or nearby communities, authorized third-party evaluators regularly conduct random monitoring every six months



The Company is committed to operating with high efficiency to minimize air pollution and mitigate environmental impacts. In addition, continuous emission monitoring data is reported to the Department of Industrial Works to promote operational transparency and foster trust with the surrounding community.

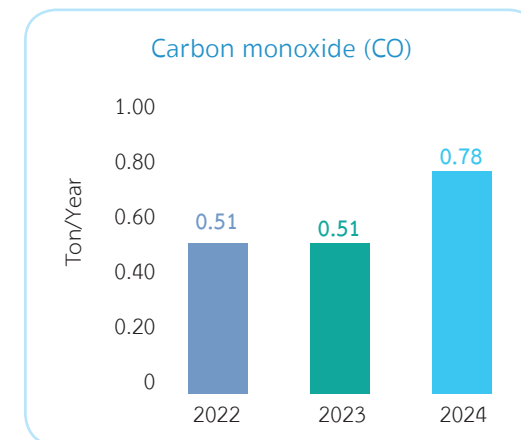
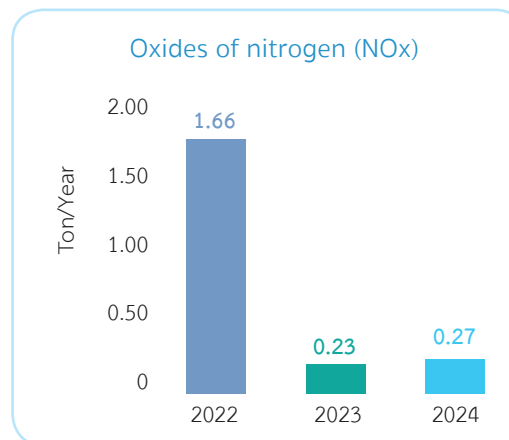
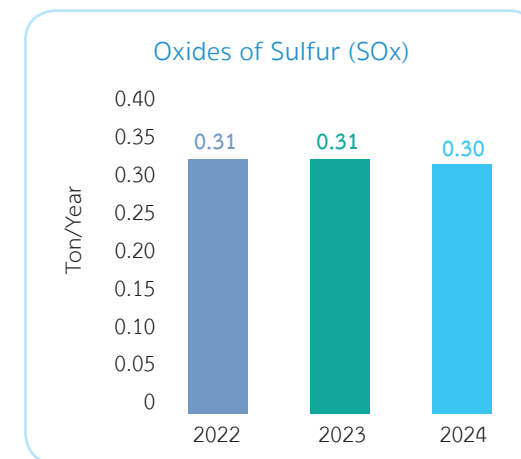
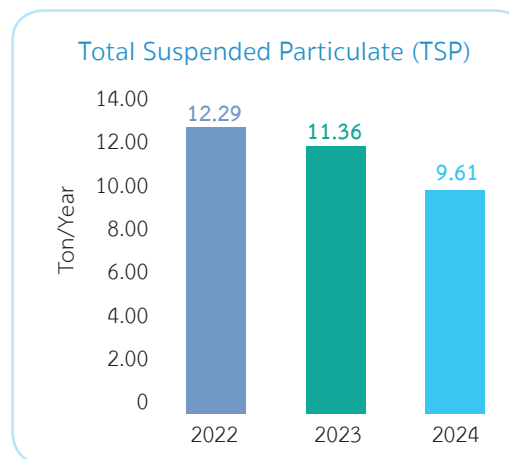
Indicators	2024 Targets	2024 Performance Results
Air Pollutant Emission Control (TSP, SOx, NOx, CO)	<b><u>Below</u></b> legal requirements	<b><u>Below</u></b> legal requirements
External authorized parties conduct air quality monitoring	<b>2 Times</b>	<b>2 Times</b>

Indicators	Legal Standards	Analysis Results
Total suspended particulate, TSP (mg/m <sup>3</sup> )	5 <sup>/1</sup> , 7 <sup>/1</sup> , 8 <sup>/1</sup> , 10 <sup>/1</sup> , 12 <sup>/1</sup> 120 <sup>/2</sup> 320 <sup>/3</sup> 400 <sup>/3</sup>	<b>1.55</b>
Sulfur dioxide, SOx (mg/l)	2 <sup>/1</sup> 60 <sup>/3</sup> 500 <sup>/3</sup>	<b>0.72</b>
Nitrogen dioxide, NOx (mg/l)	40 <sup>/1</sup> 200 <sup>/3</sup>	<b>1.67</b>
Carbon monoxide, CO (mg/l)	690 <sup>/3</sup> 870 <sup>/3</sup>	<b>3.44</b>

Sources: <sup>/1</sup> Emission limits as specified in the project's Environmental Impact Assessment (EIA) report.

<sup>/2</sup> Ministry of Science, Technology and Environment Notification on Air Emission Standards for Steel Plants, B.E. 2544 (2001).

<sup>/3</sup> Ministry of Industry Notification on Permissible Emission Levels of Air Contaminants from Industrial Facilities, B.E. 2549 (2006).



According to air pollutant concentration test results in 2024, all measured parameters remained within the legal limits. However, a review of pollutant quantities (tons per year) reveals an increasing trend in Carbon Monoxide (CO) emissions (0.51 tons per year in 2023 vs. 0.78 tons per year in 2024). This may suggest a need to assess the efficiency of machinery or combustion processes, as well as associated air pollution control systems. The Company will investigate these processes and machinery to identify corrective measures and ensure that pollutant levels do not continue to rise.

### Projects and Initiatives to Reduce Business-Related Air Pollution

Installation of a dust collector system with a capacity of 200 CMM at SBM for BDS 12 & 4 production lines.



Installation of an additional dust collector system with a capacity of 1,000 CMM (increased from the original 570 CMM) at ICP2 for the Finishing & Grinding process, aimed at improving air pollution control efficiency.



Installation of a wet scrubber system at ICP2 for the Shell Core process to enhance air treatment efficiency and improve workplace conditions by reducing chemical vapor and odor emissions.



### Internal Environmental Projects and Activities

#### 1) Environmental and Resource Conservation Knowledge and Awareness Program

The Company has continuously implemented initiatives aimed at enhancing employees' knowledge and understanding of environmental standards. The program focuses on developing competencies related to environmental management systems and greenhouse gas management, strengthening the necessary skills for operating in line with international standards. Activities under this program include both internal and external training sessions.

ISO 14001:2015 Environmental Management System Curriculum	Greenhouse Gas Management Curriculum	Awareness Promotion Curriculum
<ul style="list-style-type: none"> <li>OJT: ISO 14001:2015 Environmental Management System</li> <li>Internal Auditor ISO 14001:2015 and NC-CAR Response Techniques</li> <li>Internal Auditor ISO 14001:2015 and NC-CAR Response Techniques</li> <li>Assessment of Significant Environmental Aspects</li> <li>Environmental Risk and Opportunity Assessment</li> <li>Environmental Law Training</li> </ul>	<ul style="list-style-type: none"> <li>Managing Greenhouse Gas Emissions (ISO 14064)</li> <li>ISO 14064-1:2018 Requirements</li> </ul>	<ul style="list-style-type: none"> <li>Environmental and Innovation Study Tour Program</li> <li>Energy Conservation in Factories</li> </ul>



ISO 14064-1:2018 Requirements Course

This course aims to ensure employees accurately understand the requirements for measuring, reporting, and verifying organizational greenhouse gas emissions data. This knowledge enables them to accurately prepare carbon footprint data, systematically supporting the Company’s greenhouse gas emission targets. A total of 43 employees participated.



