



# Drive Business toward a Sustainable Future



**SMART PEOPLE**



**BUSINESS TRUST**



**GROWTH SOCIETY**



## Sustainability Report 2022

Somboon Advance Technology Public Company Limited



**SOMBOON**  
ADVANCE TECHNOLOGY



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# About the Report



Companies in Somboon Advance Technology developed this Sustainability Report 2022 to present sustainability development in its 10<sup>th</sup> 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

## Somboon Triple Bottom Line



Smart People, Business Trust, and Growth Society from 1st January 2022 to 31st December 2022.



## Approach to Reporting

This 2022 Sustainability Report has been created according to GRI (Global Reporting Initiative: GRI Standard with all the core content and selected significant issues relevant from the materiality assessment. Moreover, we have updated the report to include the company's determination driving toward the UN Sustainable Development Goals: SDGs.

## The Scope of the Report

This report considers the relevance of the topics, the readiness of information, and the significance of issues to the company's performance. The scope includes information for both the automotive industry and agricultural machinery industry and the subsidiary of Somboon Group, including:

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

In 2022, increased coverage of some of the businesses with direct and indirect investment proportions - namely, companies

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

This report contains information on 16 sustainability issues that are relevant to stakeholders, of which 5 are of utmost importance (see sustainability issues, page 36).

For further information, please refer to the company annual report or download it from



For this sustainability report, please download it from



### For more information, please contact

Corporate Strategy and Sustainability Department

#### Somboon Group

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0-2080-8233, 0-2080-8237, 0-2080-8238

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## Message to Our Stakeholders

The previous year of 2022 was another good year for the automotive industry, with the total production amounting to 1.87 million vehicles, increased approximately 11% from 2021 with the total production of 1.68 million vehicles. However, automotive production volume was still lower than 3 years before the COVID-19 virus outbreak situation. In the meantime, industry overview of agricultural machinery parts in 2022 decreased, due to the factors of the flood situation during August-October and rising costs of energy and fertilizer resulting in declining demand of agricultural machinery use. The Company turnover of 2022 reached Baht 9,093 million, increased 4.19% from 2021 with net profit amounting to Baht 935 million.

In the past year, there has been several prideful achievements of Somboon Advance Technology Public Company Limited. For instance, the Company has fully operated business for 60 years and is still marching further toward 61st year. In addition, several significant awards were received including the Sustainability Awards of Honor for 5 consecutive years from the Stock Exchange of Thailand and the Quality Improvement Awards Winner from the customer. All of these successes have been accomplished with the devoted participation and support of all employees. In this regard, the Company would like to express gratitude to everyone again. Moreover, it is also a result of the concrete policy planning and sustainability development strategy by focusing on the operations in compliance with the ESG principle.

The ESG principle comprises 3 aspects including 1) Environmental aspect: environmental operations aimed at reducing greenhouse gas (GHG) emissions for the long term in which the Company has set the mid-term reduction target at 30% by 2030 from the base year of 2018 through approaches of increased utilization of renewable energy, energy efficiency and building cooperation with the supply chain to engage in GHG emission reduction or relevant GHG scope. 2) Social aspect: emphasizing the creation of value for oneself, the organization and external society with the aims to create value for the society by 0.1% of income each year and constantly develop human capital to facilitate personnel readiness for coping with change through various projects, such as the continuous development and improvement. Accordingly, the SAT Culture transformation has been initiated to comply with the organizational context and strategy supporting readiness for rapid changes by using the SMART principle. Regarding external society, the emphasis is on creating value collaboratively with the community and government agencies by applying the Creating Shared Value (CSV) business concept. For example, the project of building a prototype of electric three-wheeled vehicle, allowing the disabled to have technological access at reasonable prices. Furthermore, CSR activities are held properly, for example, performing school repairs and maintenance by setting a monitoring target called “the good deed hours”. 3) Governance aspect: Ensure Good Corporate Governance by encouraging inclusive operations with stakeholders, for instance, supporting the anti-corruption in trading partner group continually along with promoting awareness of the organization’s code of conduct among employees.

As for 2023, the automotive industry and agricultural machinery parts industry are estimated to achieve

a slight growth despite the national and global challenges, especially in the ESG aspects which impose risk as well as opportunity that the organization needs to stay ready for coping with change. For example, the transition of automotive industry from vehicles powered by internal combustion engines (ICE) to electric vehicles (EV). This shift is happening worldwide as the fact that the global surface temperature must be controlled to not exceed 1.5 degrees Celsius. Consequently the GHG emissions shall be cooperatively reduced in accordance with the Sustainable Development Goals (SDGs) adopted by the United Nations, to achieve carbon neutrality according to the readiness level. In the process, Thailand aims to reach carbon neutrality by 2050 and net-zero emissions by 2065. Aside from the environmental aspect, another change involved is the utilization of technology in the organization, such as Internet of Things (IoT) and robotics. All these factors have driven the Company to shift its business direction and be able to adapt to changes to achieve business growth and be competitive in long-term.

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**Finally, I would like to reaffirm the Somboon Group’s commitment for over 60 years** of success in stepping up as the leader in automotive parts manufacturing industry, we still continue to strive for growth and develop our potential to be ready for expansion into new business.

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Miss Napatsorn Kitaphanich  
President



## 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 2021

## 2.1 Company General Information

The company is in the process of transitioning its business under the Drive Business Toward a Sustainable Future strategy, focusing on expanding different businesses.



**Automotive parts and agricultural machinery parts manufacturing business group**

Focuses on retaining business value in current core products and developing new products for continuity into EV



**Agricultural machinery business development group**

Become an important player in the industry through collaboration with partner



**Electric vehicle and battery assembly business group**

Established joint venture Somboon Tron Energy and currently in the process of developing electric three wheelers, electric bus and battery assembly



**Robotics and automation business group**

Develop business in industrial automation and smart factory via joint venture Somboon Siasun Tech





Name of the Organization

Somboon Advance  
Technology PCL

Name in the stock market

**SAT**

Manufactures 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).