- **Internal Auditor ISO 14001:2015 and NC-CAR Response Techniques**  
2015 system and teaches techniques for responding to non-conformities (NCs) identified during audits. These skills are crucial for effectively developing and maintaining an efficient environmental management system. A total of 28 employees participated.
- **Assessment of Significant Environmental Aspects**  
This course is designed to enable employees to systematically identify, analyze, and assess environmental issues that pose high risks or have significant influence on the organization. This forms a crucial foundation within the ISO 14001 system for establishing measures to control environmental impacts. A total of 48 employees participated.

2) Natural Resource and Environmental Conservation Program

The Company consistently encourages employee participation in internal environmental management through activities that promote awareness and responsible use of resources.

- **Waste Segregation Promotion Program** The Company recognizes waste segregation as a key activity in promoting sustainability and minimizing environmental impacts. A systematic waste management system has been implemented, including installing segregated waste bins across various areas within the organization. Clear communication efforts have been made to ensure employees understand correct waste separation procedures. This initiative aims to reduce the volume of waste sent to final disposal and enhance the effectiveness of waste recovery and recycling. Furthermore, recyclable waste such as plastic bottles, paper, and certain types of scrap materials is sorted and sold to certified recycling companies. This generates added value from waste and forms an integral part of the Company’s long-term, valuable resource management strategy



Recycled Waste Volume	Reduced CO <sub>2</sub> Emissions	Equivalent to Tree Planting
2,576 kg	3,143.23 kgCO <sub>2</sub> eq	199



- Efficient Resource Utilization Program** Efficient resource utilization remains a continuous and critical focus for the Company this year, supporting sustainable business operations. This not only reduces operational costs but also minimizes environmental impact and fosters a better working environment for employees. The Company has implemented several projects demonstrating effective resource use, including:
  - Encouraging online meetings to reduce the need for travel.
  - Adopting digital systems to decrease paper consumption for documentation.
  - Campaigning to switch off lights and air conditioners when not in use.
  - Installing sensor-activated water faucets to control water usage.
  - Utilizing electric tricycles for employee transportation from parking areas to office buildings.
  - Collecting used paper within offices for handover to recycling companies.
  - Implementing an authentication system for document printing to reduce redundant or unused printouts.
  - Installing LED lighting and automatic on/off systems in common areas to enhance electricity usage efficiency.
- Green Space Expansion Program within the Company** The Company places emphasis on fostering an optimal working environment by implementing projects that encourage employee participation in developing pleasant and conducive green spaces around offices and factories. This initiative not only enhances air quality within the workplace but also demonstrably reduces work-related stress and strengthens workplace happiness and engagement. Examples of implemented projects include creating landscape gardens and relaxation areas in common spaces, encouraging each department to maintain its own vegetable garden, organizing

“Big Cleaning Day” events where employees collectively develop surrounding areas. Additionally, the Company has applied environmental innovations such as transforming black sand dust, a by-product from production processes, into interlocking bricks. These bricks are then used for paving walkways within the factory and garden areas, effectively reducing waste while creating economic value and enhancing the Company’s image as a resource-conscious and environmentally responsible organization.



## 7.8 Innovation in Business Processes for Sustainability

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

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

### Management Approach

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

- Support from the Board of Directors and Executive Management: The Company establishes business directions and strategies that promote sustainable innovation, embedding a culture of creativity and innovation at all organizational levels.
- Encouragement of Innovation in Production or Work Processes: The Company encourages the development of innovative approaches within production and work processes. Employees are empowered to propose and implement new ideas aimed at improving efficiency, reducing waste, shortening lead times, and enhancing overall quality. Continuous Improvement (CI) is actively promoted through various mechanisms.
- Training and Development: The Company offers training and development programs to help employees learn about sustainable innovation. These

include initiatives that foster creativity, such as QCC (Quality Control Circle) and Kaizen.

- Collaboration with Research Institutions and Universities: The Company fosters partnerships with research organizations and universities to jointly develop innovative solutions. These collaborations enhance the Company's innovation capabilities by leveraging research-based development and promoting fresh perspectives through student-led creativity and ideas.
- Engagement with Local Authorities: Collaborating with local communities and authorities helps us better understand societal needs and expectations. This allows the Company to develop innovations that are more aligned with these requirements.

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



## 1. Innovation Creating Value for the Agricultural Sector

In 2024, the Somboon Group established a new company, Somboon Advance Agriculture Co., Ltd. (SAA). Its primary objective remains to extend and develop products within the agricultural machinery sector. This aims to meet the growing and diverse demands of today's agricultural sector. It also involves introducing innovations that can help reduce production costs, make work processes more convenient and faster, and enhance the efficiency of agricultural production. This reflects the commitment to offering innovations that address customer needs, economic, social, and environmental considerations. SAA supports and promotes sustainable agriculture by developing products that help reduce water and energy consumption and lower greenhouse gas emissions, contributing to a sustainable agricultural system.

### Rotary Blade

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

In 2024, the Company commenced production and distribution of the new rotary blade model, delivering a total of 88,304 blades for use in the RX165 rotary tiller series. Additionally, SAA has developed a prototype of an alternative blade model

and donated 60 pairs to a group of farmers for field testing. The objective is to monitor the blades' performance, durability, and user satisfaction. Feedback from this trial phase will be used to refine the product before its commercial production.

### Product Development Process

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





## Positive ESG Impacts

Environmental	Social	Economic / Governance
Reduction in CO <sub>2</sub> emissions from fuel savings by 0.08 liters per rai (5.8%) results in a reduction of CO <sub>2</sub> emissions by 0.21 kilograms per rai.	Reduced farmer working time per rai by 3.4%.	Reduced raw material costs for the Company in production by approximately 6% per piece.
	Reduced exposure risks to pollutants: Shortened field-testing durations, such as exhaust fumes and PM2.5 particles, which are known health hazards.	Environmental policy compliance: Reduced fuel consumption and pollutant emissions enable the organization to better comply with environmental regulations and standards.
	Reduced operating costs: The 5.8% reduction in fuel consumption per rai and the extended lifespan of the blades contribute to lower operating costs for farmers, increasing their income and improving quality of life.	

## Sugarcane Leaf Baler

In 2024, Somboon Advance Agriculture Co., Ltd. (SAA) initiated testing of its sugarcane leaf baler product. This addresses the pressing need for efficient management of agricultural waste generated from sugarcane harvesting. During the 2022/2023 crop year, Thailand's sugarcane cultivation area spanned approximately 11 million rai, accounting for 7% of the total agricultural land. Sugarcane production reached 94 million tons, generating an economic value exceeding 100 billion baht (data referenced from the Sugarcane Cultivation Situation Report 2022-2023, Office of the Cane and Sugar Board). A major challenge post-harvest is the large volume of leftover sugarcane leaves, estimated at 15-17 million tons annually. Only 1-2 million tons of this material are currently collected for various uses. Most sugarcane leaves are left behind and burned to prepare fields for the next planting cycle. This practice has severe consequences, including air pollution, particularly PM2.5 particulate matter, directly impacting on the health of nearby communities and the environment (data referenced from the Energy Research and Development Office, Department of Alternative Energy Development and Efficiency).



The sugarcane leaf baler is equipment designed to assist farmers in managing this issue. Its core principle is to collect and compress leftover sugarcane leaves into compact rectangular bales, approximately 70 centimeters wide, 120 centimeters high, and up to 300 centimeters long. This design significantly improves storage and transportation efficiency, thereby reducing logistics and storage costs. Furthermore, the baled material can be repurposed for various uses such as biomass fuel for energy production, construction materials, or soil improvement agents.

Product Development Process

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

Positive ESG Impacts

Environmental	Social	Economic / Governance
Reducing the open field burning of sugarcane leaves lowers CO <sub>2</sub> emissions and other pollutants generated from combustion (approximately 1.6 tons of CO <sub>2</sub> per ton of sugarcane leaves burned).	Minimizes air pollution, contributing to improved public health for surrounding communities.	Compliance with environmental policies: Reduced fuel usage and emissions support alignment with regulatory standards and environmental legislation.
Resource conservation by utilizing compressed sugarcane leaves as a raw material.	The recycling process and utilization of the sugarcane leaf baler can generate employment opportunities within local communities, such as in the production and sale of sugarcane-based products.	Lower marketing and testing costs through a stringent process for selecting prototype manufacturers and building trust with new customer segments by demonstrating credible business operations.
Reduce the volume of agricultural waste.	Reduce the need for land dedicated to waste disposal and provide farmers with more sustainable waste management alternatives.	



## 2. Innovation in Production Processes

The Company is dedicated to the continuous development and improvement of its production processes. The aim is to achieve maximum efficiency in terms of quality, output, resource utilization, and environmental impact reduction. Innovation and creativity are integrated into every stage of production, from testing and production planning to quality control, waste and energy management.

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

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

### Project: Producing Paving Bricks from Waste Black Sand Dust

In 2024, the Company continues to adopt the 3Rs principle, Reduce, Reuse, and Recycle, as a core approach to waste management. This includes “Reduce” for minimizing waste generated during production by optimizing mold design and sand-filling systems to reduce sand loss. The other, “Reuse”, is reintroducing auxiliary production materials, such as reusing black sand from molding processes through improved storage and handling systems. And the “Recycle” is for converting certified non-hazardous black sand waste into paving bricks.

To further enhance resource efficiency and reduce waste disposal volumes, the Company invested in a brick manufacturing machine in 2023. This upgrade to support black sand recycling (which was shifted from a manual production in the past) significantly improved the quality, strength, consistency, and standardization of the bricks, making them ideal for practical applications,

particularly in public areas or for community projects. This initiative not only mitigates environmental impact but also creates economic value for the organization and provides social benefits using these bricks in community spaces.

### Product Development Process

- Problem Analysis: The ICP2 factory generated black sand that no longer met the required mesh size standards (exceeding the standard) for reuse in production. This necessitated external disposal, leading to a significant accumulation of 96 tons of waste annually.
- Feasibility Study for Reuse: The team evaluated the properties of the non-compliant sand and assessed its suitability for repurposing as a raw material for construction materials such as interlocking blocks.
- Mix Design and Production Process Development: A new mixing formula was developed to produce interlocking blocks using the unusable black sand. The optimal ratio was identified as cement : black sand : fine sand : water = 0.5 : 2.2 : 0.5 : 1. The block forming process was also designed to align with the material characteristics and ensure production performance.
- Product Testing: Comprehensive tests were conducted to assess the strength, load-bearing capacity, and durability of the interlocking blocks under real environmental conditions. This also included assessing the feasibility of actual production and practical use.
- On-Site Implementation: The blocks produced through this process are now used in the construction of internal factory structures, such as storage areas and sheds. Their performance is comparable to conventional blocks.
- Community Value Creation: In 2024, the Company extended the benefits of this innovation to the community. A total of 8,500 blocks were donated to local beneficiaries, including Wat Phuttha Udom Wihan School and surrounding communities, to support the construction of public buildings and communal spaces. This effort promotes the use of local circular resources, creates economic value through follow-up activities, and contributes to improving the quality of life for the community.

### Positive ESG Impacts

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



## 7.9 Tax practices

The company emphasizes continuous management in the tax area, adhering to principles of correctness, transparency, and auditability. In 2024, the company generated a total revenue of 7,571 million baht and paid taxes to the government amounting to 110 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 2024, the Company's profit before tax amounted to 742 million baht, and the corporate income tax paid was 110 million baht. The actual tax rate applied was 13.77%, which differed from the actual tax rate of 6.23% 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 2024, the company received tax benefits as follows:





# 8



## Growth Society

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8.1 Growth Society

8.2 Growth Society

8.3 Participation in the Development of the Nearby Community

8.4 Improving the Quality of Life for People with Disabilities







## Performance 2024



Create value

1.01% of net profit



Creating Educational Opportunities

1.3 Million Baht



Value of Creating Opportunities  
for Disabled People

2.3 Million Baht

# GROWTH SOCIETY

## 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 2024, 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.

1

#### Project for Education

- Support for Children’s Rights
- Support equal education opportunities.
- Develop innovations in the industrial sector.
- Build networks with educational institutions.



2

#### Project for the Neighboring Community

- Meet the needs of the community.
- Solve community problems.
- Build good relationships with the community.



3

#### Project for Society

- Support the Sustainable Development Goals (SDGs).
- Promote social responsibility.
- Support activities beneficial to society.





## 8.2 Creating Educational Opportunities

The Company supports educational initiatives based on a commitment to human rights and equality, in alignment with the United Nations Guiding Principles on Business and Human Rights (UNGP) and Article 26 of the Universal Declaration of Human Rights, which affirms every child's right to equal access to education without discrimination based on race, gender, religion, or socioeconomic status. Education is a fundamental right and a crucial factor for enabling social mobility and sustainable career development. Access to education is significantly linked to children's rights, as children and youth are considered essential drivers for the nation's sustainable development. However, a considerable number of children and youth still lack access to good and quality education.

Therefore, the Company has implemented projects to create educational opportunities for children and youth. These initiatives aim to foster knowledge and develop essential skills for career advancement through various educational programs. This commitment is not only an investment in the future of these children and youth but also an investment in the future of society and the nation as a whole.

### Scholarship Project

In 2024, the Company continued its 25<sup>th</sup> consecutive year of providing scholarships to employees, their children, and youth in local communities. These scholarships aim to enhance educational opportunities and improve quality of life, covering levels from primary to higher education.