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

Head Office

 129 Bangna-Trad Rd. (Km 15)  
Bangchalong sub-district, Bangplee  
district, Samutprakan province 10540

Number of employees

 **2,140** employees



 Somboon Advance Technology PCL (SAT)  
Samut Prakan Province



 Somboon Forging  
Technology Co., Ltd. (SFT)  
Rayong Province



 Somboon Malleable Iron  
Industrial Co., Ltd. (SBM)  
Rayong Province



 International Casting  
Product Co., Ltd. (ICP)  
Rayong Province

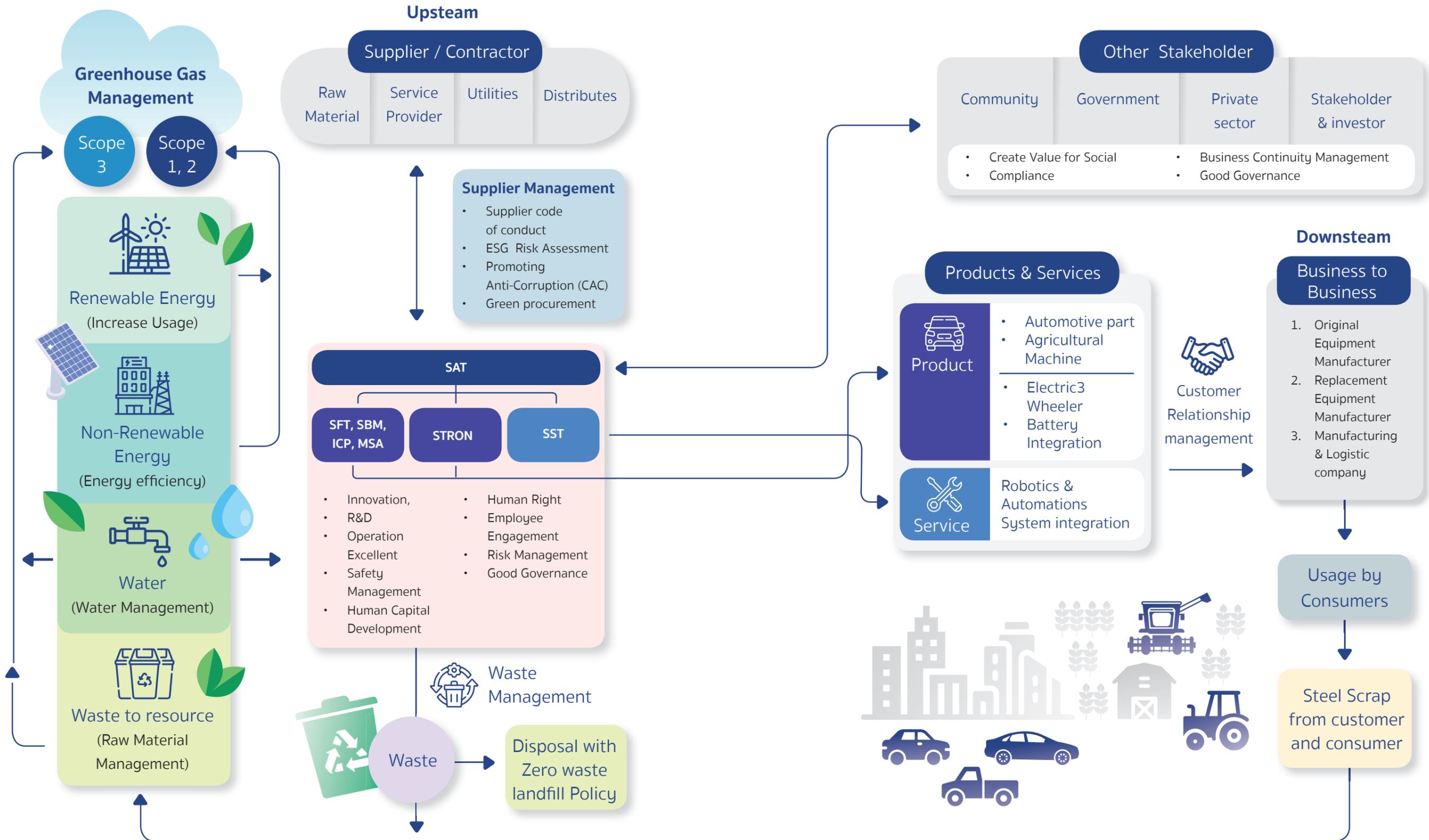
# 2.2 Operational Sustainability Framework

## Sustainability Strategy

**SAT's**  
**Strategy House**  
 2022-2026



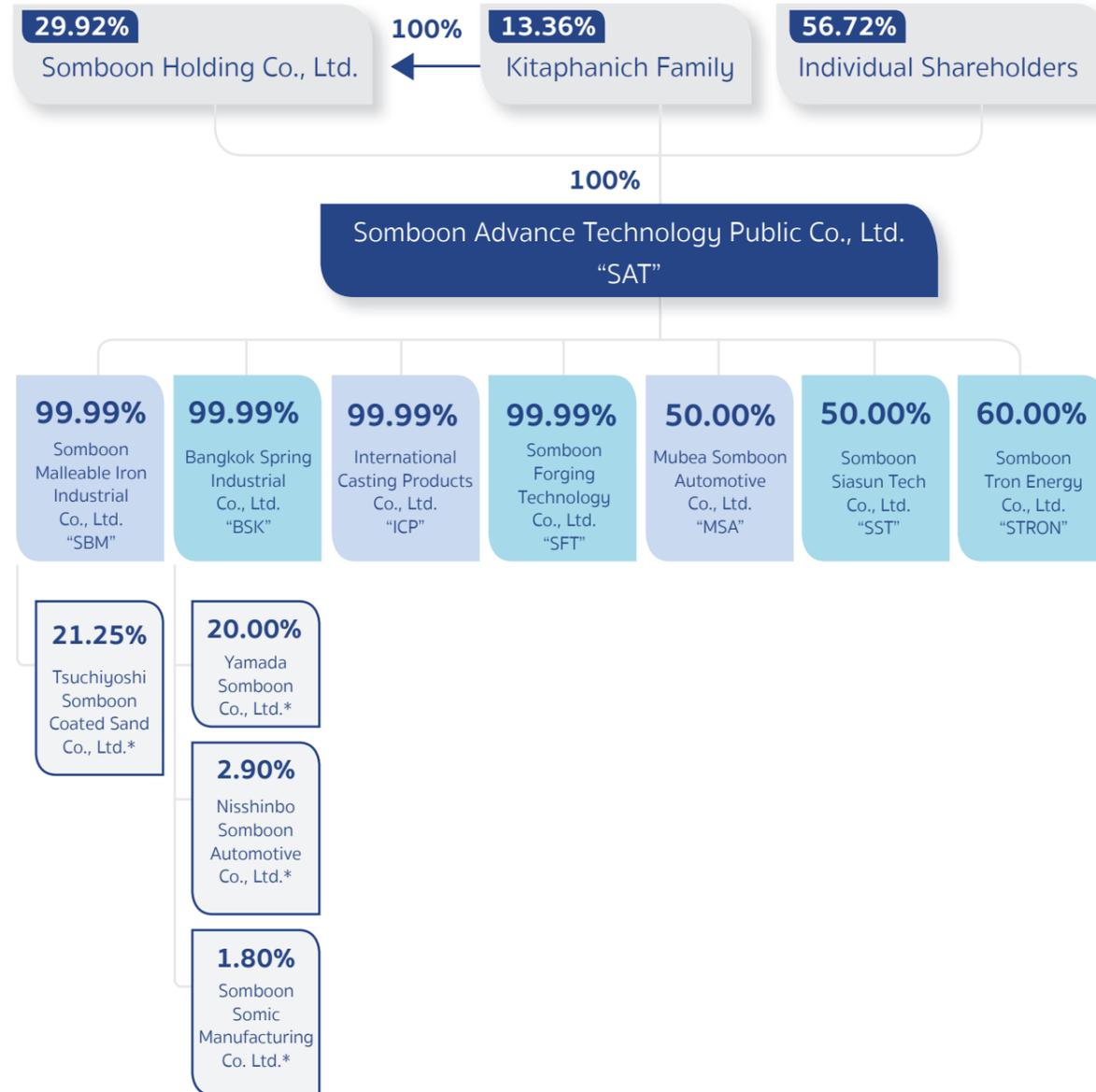
# 2.3 Business Value Chain



## 2.4 Shareholding Structure

The shareholding structure of  
Somboon Advance Technology Public Company Limited

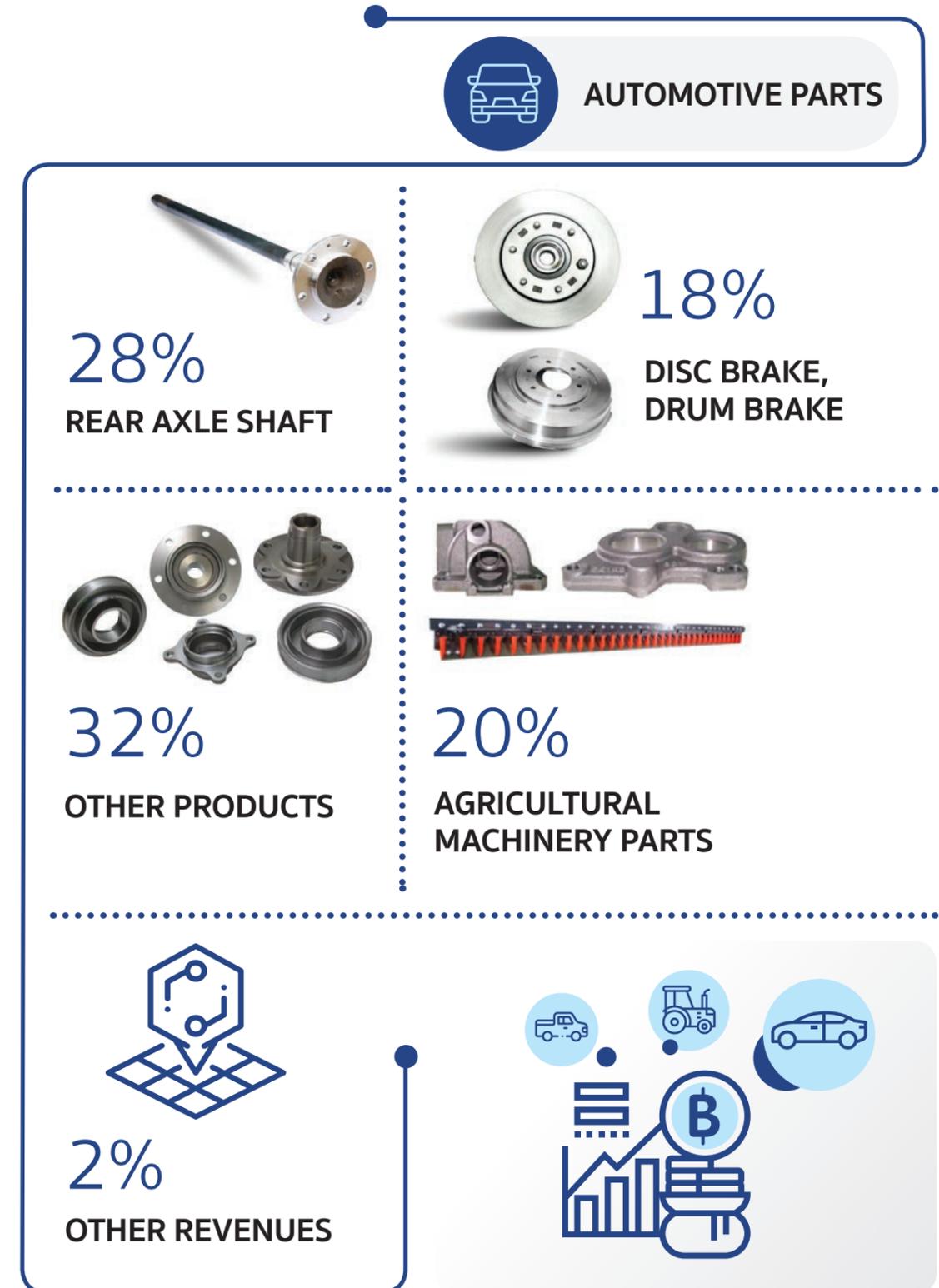
March 9<sup>th</sup>, 2023



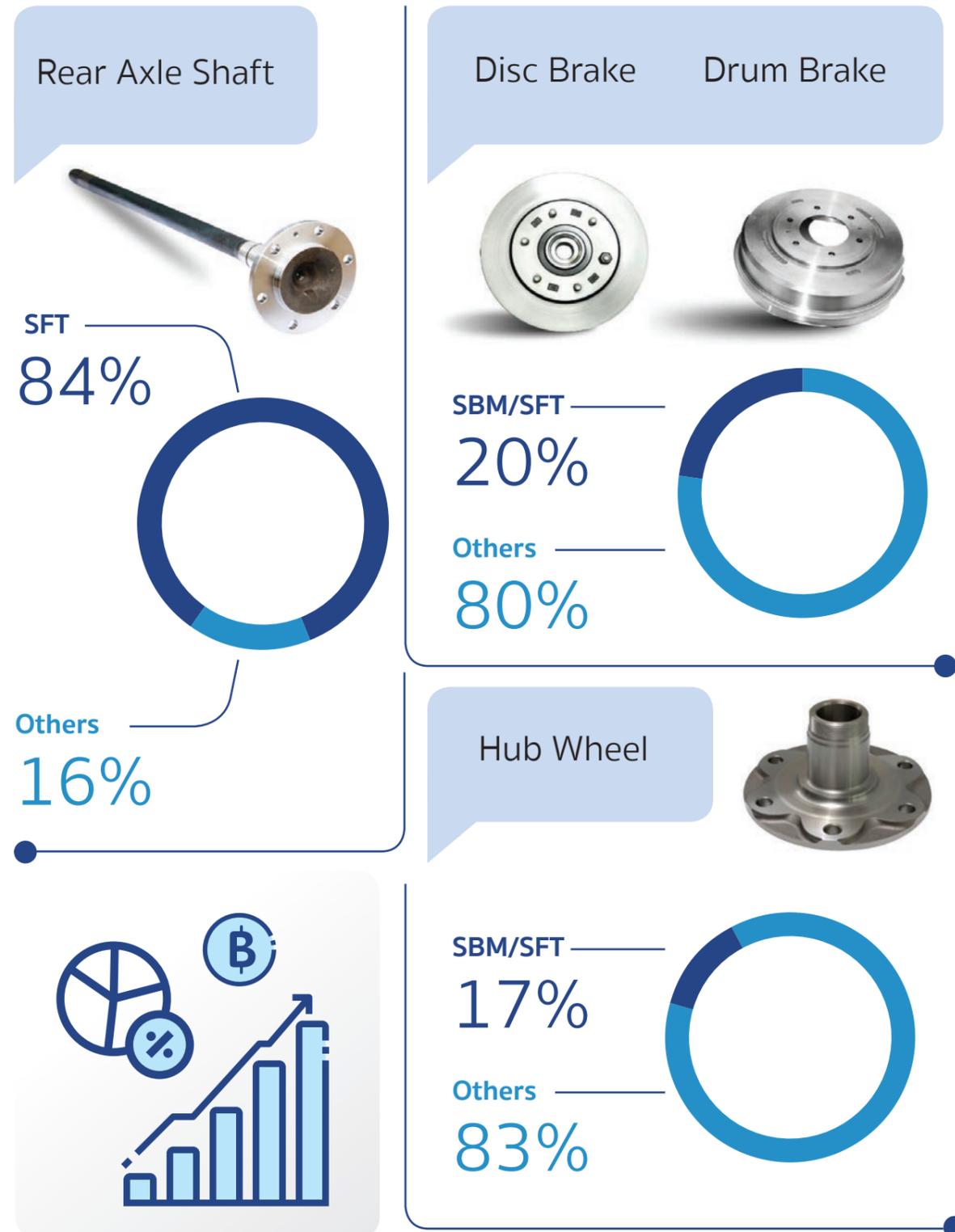
Remarks :

- \* No persons who may have conflict of interest are holding shares in the related companies exceeding 10%.
- Somboon Tron Energy Co., Ltd. ("STRON") has been registered as a juristic person on