2024

132 Scholarships Awarded  
672,000 Baht

1999 - 2024

2,436 Scholarships Awarded  
14,672,000 Baht



### Knowledge Sharing Project

As part of its ongoing commitment to supporting education, the Company organized a knowledge-sharing session in which a company specialist delivered a lecture on “Material Knowledge in the Production Process” to engineering students at Rajamangala University of Technology Thanyaburi. Approximately 40 students participated in the session. In addition to transferring practical knowledge applicable to the industrial sector, the session aimed at inspiring students by providing insight into real-world professional practices, preparing them for future entry into the labor market. This initiative also strengthened the Company’s relationship with academic institutions and helped establish a long-term collaborative network to develop mutual capabilities.



### Internship Project

The Company places emphasis on developing the next generation of talent by offering internships and cooperative education programs. These initiatives provide students with opportunities to gain hands-on experience in a real corporate setting. The programs are open to students from various disciplines such as engineering, science, business administration, marketing, management, finance, accounting, and human resources, among others. By engaging in practical work across multiple departments, students can enhance their skills and capabilities, gain valuable professional experience, and prepare themselves for the workforce.





#### Equitable Education Fund Project

The Company supports the Equitable Education Fund Project, an initiative designed to promote equitable access to quality education for all, especially underprivileged youth. The program focuses on fostering equality, bridging educational disparities, and creating learning environments that offer opportunities to everyone, regardless of their socio-economic status. A unique aspect of this program is its dual vocational training model, which combines classroom learning with practical, on-the-job training in industrial settings. This allows students to acquire both theoretical knowledge and practical experience in high-demand fields such as industrial robotics, modern automotive technology, robotics, and medical instruments. These areas are part of the S-Curve and First Curve curricula, which emphasize developing essential skills and knowledge for future industries. The Company supports students in simultaneously gaining theoretical knowledge and practical work experience.



#### Joint Public and Private Sector Committee on Vocational Education Project

The Company supports the enhancement of the quality of vocational education and training in Thailand. This initiative promotes on-site internships and the provision of modern equipment, tools, and technology to educational institutions. This ensures students gain practical, hands-on experience, enabling them to apply their knowledge effectively in real-world settings. The program addresses the demands of various labor markets and industries, forming a crucial foundation for developing a skilled and specialized workforce, which is a key driver for the nation's economy.

Summary of Internship Program Implementation in 2024: The Company allocated a total budget of 520,089.58 baht to support internship programs. A total of eight students participated in learning activities, site visits, and practical training under various internship projects (as detailed in the table). In addition, the internship program is a crucial link between the business sector and academic institutions. By offering students real-world work experience, it enhances their skills and knowledge, allowing them to apply what they've learned in practical work scenarios. Interns gain experience in problem-solving, develop teamwork skills, and become ready to confidently enter the job market without needing extensive adjustment or additional basic learning.

At the same time, the Company's support of educational opportunities for interns demonstrates its commitment to social responsibility and creates multifaceted value for the organization. This includes gaining fresh perspectives of the younger generation, which helps enhance innovation and update the Company's knowledge base. Interns also help alleviate the workload of full-time employees, contributing to increased operational efficiency. Furthermore, this program lays the foundation for collaborative networks with academic institutions, potentially paving the way for future research and development, training, and talent acquisition

Internship Projects	Number of Participants (persons)
1. General Internship Project	1
2. Cooperative Education Project	3
3. Equitable Education Fund (EEF) Project	2
4. Joint Public and Private Sector Committee on Vocational Education Project	2

# 8.3 Participation in Developing Surrounding Communities

In 2024, the Company consistently implemented community-benefiting initiatives in line with its corporate social responsibility policy framework. Emphasis was also placed on encouraging employee participation in developing surrounding communities and society. Guided by the Company’s principle of **“Somboon Triple Bottom Line,”** the core sustainability strategy is designed to align with various aspects of community and social development. The Company applies to the United Nations’ (UN) Sustainable Development Goals (SDGs), adapting them to the local context. This ensures continuous and contemporary development, fostering stable and sustainable growth for business alongside the community.



## Management Approach

The Company has adopted the Department of Industrial Works’ Corporate Social Responsibility (CSR-DIW) standard system as a framework for community engagement and project development. Key issues are identified and incorporated into strategic goals and operational activities to ensure that community problems are addressed effectively, leading to improved living standards and quality of life. This approach builds acceptance, trust, and confidence from the community, clearly demonstrating how industrial operations and local communities can coexist harmoniously.



## Social Project Performance Results


The Company remains committed to fostering community and social responsibility through ongoing engagement in impactful social initiatives. In 2024, this commitment was reflected in the implementation of the project **“72 Smart People Activities for Sustainability,”** initiated to honor the auspicious occasion of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua’s 72nd birthday. This project’s concept centers on social and community development, following His Majesty King Rama X’s royal initiative of the “Continue, Preserve and Build” principle to create long-term positive change for Thai society.

The project encourages employees to apply their knowledge, skills, and professional experience in ways that generate positive, equitable, and inclusive social and environmental impacts. Participation in the **“72 Smart People Activities for Sustainability”** program extends beyond volunteerism; it fosters a culture of giving and shared responsibility. Through collaboration with

local communities and partner organizations, employees contribute to the exchange of knowledge and resources, thereby strengthening community self-reliance and long-term resilience. Moreover, employee participation in the program enhances internal unity, promotes teamwork, and instills a mindset of collective benefit. It also promotes an organizational culture that values equality and provides everyone with an equal opportunity to play a role in development.

72 Smart People Activities for Sustainability





Project aims to foster sustainable growth alongside society by leveraging employee engagement as a primary driving force. When employees apply their knowledge and skills to assist and develop communities, it not only creates a positive social impact but also fosters stronger engagement and a sense of awareness among the employees themselves. Organizations that prioritize social responsibility and equity are well-positioned to play a vital role in driving the nation towards sustainability truly.

In 2024, the Company effectively executed its corporate social responsibility (CSR) initiatives through the “72 Smart People Activities for Sustainability” program, alongside the Blood Donation Campaign. These efforts saw the participation of 1,981 employees, collectively contributing a total of 15,848 volunteer hours. As a result, the initiatives achieved their intended objectives and delivered tangible, long-term benefits to society.



Social Value Creation

Targets	2024 Performance Results
0.5% of Net Profit	1.01% of Net Profit

Employee Participation in Social Activities

Targets	2024 Performance Results
100%	98%

Somboon Advance Technology Public Company Limited

165

1. Enhancing Educational Potential

As education development is an integral part of the community development efforts, the Company focuses on enhancing the quality of life and well-being of youth, who are crucial to the nation’s future. To ensure the support meets genuine needs, the Company surveys schools around its facilities to enhance learning environments and provide equal access to education as a fundamental right for all children.

Therefore, the Company supports activities that promote quality of life and create educational opportunities through various following projects:

Project: School Building Construction at Wat Phuttha Udom Wihan School

Education is fundamental for youth development and national progress, yet many areas lack suitable school buildings. The Company undertook the project to construct and renovate a school building at Wat Phuttha Udom Wihan School in Singto Thong Subdistrict, Bang Nam Prio District, Chachoengsao Province. The aim was to create a strong, aesthetically pleasing structure that fosters an effective learning environment, thereby enhancing students’ potential. The Company also provided educational equipment to develop students’ skills and improve their quality of life, ensuring they are well-prepared to learn and reach their full potential.