## 2.5 Main Products and Proportion of Revenues

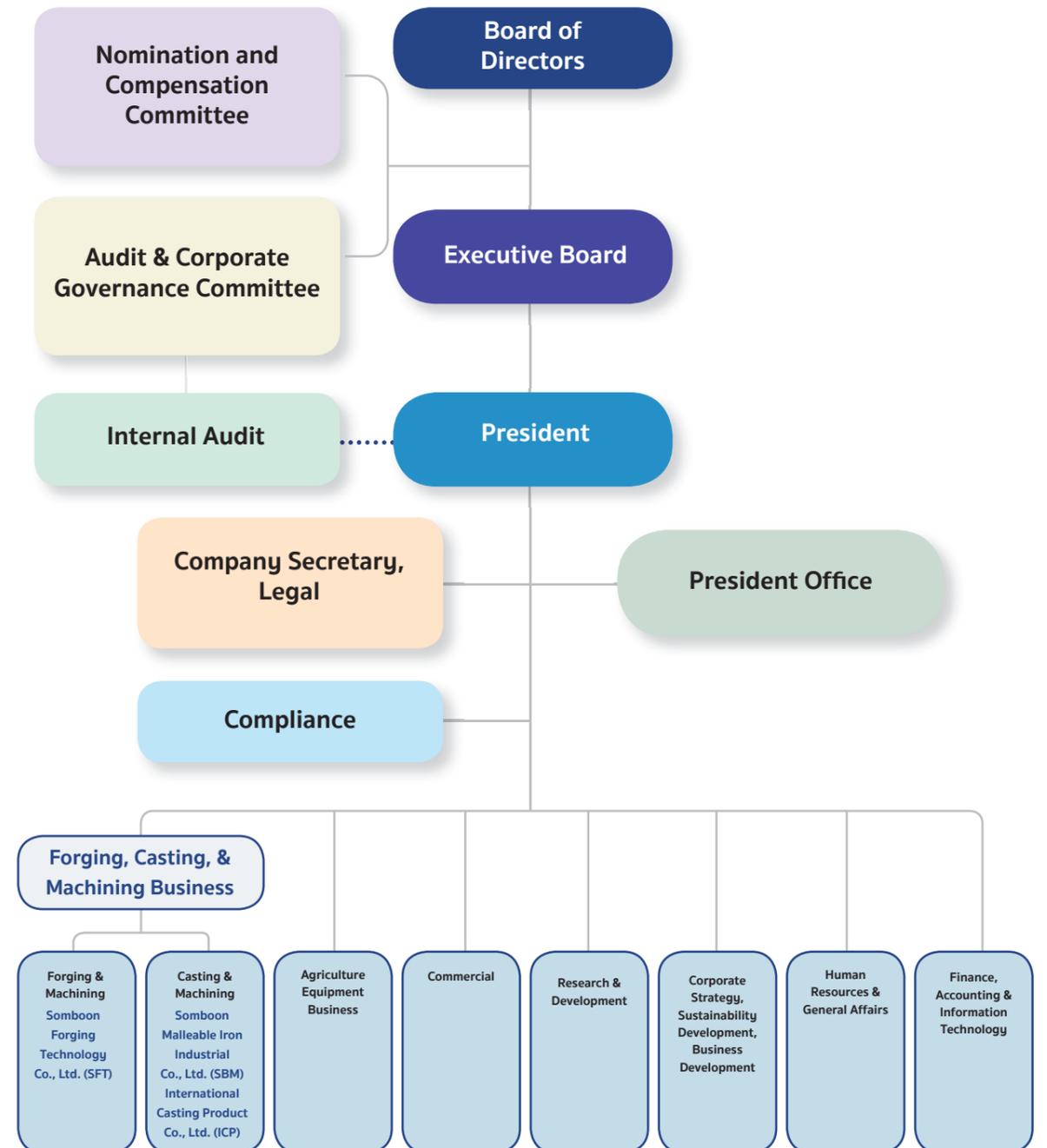


## 2.6 Market Share of Main Products



## 2.7 Organization Structure

Organization Structure 2021  
Somboon Advance Technology Public Company Limited



# 2.8 The Road to Sustainable Development



## CSR After Process

- Set up volunteer club
- Donate to help the society
- Build or renovate school

1999-2009

2010-2013

## CSR In-Process

- ISO 14001
- ISO 9001 & IATF
- CSR-DIW
- Corporate Social Responsibility Guidelines

2014-2017

## Sustainability Principle Initiative

- Operation principle and philosophy of the self-sufficiency economy
- Triple Bottom Line
- Somboon Tripple Bottom Line

## Integrated with Business Strategy

- Sustainability Development Framework
- SIA 0.5% of profit
- GHG 30% as 2018
- Compliance 100% obligation

2022-2030

2018-2022

## Sustainability Development STD & Framework

- TISI TIS.9999
- Link goals SDGs
- Stakeholder Engagement
- THSI GRI



## 2.9 Awards and Appreciations 2022

SAT received an award from the Stock Exchange of Thailand in collaboration with the Banking and Finance Journal



### Sustainability Awards of Honor

**5** consecutive years



### Thailand Sustainability Investment (THSI)

**8** consecutive years

Environmental award



SFT, ICP, SBM

Amata Best Waste Awards Platinum Con. (Excellence)  
from Amata City Industrial Estate, Rayong

ICP, SBM

Carbon Footprint of Circular Economy Product Certification

from Thailand Greenhouse Gas Management Organization (Public Organization)



SFT, ICP, SBM

Carbon Footprint Certification

from Thailand Greenhouse Gas Management Organization (Public Organization)



SAT

Certificate for "Greenhouse Gas Reduction Business Sector Promotion Project of Science Base Target Initiative"

From Thailand Greenhouse Gas Management Organization (Public Organization)





**SAT**  
Moral Award for the community and honest from Center for Morality Promotion (Public Organization)



**SAT**  
Certificate of ethical role model according to the Promotion Program of Virtue Community, Organization, District and Province from Samutprakarn Provincial Cultural Office



**SFT, SBM**  
The CSR-DIW Continuous Awards from Ministry of Industry

**SFT**

The National Outstanding Prototype Enterprise for Safety, Occupational Health and Work Environment(Gold Level)



**SFT,SBM,ICP**  
Thailand Labour Management Excellence Awards on Employee relations and benefit.

**SAT**

Trophy for the Corporation and Dual Vocational System Management with Center Dual Vocational at North Eastern Region 3



**SFT**

Zero Accident Campaign, Basic Level for 1<sup>st</sup> year



**SBM**  
Silver Award and Certificate Thailand Kaizen Award from Technology Promotion Association (Thailand-Japan) Thailand Quality Prize Award : New Born Group from Technology Promotion Association (Thailand-Japan)



**SAT**  
Corporate Governance Report of Thai Listed Companies (CGR):  
**Excellent CG Scoring**



**SAT**

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



**SAT** Investors' Choice Award 4<sup>th</sup> from Thai Investor Association



**SAT**

Certificate for the Sufficiency Economy Guidelines in the Industrial Sector or TIS.9999



## 3 Stakeholder Management

3.1 Stakeholder Management

3.2 The Determination of Material Matters

### 3.1 Stakeholder Management

Somboon Advance Technology had investigated, analyzed, and responded to the needs of stakeholders while adhering to Stakeholder Engagement Standard (AA1000SES) under the three main principles: the participation of all stakeholders (Inclusivity), the consideration of issues that are significant to the Company and stakeholders (Materiality) and the systematic management and performance disclosure with transparency (Responsiveness). Each department is responsible for analyzing stakeholders who fall under their sphere. The analysis of each unit will be compiled and analyzed at the corporate level under the supervision of the Sustainability Development Committee, which is made up of 8 groups of the organization's key stakeholders, including customers, suppliers, government agencies, employees, shareholders and investors, educational institutes, privat development agencies, competitors and industry associations as well as local communities.

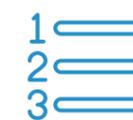
The Company manages stakeholder expectations and responds to key expectations issues as follows:

#### Identifying Key Stakeholders

Responsible functions identify stakeholders based on their significant relevance, such as responsibilities, influence, relationships, etc.



#### Priority Assessment



Prioritize relationships by considering the impact of the Company's operations and the influence of stakeholders on business operations.

#### Monitoring and reporting on the operation plan

Monitor performance in line with the SD Roadmap and report results to the Sustainable Development Committee.



#### Identifying Operational Plans and Responsible Persons

Create an action plan for sustainable development in the form of a master plan based on priorities, and implement it through appropriate channels and frequencies.





The table shows stakeholder needs or expectations, as well as the actions taken in response.

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
<b>Employee</b> 	<ul style="list-style-type: none"> <li>Potential for career advancement</li> <li>Fair compensation and benefits</li> <li>Workplace safety and a pleasant working atmosphere</li> <li>Employee care and flexible working hours during the COVID-19 pandemic.</li> <li>Equal treatment of employees</li> <li>Data Privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Conduct individual competency development programs.</li> <li>Arrange online training programs during the COVID-19 situation.</li> <li>Establish a welfare committee.</li> <li>Create a policy and an EHS Committee comprised of employer and employee representatives.</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> </ul>

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
		<ul style="list-style-type: none"> <li>Form a business continuity management committee to be responsible for issuing policies and guidelines for employees, during the COVID-19 outbreak.</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>Social Media Communication platforms including Line Chat (SAT Group, Somboon Group) and Facebook page (Somboon Group page)</li> <li>Biannual employee engagement surveys - We Care</li> <li>Internal and external websites of the Company</li> <li>Compliance Chanel</li> </ul>
<b>Shareholders and investors</b> 	<ul style="list-style-type: none"> <li>Good returns</li> <li>Business development in terms of technologies to tackle to business disruption</li> <li>Responsibilities on environmental, social and governance (ESG)</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate dividend payment to shareholders</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>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>Reduce the environmental impact of products while providing social value to customers.</li> <li>Compliance with guidelines and value chain requirements.</li> <li>Data security and privacy</li> <li>Product development through innovation</li> </ul>	<ul style="list-style-type: none"> <li>Carry out key business continuity activities such as BCP Plan and Safety Shop Floor Management.</li> <li>Research and Development of products to meet the demands of environmentally friendly automotive technology. Request carbon footprint certification to confirm the accuracy of the data.</li> <li>Social activities with customers</li> <li>Activities for business continuity</li> <li>PDPA compliance policy</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</li> <li>Complaint channels</li> </ul>
<b>Supplier</b> 	<ul style="list-style-type: none"> <li>Mutual potential development and business growth</li> <li>Business Code of Conduct, Transparency and Equality</li> </ul>	<ul style="list-style-type: none"> <li>Development of a code of conduct for supplier and standardization of procurement policies</li> <li>Projects for training and development of supplier</li> <li>Assistance measures during the COVID-19 crisis</li> <li>Equality 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>Joint effort in the development of efficient use of resources in the production process</li> <li>Supplier site visit</li> <li>Sustainability report</li> <li>Company website</li> <li>Complaint channels</li> </ul>

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
<b>Government Sectors</b> 	<ul style="list-style-type: none"> <li>Compliance with public rules, regulations and laws</li> <li>Cooperation in the projects of government agencies and the public sector</li> <li>Social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration in government activities and ongoing support for public-sector social activities such as CSR-DIW activities</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring government policies across channels</li> <li>Meetings with government agencies</li> <li>Sustainability report</li> <li>Company website</li> </ul>
<b>Governance Agencies</b> 	<ul style="list-style-type: none"> <li>Compliance with public rules, regulations and laws</li> <li>Social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring adherence to rules, regulations, and laws by implementing the ISO14001 system framework.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring Governance Agencies across channels</li> <li>Sustainability report</li> <li>Company website</li> </ul>
<b>Local communities</b> 	<ul style="list-style-type: none"> <li>Promoting career development and education in order to sustainably strengthen the community</li> <li>Good environmental campaigns without impact on the communities</li> <li>Supports during the COVID-19 crisis</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of projects to create more jobs and expand educational opportunities in the communities, such as hiring people with disabilities and opening an elderly school</li> <li>Educational campaigns such as scholarships and bilateral projects for student internships</li> <li>Compliance to the EIA measure to promote CSR-DIW activities</li> <li>Community support projects during the COVID-19 crisis, as well as donations to the underprivileged</li> <li>An affordable electric wheelchair prototype project for people with disabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Community seminars and meetings based on EIA and CSR-DIW principles.</li> <li>Community needs surveys conducted on the ground.</li> <li>Participation in project meetings led by the company to ensure sustainability</li> </ul>

Stakeholders	Needs or expectations	Actions in Response	Communication and engagement channels
<b>Educational institutions and NGOs</b> 	<ul style="list-style-type: none"> <li>Cooperation in industrial technology and human resource development</li> <li>Collaboration in specific areas of sustainability development</li> </ul>	<ul style="list-style-type: none"> <li>Conducting of career building project with educational institutions</li> <li>Conducting a project with Thammasat University to calculate the carbon footprint of products and organizations.</li> <li>Joining the United Nations Global Compact to actively promote Sustainable Development Goals (SDGs)</li> </ul>	<ul style="list-style-type: none"> <li>Carrying out key projects</li> <li>Regular attendance at operations meetings</li> <li>Participation in the operation and training activities of the institute</li> <li>Annual report</li> <li>Sustainability Report</li> <li>Company website</li> </ul>



➔ Top management Communication



➔ Annual General Meeting for shareholders



➔ Joint social responsibility management

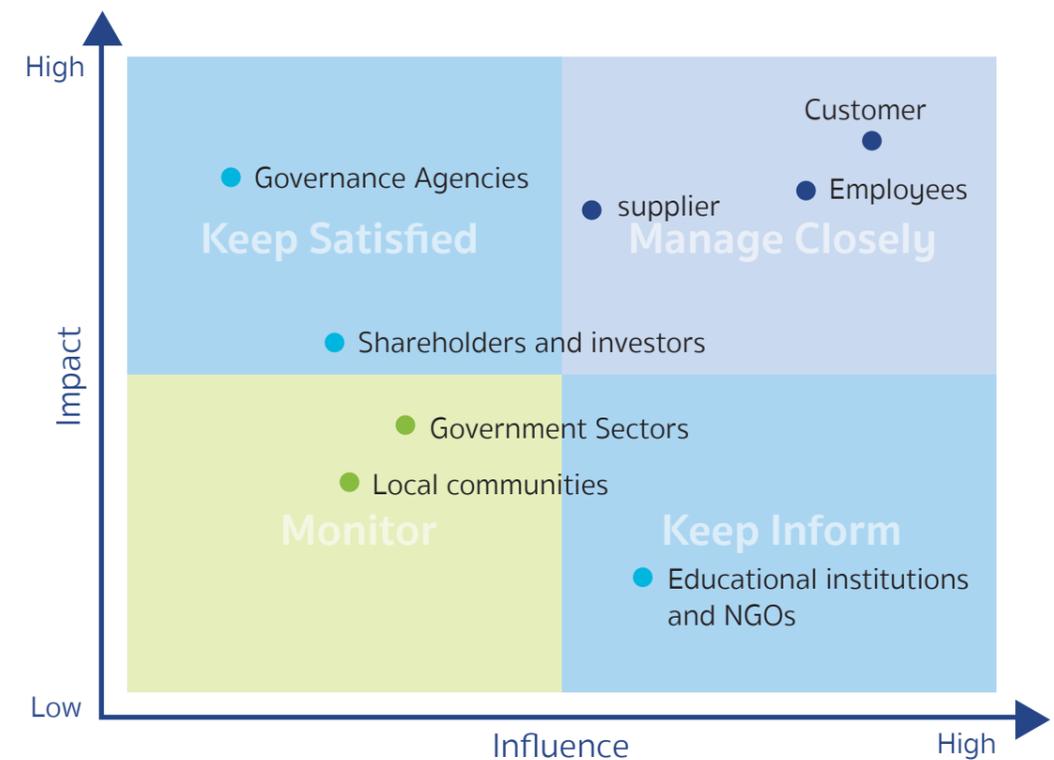


➔ Meetings with government agencies

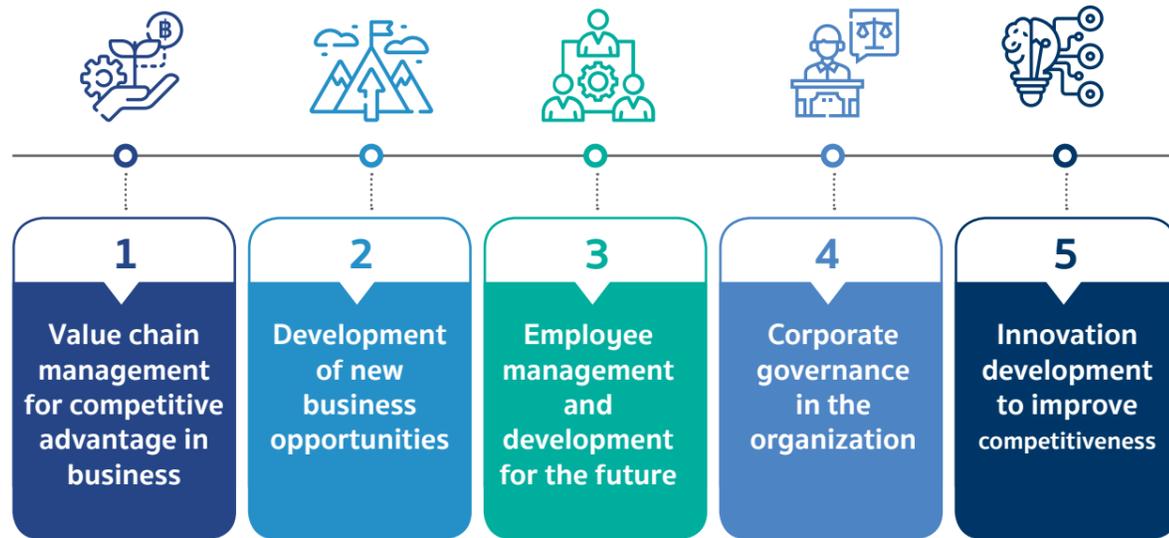


### Key Performance summary

The results of a stakeholder engagement survey conducted through various channels demonstrate the various levels of impact and influence on the organization caused by various groups of stakeholders. These findings lead to various stakeholder management approaches and processes as illustrated in the matrix below.