In addition, the Company encouraged participation from teachers, students, and employee volunteers in improving the campus environment. This included paving walkways with interlocking blocks made from recycled black sand dust, a type of industrial waste repurposed through the Company’s 3Rs-based waste management principles (Reduce, Reuse, and Recycle). This circular approach maximizes resource utilization, reduces waste from production processes, and enhances the ability to benefit from industrial byproducts. This method not only minimizes environmental impact and reduces costs but also supports the concept of a Circular Economy, promoting sustainability for the community.



This project doesn’t just improve the quality of life for youth by providing equal access to quality education; it also serves as a model for sustainable development by integrating education, innovation, and environment. This aligns with the United Nations Sustainable Development Goals (SDGs), specifically SDG 4, 9 and 10. Moreover, it demonstrates the promotion of environmentally friendly and sustainable industrial practices.



Number of Employees  
Participated  
60 AU



Teachers and  
Students Benefited  
73 Persons



Budget Allocated  
for Activities  
257,600 Baht



#### Project: Improving Mushroom Farm and Cultivation Greenhouses for School Lunches

The Company initiated the “Improving Mushroom Farm and Vegetable Garden for School Lunches” project at Ban Huay Kai Nao School in Khao Mai Kaeo Subdistrict, Bang Lamung District, Chonburi Province. Employee participation is encouraged in renovating the mushroom farm structure and vegetable garden greenhouses. This included practical improvements like installing new shading nets and organizing cultivation equipment. The Company also enhanced the landscape by paving pathways between the garden beds with interlocking blocks made from processed black sand dust, a repurposed industrial byproduct from its company. This ensures stronger, safer walkways for teachers and students tending to plants, improving the school’s environment and reducing soil erosion.



This project helps the school reduce its lunch expenses and supports students’ families by producing mushrooms and vegetables on-site. As a result, students receive nutritious meals, learn about food production from upstream to downstream processes, understand the importance of self-sufficiency, and can apply their mushroom cultivation and vegetable farming skills to potential future careers. Moreover, this project promotes efficient land use, and the enhanced farming techniques can lead to further agricultural innovation and development at the community level.



The Ban Huay Kai Nao School mushroom farm and vegetable garden improvement project not only enhances the nutritional value of students’ meals but also provides opportunities for learning and developing life skills. This aligns with SDG 2 and the Sufficiency Economy Philosophy by promoting self-sufficiency and balanced living for long-term food, economic, and environmental security.

2. Environmental and Natural Resource Conservation

Rapid global changes in nature and the environment are increasing risks for all sectors of society, both public and private. The Company recognizes the critical importance of environmental management in its business operations and activity planning. The goal is to minimize environmental impact, ensuring harmonious and sustainable coexistence with surrounding communities and the environment.

Furthermore, the Company encourages employee participation in environmental activities, such as reforestation programs, underwater ecosystem protection, and bamboo planting activities. These initiatives not only foster environmental responsibility but also strengthen teamwork and collaboration among employees.

Reforestation Activities

The Company collaborated with community volunteers, government agencies, and private sector to organize tree planting activities aimed at restoring ecosystems, promoting biodiversity, and expanding green spaces within local communities. In addition to mitigating the effects of climate change, trees play a critical role in producing oxygen, absorbing carbon dioxide, and preserving the health of soil and water resources. These efforts contribute to creating a sustainable and verdant environment for surrounding communities.



Number of Trees Planted  
**76** Trees Planted



CO<sub>2</sub> Absorbed  
**1.672** Ton

Aquatic Species Conservation Activities

The Company engaged employees in collaborative efforts with Amata City Rayong Industrial Estate and local communities to conserve aquatic resources. Activities included fish releases, artificial fish habitat creation, and waste collection around the Dok Krai Reservoir in Rayong Province. The objective is to increase fish populations, prevent species extinction, and restore underwater ecosystems, leading to a richer aquatic biodiversity in natural water sources.





### Bamboo Planting Activities

The Company conducts bamboo planting activities at Ban Khao Loi School in Chak Bok Subdistrict, Ban Khai District, Rayong Province. Bamboo roots are excellent at holding soil, which helps reduce soil erosion, protects, and maintains soil fertility. This effectively minimizes soil loss and erosion. Additionally, bamboo wood is strong and durable, offering diverse applications such as construction material, weaving material, and bamboo furniture. Considering its versatility, bamboo is a multi-purpose plant that provides value in terms of environmental protection, economic benefits, and sustainable development.



### Waste Segregation Initiatives

Waste is a significant global environmental issue, including in Thailand. Population growth and increased consumption have led to a surge in waste volume. Without proper management, this can severely impact public health, ecosystems, and natural resources in the long term. In response, the Company launched two community initiatives: the **“Smiling Waste, Smiling World”** program and the **“Composting from Food Waste”** project, targeting the senior citizens in Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province. These activities involved sharing knowledge on proper waste segregation to reduce unnecessary waste and enhance recycling opportunities. The Company also demonstrated the process of making compost from food waste, which is one of the largest categories of organic waste. This initiative aims to reduce organic waste and maximize resource recovery, aligning with SDG 12: Responsible Consumption and Production and SDG 13: Climate Action, by promoting efficient resource use and sustainable, environmentally friendly waste management systems in urban and local communities.



Furthermore, the Company systematically and effectively promotes waste segregation measures at the organizational, community, and institutional levels. This includes improving waste sorting stations and providing waste bins to enable communities to correctly sort waste. This helps mitigate environmental problems and increases opportunities for waste reuse and recycling at the following locations:

1. Wat Bang Chalong Nai, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province
2. Wat Prasit Tharam, Phana Nikhom Subdistrict, Nikhom Phatthana District, Rayong Province
3. Ban Mab Yang Porn Health Promoting Hospital, Mab Yang Porn Subdistrict, Pluak Daeng District, Rayong Province
4. Ban Huay Kai Nao School, Khao Mai Kaeo Subdistrict, Bang Lamung District, Chonburi Province









3. Empowering Seniors: Bang Chalong Subdistrict Senior Learning Center Project

In 2024, the Company supported and aligned with government policies focused on creating an age-friendly society. This initiative addresses the growing trend of an aging population and responds to community needs by linking with the Company’s “Somboon Triple Bottom Line” policy, particularly under the “Growth Society” category, which emphasizes creating opportunities and improving quality of life for society. This also aligns with SDG 11, which aims to make cities and communities inclusive, safe, resilient, and sustainable – a crucial SDG target. The Company supports lifelong learning for seniors, promoting age-inclusive learning and providing opportunities for everyone to develop themselves and contribute meaningfully to society.



The Senior Learning Center continued its operations in 2024 for the fifth consecutive year, with 52 students participating. This initiative is a collaborative effort with the Bang Chalong Subdistrict Administrative Organization and the Bang Phli District Elderly Club in Samut Prakan Province. Its objective is to provide seniors with avenues for learning, self-development, and independence, reducing their reliance on their children. Learning at this stage of life not only enriches the seniors’ lives but also strengthens the community. The Company serves as the primary private sector supporter, continuously providing funding for the project.

The curriculum at the Senior Learning Center focuses on value creation for learners, aiming to enhance understanding, skills, and new abilities that contribute to a higher quality of life and happiness for seniors. Furthermore, it fosters a greater sense of participation and valuable membership within society.

 Health & Wellness Courses	 Life Skills Enhancement Courses	 Cognitive & Mental Stimulation Courses	 Community Engagement Courses
<ul style="list-style-type: none"><li>• Oral Health Care</li><li>• Monitoring and Preventing Depression in Seniors</li><li>• Chronic Disease Prevention for Seniors</li></ul>	<ul style="list-style-type: none"><li>• Essential Laws for Seniors and Wills</li><li>• Participation in New Agricultural Demonstrations at Khok Nong Na, Baan Rim Suan</li><li>• Life Revolution After Retirement</li><li>• Bio-Agriculture: Fancy Plants Online Media Literacy</li><li>• Scams and TikTok</li><li>• Is LINE Application Just for Sending Flowers?</li></ul>	<ul style="list-style-type: none"><li>• Preserving Thai Heritage: Standard Ramwong Dance</li><li>• Buddhist History for Life and Meditation for Mental Development</li><li>• Occupational Heritage: Mahot Garland Making</li></ul>	<ul style="list-style-type: none"><li>• Study Tours to 2 Locations</li></ul>





#### Seniors Benefited

2024



52 Persons



Budget Allocated  
for Support

100,000 Baht

2019 - 2024



269 Persons



Budget Allocated  
for Support

500,000 Baht

#### 4. Promoting Social Responsibility and Volunteerism

The Company plays a vital role in encouraging employee engagement with the community. Employees act not only as organizational personnel but also as community members who contribute to the development and benefit of society and the surrounding factories. This fosters harmony and strong relationships between the Company and the community. Employees are continuously encouraged to participate in good deeds through various beneficial public activities in communities and schools. In 2024, the Company supported various projects and activities, including cleaning of temple chapels and restrooms, the Lunch Program: Sponsoring a Meal for the Children, donation of consumer goods to Wat Phrabat Nam Pu, recording audiobooks for the visually impaired, pedestrian bridge lane painting under the “Rak Saphan” (Bridge Conservation) project, supporting the Candle Festival procession for Buddhist Lent, producing gloves to prevent patients from pulling out IV lines and crafting pillows from plastic straws, among others.



# 8.4 Improving the Quality of Life for Persons with Disabilities

The Company recognizes the importance of diversity and individual differences across all dimensions, including gender identity, age, race, religion, skin color, and physical limitations or disabilities. The Company treats all groups equally and fairly, fostering an open society and strengthening the organizational culture. This awareness not only enables employees and persons with disabilities to realize their full potential in the workplace but also allows the Company to create added value and drive sustainable growth, while simultaneously improving the quality of life for persons with disabilities, a vulnerable group in society.

## Innovative Motorcycle Stabilizer for Persons with Disabilities

The Company, in collaboration with the Workers' Rehabilitation Center Region 2 in Rayong province, has created an innovative device to support and improve the quality of life for persons with disabilities. The motorcycle stabilizer is developed for persons with disabilities to provide them with a necessary tool that facilitates easier and safer movement and access to daily activities. This device can also be leveraged for vocational opportunities, enabling them to generate income. Furthermore, it expands access to this innovative motorcycle stabilizer for persons with disabilities on a broader scale. These devices have been donated to the Workers' Rehabilitation Center Region 2 in Rayong and the Tasit Subdistrict Administrative Organization in Pluak Daeng District, Rayong, for further distribution to local persons with disabilities, ensuring access to supportive mobility equipment.



## Employment of Persons with Disabilities in the Community

The Company prioritizes promoting the employment of persons with disabilities to support the Sustainable Development Goals (SDGs), specifically SDG 1: No Poverty, SDG 5: Gender Equality, and SDG 10: Reduced Inequalities, aligning with the United Nations' sustainable development framework. The Persons with Disabilities Empowerment Act B.E. 2550 (2007) and its amendment (No. 2) B.E. 2556 (2013) mandate that establishments with 100 or more employees hire persons with disabilities at a ratio of 100:1. Currently, the Company employs a total of 23 persons with disabilities, exceeding the legal requirement. Persons with disabilities are employed in two suitable formats, as stipulated by Section 33: 1) Direct Employment within Company Establishments: This approach ensures persons with disabilities have equal opportunities as other employees. And 2) Employment through Collaboration with Public, Private, and Local Administrative Organizations: This involves engaging persons with disabilities in occupations that serve their local communities or public benefit organizations, etc



In addition to fulfilling its legal obligations through diverse employment models, the Company also emphasizes gender equality and recognizes that work capabilities are not limited by gender. It can create careers that empower persons with disabilities, reduce social disparities, and foster equality within society.



Employed directly in the Company **2** Persons  
Employed for local communities or public benefit organizations **21** Persons



Support budget allocated **2,356,615** Baht



# 9 Performance Summary



Economic Performance

Indicators	Performance	Unit	2022	2023	2024
GRI 201-1	Economic Performance				
	Total revenue	Thousand Baht	9,093,388	9,201,308	7,570,983
GRI 205	Anti-corruption				
GRI 205-3	Confirmed incidents of corruption and actions taken				
	Total number and nature of confirmed incidents of corruption	Case	0	0	1
	Total number of confirmed incidents	Case	0	0	1
	Public legal cases regarding corruption brought against the organization	Case	0	0	0
	Cases that are in the process of resolving	Case	0	0	1
THSI	Code of Conduct				
	In case of violation of business ethics received	Case	0	1	1
	Cases that are in the process of resolving	Case	0	0	0
	Resolved cases	Case	0	0	0
THSI	Customer Satisfaction				
	Customer Satisfaction Score	%	98%	96.5%	92.0%



## Social Performance

Indicators	Performance	Unit	2022		2023		2024	
GRI 102-8	Total employee	Persons	2,140		2,197		2,020	
	Samut Prakarn	Area Persons	286		319		299	
	Rayong	Area Persons	1,854		1,878		1,721	
			Male	Female	Male	Female	Male	Female
	Total Employee	Persons	1691	305	1776	313	1672	295
	Subcontractor	Persons	138	6	102	6	49	4
	Employee level							
	Staff	Persons	1,753	275	1,470	172	1633	265
	Management-level	Persons	47	25	330	116	51	30
	Executive-level	Persons	29	11	80	29	36	5
GRI 401	<b>Diversity and equal</b>							
	Employees by age	Persons	582	87	611	102	474	82
	Less than 30 Years	Persons	515	90	582	87	611	102
	30 - 50 years	Persons	1,186	209	1168	203	1138	204
	>50 years	Persons	65	11	101	12	109	13
GRI 401-1	<b>New Employee Hires</b>							
	New Employee Hires	Persons			296		81	
		%						