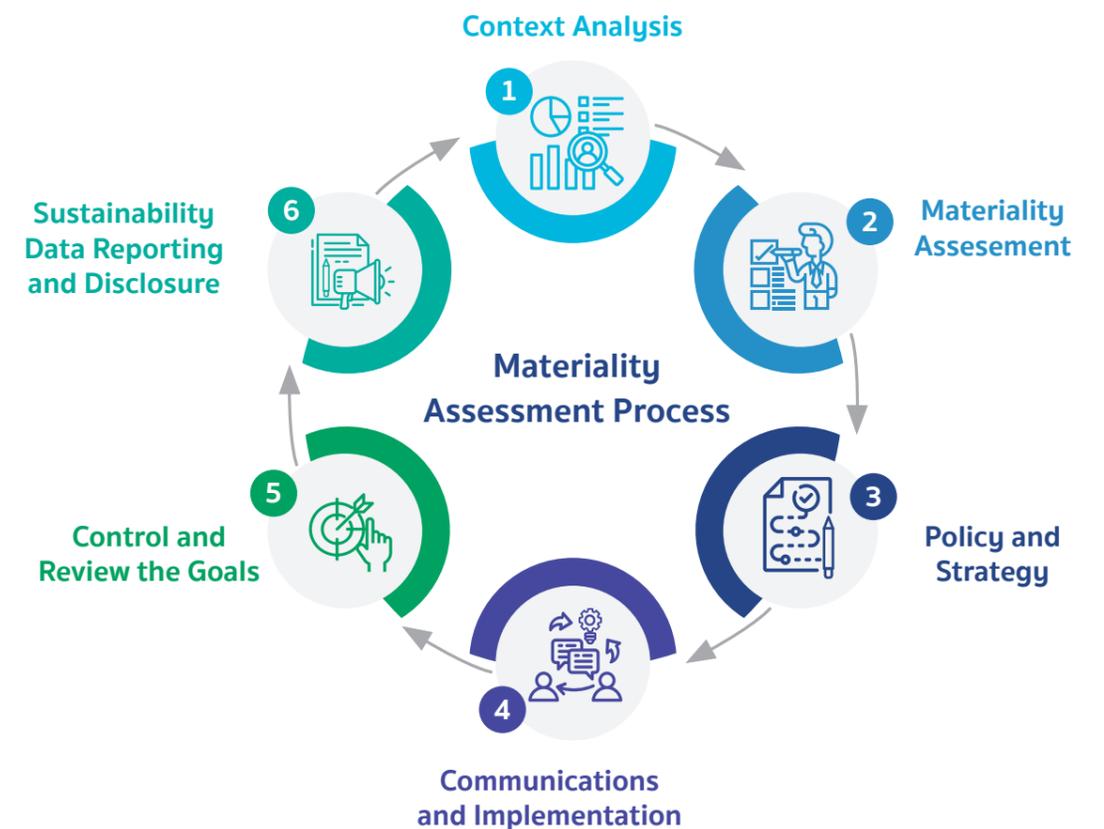
According to the findings of an analysis of related industry development directions and corporate strategic plans, as well as the results of a stakeholder survey, the five most important strategic issues for stakeholders are:



#### Key Environmental Factors



## 3.2 The Determination of Material Matters





### 1. Context Analysis

The Company gathers sustainability issues by considering external factors utilizing the PEST Analysis Tool, and sustainability trends and directions as well as internal factors such as changes related to the organization’s vision, mission, long-term goals, and strategic directions. We listen to the identified key stakeholders to review their requirements and expectations.



### 2. Materiality Assessment

The Sustainability Development Function compiles the data gathered from all functions into the Materiality Assessment. We consider the impact on business operations and other values such as financial aspects, business operational processes, reputation, and influence on our suppliers, employees, and key stakeholders. The assessment is proposed to the Sustainability Development Committee for review before disclosure.



### 3. Policy and Strategy

Following the identification of materiality, the Sustainability Development Function will collaborate with responsible functions to establish long-term sustainability development goals and actions before presenting the Sustainability policy to Executive Management and Directors for approval.



### 4. Communicate and implementation

Following the development of policies and plans, the organization communicates these issues to those in charge via Top Management Communication’ activities attended by managers and above, as well as to employees at all levels via various information channels such as electronic mail, internal and external websites, etc.



### 5. Control and Review

We have provided critical information and made timely decisions on adjusting plans. The data is collected and presented to the Sustainability Committee on a quarterly basis.



### 6. Sustainability Data Reporting and Disclosure

To ensure information transparency, we present the information to management and obtain approval for disclosure. The Sustainability Committee will disclose information in accordance with the Global Reporting Initiative standards, as well as arrange for verification to certify important results, such as the calculation of greenhouse gases in Scope 1, 2, and 3, etc.

### Materiality Assessment Results

Based on a holistic assessment of all stakeholders, in 2022, we identified the key external factors that impacted the organization such as the Russia-Ukraine war. At the same time, we identified the following organizational strengths that support our readiness to cope with the transformation through the ESG framework:



### Governance Dimension

Key issues that the Company must continue to focus on are value chain development to improve production cost competitiveness, development of new business opportunities to support long-term growth, management of organizational risk to prepare for changes, relationship management for existing customers through innovative technology to meet new requirements, and management of business continuity to assess and cope with potential risks, a mitigation plan, support on ethics and anti-corruption, as well as management of cyber security, data security to ensure customers confidence.



### Social Dimension

Key issues on the social dimension that we have continuously developed include employee competency development in order to drive strategy and improve organizational efficiency while retaining employees through employee engagement. Our goal is to create an organizational culture in which all employees are committed to their work beyond their responsibilities. Furthermore, we have worked on improving the career path, succession plan, and attracting talents by building their competency to take on key roles in the Company. Furthermore, Our Human Rights Management operation has been aligned with UN principles in order to support employees in a safe work environment through occupational health and safety management at the workplace, as well as to the external community through regular community development activities.

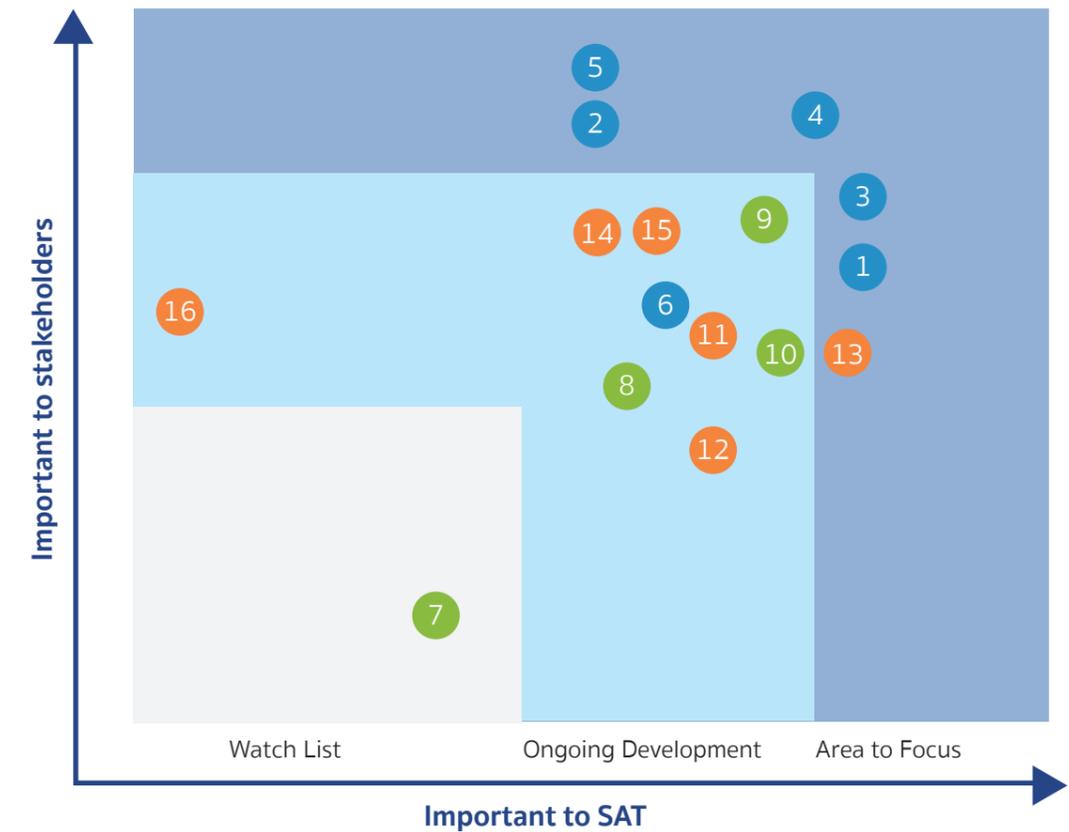


### Environmental Dimension

In terms of the environment, the Company has been impacted by the recent increase in energy costs this year. Due to a decrease in domestic energy availability and the crisis of the Russia-Ukraine war, we must import energy at a higher cost for electricity energy production. Also, the energy reserves from the government that compensate the people and industry must be charged to increase liquidity. We have forecasted that these factors will have an impact on the organization in the medium term, within the next 2-3 years. As a result, the Company has to boost its investment in renewable energy, expected to reach 10% by 2026. Energy management, which is a global issue, contributes to the reduction of climate change. Our target is to reduce GHG emissions by 30% by 2030. Furthermore, waste management is an issue that we are addressing in the melting factory. The effects of water consumption are less significant.

The company summarized the assessment results and categorized them based on the stakeholders' priorities, which affect the company's ability to achieve its vision and mission. The company also assessed the development gap in relation to the organization's and its stakeholders' improvement expectations according to the results matrix below. The assessment results led to the enhancement of the master plan, which including a roadmap and strategic plans for 2022 and beyond.

### Materiality Assessment Summary



Economic	Environment	Social
<ul style="list-style-type: none"> <li>1 Customer Relationship Management</li> <li>2 Innovation development to improve competitiveness</li> <li>3 Development of new business opportunities</li> <li>4 Value chain management for competitive advantage in business</li> <li>5 Corporate governance in the organization</li> <li>6 Cybersecurity and Data Security Management</li> </ul>	<ul style="list-style-type: none"> <li>7 Water Management</li> <li>8 Waste Management and the Circular Economy</li> <li>9 Climate Change Management</li> <li>10 Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>11 Employee Engagement</li> <li>12 Talent Management and Succession Planning</li> <li>13 Human Capital Management</li> <li>14 Management of Human Rights</li> <li>15 Occupational Environmental Health and Safety</li> <li>16 Community Value added</li> </ul>



## 4. Sustainable Development

4.1 Sustainability Management Policy and Goals

4.2 Supporting the Sustainable Development Goals (SDGs)

### 4.1 Sustainability Management Policy and Goals



Somboon Advance Technology has driven the continuous development of sustainability. “Somboon Triple Bottom Line: Smart People, Business Trust, Growth Society” business philosophy has been tailored in accordance with the ESG framework and corporate governance integrated with the Sufficiency Economy Philosophy (SEP) and global standards principles for sustainability development and social responsibility. This includes the UN Global Compact: UNGC, the UN Global Compact, and the Sustainable Development Goals (SDGs), as well as stakeholder expectations. The framework is consistent with organizational sustainability as well as the Company’s Vision, Mission, and operational strategies

Furthermore, the Company has worked on and followed key global changing trends that have an impact on the organization in terms of economic, social, and environmental. The Vision 2022-2026 policy was established in 2022 by incorporating the Sustainable Development Goals (SDGs) into our strategic operations across the business value chain. We intend to support seven key business milestones in order to achieve positive results and reduce negative impact from our business operations in accordance with our long-term operation plan.



#### Management Approach

The sustainability strategy is governed by the Board of Directors. The Sustainability Development Function is in charge of policy formulation, planning, and implementation in relation to the organization’s direction. In addition to reporting to the Board of Directors, the Sustainability Development function is in charge of operations support and monitoring. Furthermore, representatives from various work areas within each business unit are involved in the implementation of Sustainability projects and materiality assessments.



## Environmental



### Optimize resource & Protect Environment



**GHG Management** GHG Management – the Company recognizes the global crisis caused by GHG emissions. Our goal is to keep the global temperature from rising above 2°C in accordance with scientific principles. The goal is to reduce greenhouse gas emissions by 30% by 2030 compared to the 2018 baseline, with a focus on renewable energy, energy efficiency and smart grid, and a carbon neutrality pathway.

## Social



### Create value for society



**Human Capital Development** Develop human capital with the potential to be ready for organizational changes. Maintain employee's engagement. Examine all stakeholders for holistic human rights issues. Maintain an organizational safety culture. Set a goal of zero accidents.



**Creating Shared Value (CSV) Project** Develop the value of individuals, the company, and communities in order to grow together, with the goal of creating more value than 0.1% of revenue by 2026.

## Governance



### Moral integrity and Transparency



**Corporate Governance** Enhance stakeholder trust and raise awareness of anti-corruption efforts.



**Risk and Business Continuity Management** Use risk management and business continuity to safeguard the company and build customer trust.



**Customer Relationship Management** Establish customer relationships in order to provide value that exceeds expectations.

Indicator	Target	2022
Absolute GHG Compared with 2018	8.00% Reduction	13.46% Reduction
Energy Intensity %	3.00% Reduction	7.90% Reduction
Water Intensity %	1.00% Reduction	18.00% Reduction
Waste Intensity %	2.00% Reduction	3.50% Reduction



GRI 305, GRI 306,  
GRI 302, GRI 301,  
GRI 303

Indicator	Target	2022
Employee Engagement %	-	78.00%
LTIFR	0.00	0.67
Create Value for social	0.10%	0.06%
Training Hours	8.00 hrs.	11.96 hrs.
Good Deed	10.00 hrs.	11.19 hrs.



GRI 413, GRI 404,  
GRI 403



Indicator	Target	2022
Anti-corruption (CAC) with Supplier	100%	100%
% BCP for applied all BUs	100%	100%
Customer Satisfaction %	100%	98%
Compliance	100%	100%



GRI 418 GRI 201  
GRI 205 GRI 419  
GRI 308  
THIS 13,14,15,16

Note: Significance of Indicator On the GRI page, you can find this.

# 4.2 Supporting the Sustainable Development Goals (SDGs)

Performance that contributes to the UN Sustainable Development Goals 2022



**4 QUALITY EDUCATION**

**Smart People**

Trained and evaluated employees on ethics and sustainability.  
**125** employees

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**Business Trust**

Invited suppliers to join CAC's anti-corruption training  
**7** times

**Growth Society**

Support student interns  
**160** persons

**8 DECENT WORK AND ECONOMIC GROWTH**

**Smart People**

Death of employees and contractors  
**0** employee

Lost time injury rate  
**0.67%**

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**Business Trust**

Employee Engagement Score  
**78%**

**Growth Society**

Employment of people with disabilities  
**24** employee

**11 SUSTAINABLE CITIES AND COMMUNITIES**

**Growth Society**

Traditional and cultural activities  
**2** projects

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

**Business Trust**

Amount of Waste Brought into Recycled Process  
**1,865** tons

Energy Consumption Reduction  
**7.9%**

---

**Growth Society**

Complaints that impact on the community  
**0** Case

**13 CLIMATE ACTION**

**Business Trust**

Reduction of GHG Emissions by  
**13.46%**

Registered Carbon Footprint Reduction Label products  
**3** products

**16 PEACE, JUSTICE AND STRONG INSTITUTIONS**

**Business Trust**

- Certified as a member of Thai Private Sector Collective Action Against Corruption (CAC)
- Suppliers declare their commitment with CAC.