Indicators	Performance	Unit	2022		2023		2024	
	Less than 30 Years	Persons	380	19	200	25	44	9
	30 - 50 years	Persons	46	5	61	7	19	7
	>50 years	Persons	2	0	3	0	2	0
	Employee Turnover							
	Employee Turnover	Persons	275		193		179	25
	% of Employee Turnover	%	12.85		8.78		10.10	
	Number of employee retirement Persons	Persons	7		11		3	2
	Employee retirement rate							
	Less than 30 Years	Persons	174	11	96	9	106	15
	30 - 50 years	Persons	79	10	71	14	73	10
	50 years	Persons	1	0	3	0	0	0
GRI 401-2	Employee compensation							
	Employee compensation	Baht	686,381,791.00	116,685,708.00	697,392,148.37	120,633,157.64	683,358,263.30	120,592,634.70

Indicators	Performance	Unit	2022		2023		2024	
	Average Compensation Ratio of Female to Male Employees	%	1.00		1.03		1.02	
	Number of Employees Participating in the PVD Persons							
	Number Of Employees Participating PVD	Persons	1,342		1,302		1,372	
	The total contribution of the company to the PVD.	Baht	19,450,472.24		18,365,256.46		19,898,156	
	Percentage of employee PVD	%	62.71		59.26		67.92	
GRI 401-3	Maternity leave							
	Number Employees on maternity leave	Persons	7		10		11	
	Employees returning to work after maternity leave	Persons	7		10		11	
	Employees returning to work after maternity leave rate	%	100		100		100	
GRI 404-1	Employee training hours by gender	Training Hours	18,195	7,407			29,519	7,563
	Total Number of training hours	Training Hours	25,602		29,194		37,103	
	Number of training hours average per employee	Training Hours	11.96		13.5		16.34	
	Number of training hours by Employee Level							
	Employee	Training Hours	9,438.00		11,023		21,447	
	Chief - Section Head	Training Hours	12,043.50		14,068		11,642	
	Manager	Training Hours	2,784.50		2,484		2,076	
	Asistant General Manager Up	Training Hours	1,336.00		1,619		1917	
	Investment in employee potential development	Million THB	5		7			

Indicators	Performance	Unit	2022		2023		2024	
	number of internal courses training	Number of Course	65		98		132	
	Percentage of employees who attended the training	Percent	70				92%	
GRI 405-1	Organizational structural diversity							
	Number of Thai national employee	Persons					1,714	299
	Number of Foreign ,Non-Thai national employees	Persons					7	0
	Percentage of Foreign ,Non-Thai national employees	Percent					0.35	
THIS	Total Corporate Citizenship/Philanthropic Contribution	Million Baht	4.6		9.1		6.4	
	Cash contributions	Baht	1,569,682		1,206,300		251,136	
	Rice for donation	Baht	980,000		2,371,251		2,065,692	
	Corporate Social Responsible Activities	Baht	317,662		491,963		540,098.05	
	Employee participation in all social activities	Percent			98		98	
	Number of employees doing good deeds by donating blood	Persons	197		203		182	
	The amount of blood donated by employees	Millilitre	68,590		141,050		75,000	
	The value of creating educational opportunities or youth	Million Baht	1.05		1.3		1.19	
	Scholarships for student	Baht	583,500		596,500		672,000	
	Number of general internship students	Persons	63		12		1	
	Number of interns in Bilateral Program	Persons	9		12		2	
	Number of interns in Cooperative Education Project	Persons	25		35		3	
	Number of disadvantaged people (employees with disabilities)	Persons	24		24		23	



Indicators	Performance	Unit	2022	2023	2024
GRI 403	Occupational Health and Safety Management System				
	Working Hours				
	Employee	Working hours	5,954,054	5,701,977	4,578,382
	Non-Employee worker	Working hours	441,302	356,000	470,656
403-9 and THSI Number and rate of deaths due to work	Number and rate of deaths due to work				
	Employees	Case	0	0	0
	Non-Employee worker	Case	0	0	0
	Rate of deaths due to work				
	Employees	Case per 1,000,000 Hours	0	0	0
	Non-Employee worker	Case per 1,000,000 Hours	0	0	0
	Total Recordable Incident				
	Employees	Persons	11	8	6
	Non-Employee worker	Persons	0	0	0
	Lost Time Injuries Frequency Rate (LTIFR)				
	Employees	Case per 1,000,000 Hours	1.85	1.40	1.31
	Non-Employee worker	Case per 1,000,000 Hours	0.00	0.00	0.00

Indicators	Performance	Unit	2022	2023	2024
	<b>Number of Lost time injuries Casese</b>				
	Employees	Case	4	1	1
	Non-Employee worker	Case	0	0	0
	<b>Lost Time Injuries Frequency Rate (LTIFR)</b>				
	Employees	Case per 1,000,000 Hours	0.67	0.17	0.22
	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
	Chemical Spill	Case	0	0	0
	Fire	Case	0	0	0

1 = N/A not applicable

2 = Begin collecting data on the number of hours worked and work-related accidents of contractors.

3 = The data on new hires and employee resignations have not been collected separately by gender.

## Environment Performance

Indicators	Performance	Unit	2018	2022	2023	2024
301-2	<b>Material</b>					
	Total steel consumption	Tons	62,993	139,262.53	89,113.82	72,319.60
	Virgin Steel	Tons	28,367	37,450	24,605	24,653
	Recycle Steel	Tons	34,626	51,500	64,509	47,667
	% Recycle	%	55%	37%	72%	66%
	Finish Goods	Tons	136,267.93	161,831.41	157,181.58	125,613.02
GRI 302-0	<b>Energy Consumption</b>					
	Total energy consumption within the organization	Gigajoule	984,037.48	637,956.72	617,715.09	520,973.84
	Total non-renewable energy consumption within the organization	Gigajoule	983,942.89	617,331.09	596,230.29	501,272.30
	Fuel oil	Gigajoule	208,370.00	-	-	-
	LPG	Gigajoule	34,734.00	18,994.89	28,870.00	26,495.66
	NG	Gigajoule	192,332.00	19,874.04	20,812.09	16,380.19
	Diesel	Gigajoule	-	-	35.80	1,090.78
	Electricity	Gigajoule	548,506.31	577,242.00	546,512.40	457,305.67
	Total renewable energy consumption within the organization	Gigajoule	94.59	20,625.63	21,484.80	19,701.54
	Solar Cell	Gigajoule	94.59	20,625.63	21,484.80	19,701.54
	%Renewable Energy	%	0.01%	3.23%	3.48%	3.78%
	Energy Intensity	Gigajoule	7.22	3.94	3.93	4.15

Indicators	Performance	Unit	2018	2022	2023	2024
GRI 303	<b>Water Withdrawal</b>					
GRI 303-3	Water Withdrawal	M <sup>3</sup>	400,570.32	389,102.86	341,797.38	278,770.06
GRI 303-4	Water Discharge	M <sup>3</sup>	95,940.62	304,130.90	273,437.90	223,016.05
	Water Consumption (Water intensity)	M <sup>3</sup>	2.94	2.40	2.17	2.22
GRI 305	<b>EMISSIONS</b>					
GRI 305-1	Direct (Scope 1) GHG Emissions	CO <sub>2</sub> eq	86,515.00	4,607.00	4,952.00	4,303.00
GRI 305-2	Energy Indirect (Scope 2) GHG Emissions	CO <sub>2</sub> eq	N/A	67,963.00	64,381.00	53,966.00
GRI 305-3	<b>Other (Scope 3) GHG Emissions</b>					
	1. Purchased goods and services	CO <sub>2</sub> eq	N/A	16,378.08	12,299.54	23,130.12
	2. Fuel- and energy related activities	CO <sub>2</sub> eq	N/A	18,606.52	17,555.35	14,691.85
GRI 305-4	GHG Emissions Intensity	CO <sub>2</sub> eq/Tons	0.63	0.45	0.44	0.46
GRI 305-7	<b>Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</b>					
	Carbon Monoxide : CO	ppm	122	35.00	0.29	3.44
	Oxide of Nitrogen : NOx	ppm	N/A	4.98	0.02	1.67
	Sulfur Dioxide : SOx	ppm	N/A	1.00	0.01	0.72
	Total Suspended Particulates : TSP	mg/Nm <sup>3</sup>	7.85	3.10	0.07	1.55



Indicators	Performance	Unit	2018	2022	2023	2024
GRI 306-1	Water discharge by quality and destination					
	pH		7.37	8.3	8.1	7.70
	Temperature Celsius Degree	องศาเซลเซียส	30.13	36	36.4	20.55
	BOD5	mg/l	4.82	280	166.5	49.69
	COD	mg/l	26.49	632	423.25	131.13
	Grease and Oil	mg/l	2.33	9	8.17	4.09
	Zn	mg/l	1.66	0.2	0.18	0.16
GRI 306-2	Waste by type and disposal method					
	Hazadous Waste					
	Reuse	Tons of waste	0	0	0	0
	Recycling	Tons of waste	13,017.81	1,865.00	2,681.15	1,406.09
	Composting	Tons of waste	0	0	0	0
	Recovery, including energy recovery	Tons of waste	0	2,912.00	1,159.30	2,067.45
	Incineration	Tons of waste	0	0	0	0
	Deep well injection Tons of waste	Tons of waste	0	0	0	0
	Landfill	Tons of waste	839.13	375.00	116.83	74.57
	On-site storage	Tons of waste	0	0	0	0
	Other Management Method	Tons of waste	0	27.00	23.08	54.50
	Total Hazadous Waste	Tons of waste	13,856.94	5,179.00	3,980.36	3,602.61

Indicators	Performance	Unit	2018	2022	2023	2024
	<b>Non-hazardous waste</b>					
	Reuse	Tons of waste	0	0	0	0
	Recycling	Tons of waste	17,018.78	30,112.00	20,233.74	15,022.84
	Composting	Tons of waste	0	0	0	0
	Recovery, including energy recovery	Tons of waste	0	12.00	70.17	5.41
	Incineration	Tons of waste	0	0	0	0
	Deep well injection	Tons of waste	0	0	0	0
	Landfill	Tons of waste	332.65	5,157.00	222.38	219.01
	On-site storage	Tons of waste	0	0	0	0
	Other Management Method	Tons of waste	1,521.92	0	0	0
	Total Hazardous Waste	Tons of waste	18,873.35	35,281.00	20,526.29	15,247.26
	Total Waste	Tons of waste	32,730.29	40,460.00	24,506.65	18,849.87
	Total Landfill	Tons of waste	1,171.78	5,532.00	339.21	293.58
	Total waste Other Management	Tons of waste	31,558.51	34,928.00	24,167.44	18,556.29
	% Waste to Landfill	%	3.58%	13.67%	1.38%	1.56%
	Waste Intensity	%	96.42%	86.26%	98.52%	98.15%
	Waste Intensity ของทั้งองค์กร	Tons of waste per ton of production	0.24	0.25	0.16	0.15

1 = N/A not applicable

2 = Greenhouse gas emissions in Scope 1,2 and 3 have been audited BSI Group (Thailand) Co., Ltd.

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## 11 Sustainability Report 2023 Feedback Form



### Verification Report

#### Verification Opinion

Verified with Comments	
Based on the process and procedures conducted, there is no evidence that the GHG statement contained in the "GHG Report SAT-2024 Final" produced by SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED GROUP:	<ul style="list-style-type: none"> <li>is not materially correct and is not a fair representation of GHG data and information.</li> <li>has not been prepared in accordance with standard ISO 14064-1:2018</li> </ul>
With the following caveats	<ul style="list-style-type: none"> <li>Category 3 (Purchased Goods and Services): This GHG quantification selected emission factor from Iron and steel production processes by Electric Arc Furnace (EAF) for representative instead of emission factor from Iron and steel production processes by Induction Furnace (IF). Emission factor unable to be a representative. The organization will improve accurately emission factor with supplier in the future.</li> </ul>
Lead Verifier	Kanchana Sukserm
Independent Reviewer	Naris Lapsunthornphithak
Signed on behalf of BSI	Matt Page, Managing Director UK & Ireland, BSI Assurance UK Ltd.
Issue Date	1 June 2025
BSI Assurance UK Ltd, Kitemark Court, Davy Avenue, Milton Keynes, MK5 8PP, UK.	
Note: BSI Assurance UK Ltd is independent to and has no financial interest in SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED GROUP. This 3rd party Verification Opinion has been prepared for SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED GROUP only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Assurance UK Ltd has assumed that all information provided to it by SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED GROUP is true, accurate and complete. BSI Assurance UK Ltd accepts no liability to any third party who places reliance on this statement.	

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Y2024	tCO2(e)
<b>Direct Emissions (scope 1)</b>	
• Stationary Combustions	2,715.22
• Mobile Combustions	677.65
• Industrial process emission	513.50
• Fugitive Emissions	396.26
<b>Indirect Emissions from Imported Energy (scope 2)</b>	
• Imported Electricity from MEA, PEA (Location-based)	16,350.12
• Imported Electricity from B-Grimm (Market based)	37,615.75
<b>Indirect GHG emissions from products used by organization (Scope 3)</b>	
• Purchased Goods and Services (Tap water, paper, paper packaging, wooden pallet, virgin steel bars, steel bars scrap, cast iron, steel scrap, shotblast steel pellets, steel shredded)	23,130.12*
• Fuel and energy related activities (gasoline oil, diesel oil, LPG, electricity, natural gas)	14,691.85
<b>Total GHG inventory</b>	<b>96,090.48</b>
<b>Separately Report</b>	
• Refrigerants leakage (R22)	271.04

\*This GHG quantification selected emission factor from Iron and steel production processes by Electric Arc Furnace (EAF) for representative instead of emission factor from Iron and steel production processes by Induction Furnace (IF). Emission factor unable to be a representative. The factual source Iron and steel production processes by Induction Furnace (IF).

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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](mailto:Thepyuda.s@somboon.co.th)  
Alternatively, mail your comments to 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

☐ Educational  
Institution / (NGO)

☐ Industry association

☐ 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	2	3	4	5
2.1 Our Sustainability Approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Economic Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3 Environmental Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4 Social Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.5 Other, please state: .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<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\*

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

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

Please provide any other comments on our sustainability performance and reporting.







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