**14** suppliers

**17 PARTNERSHIPS FOR THE GOALS**

**Growth Society**

Integrate Sustainable Development Goals into the Community Development Programs

# RISK MANAGEMENT



## 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

Somboon Advance Technology Public Company Limited is committed to developing the organization to grow sustainably by adhering to transparency, strict good governance, responsibility and interest protections of stakeholders and society. The Company aims to develop the personnel to be good, smart, and moral while simultaneously promoting knowledge, improving environmental quality, and holding social responsibility. The Sustainability Report is also provided in accordance with the Global Reporting Initiative (GRI) guidelines. Thus, the Board of Directors, executives and employees at all levels shall adhere to and comply with the Corporate Governance Policy, Code of Business Conduct and Ethics, as well as extend the framework of Good Corporate Governance to subsidiary companies and trading partners.



### The Management Guidelines

In 2022, the Board of Directors comprised of 9 members and 6 of them were independent directors. The Company puts an emphasis on the structure and qualifications of the Board of Directors for the optimum benefits of the organization and stakeholders. The Nomination and Remuneration Committee shall select the Company's directors from the criteria of expertise, work experience, skills, and knowledge by considering the qualifications in accordance with the laws and criteria of the Securities and Exchange Commission. The Board Skill Matrix shall be created to determine qualifications of the director nomination in line with the Company's business operations by neither obstructing nor limiting the diversity of sex, age, race, or religion while working.

#### Knowledge/Experience/Expertise

Unit: Person

9 Administration and Business Management	4 Factory Management/ Engineering/ Automotive
9 Strategic Planning	3 Related Laws and Regulations
7 Human Resource Management	4 Sales - Marketing
6 Account - Audit	9 Finance - Capital Management
1 Information and Digital Technology	7 Civil Society, Community Enterprise, Natural Resources and Environment, and Sustainable Development



## Performance Evaluation of the Board of Directors

The entire Board of Directors conducts the self-evaluation annually to review whether their performances match completely with the governance practices and utilize the evaluation results for further development of management efficiency. The Company has developed the evaluation form from the directors' self-evaluation form example of the Stock Exchange of Thailand, based on the appropriateness and in line with the characteristics of the Company's Board of Directors. And the evaluation results will be notified to the Board of Directors for acknowledgement.

### Self-Evaluation Results



1. The Board of Directors	
The entire Board of Directors	Average Score: 2.86
Individual Directors	Average Score: 2.83
2. The Sub-Committees	
The Executive Board	Average Score: 2.77
The Audit and Corporate Governance Committee	Average Score: 3.00
The Nomination and Remuneration Committee	Average Score: 3.00
The full score of evaluation criteria: 3	

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

### 1. The project of the Corporate Governance Report of Thai Listed Companies (CGR)

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

Target for the Year 2022 **Excellent**

#### Performance Results



2022 **Excellent**

2021 **Excellent**

2020 **Excellent**

### 2. The project of the 2022 Annual General Meeting of Shareholders (AGM Checklist)

created by the Thai Investors Association. The 2022 evaluation result showed that the Company has achieved a full score of 100.

As a result, the Company has received the 4<sup>th</sup> Investors' Choice Award in 2022 from the Thai Investors Association.

Therefore, the evaluation results from all projects indicate that the Company focuses on Good Corporate Governance and never stops to develop the principles.



## 5.2 Business Ethics



Somboon Advance Technology Public Company Limited has created the Good Corporate Governance Policy, Code of Conduct and Business Ethics to use as the best practices in business which are based on the fundamental principles of Good Corporate Governance, transparency, and accountability. With the objectives to utilize as business operation guidelines that employees can adhere to and conform with, the principles also demonstrate employees the knowledge, and understanding of workplace behaviors and proper practices, leading to the sustainable value creation for stakeholders.

The Company reviews the Code of Conduct regularly to be updated with the current risks and circumstances, and to be in accordance with the project of Thai Private Sector Collective Action Against Corruption (CAC) principles. In addition, the Company has complied with related requirements of standards, for example, the principles of Organization for Economic Co-operation and Development (OECD), and the Corporate Governance Code (CG Code) for listed companies according to the Securities and Exchange Act, the Securities and Exchange Commission and The Stock Exchange of Thailand.

### Knowledge Sharing and Ethical Test of Employees

To create a shared understanding of guidelines on the Company's ethics and sustainability policies among the executives and employees, the Company has provided the Code of Conduct and Business Ethics by sharing knowledge with employees via training channels, for example, online channels, Emailing. Furthermore, ethical tests for employees are required annually through online channels to ensure that the executives and employees are aware of the ethics constantly.



The Company has arranged training to new employees of **20** persons

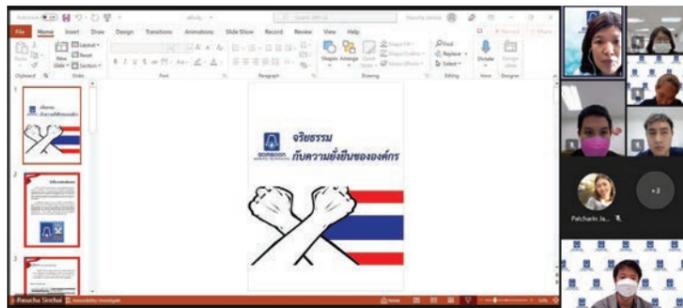


The annual executive training of **105** persons



### Complaint Handling

The Company gives opportunities to employees and stakeholders of all groups to have complaint channels, expressing opinions and whistleblowing for illegal conduct by submitting letters or Emails to independent directors or the Company Secretary who act as the complaint handling unit regarding the Company’s Corporate Governance and Code of Conduct.



In 2022, the Company did not find any issues or errors that were important matters to anti-competition, discredit, monopoly, discrimination, corruption, and business ethics violations.

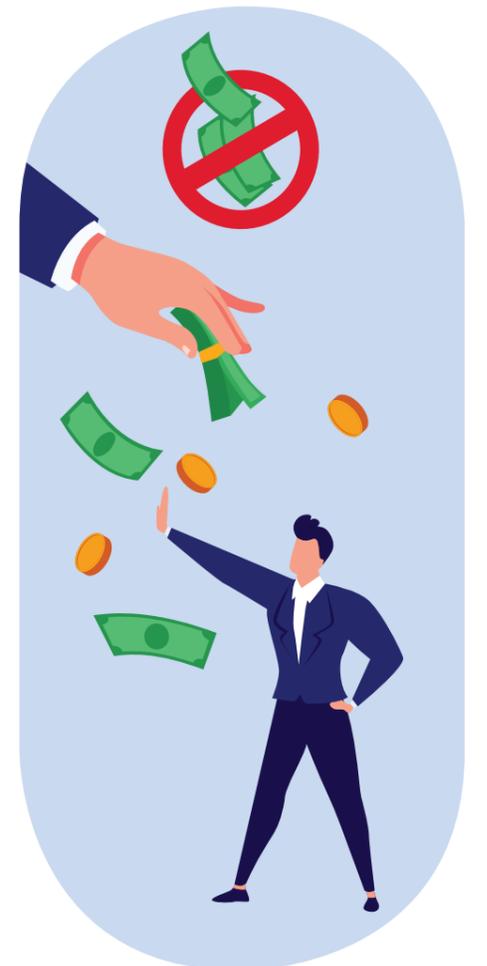
## 5.3 Anti-corruption



The board of directors is dedicated to conducting business with integrity, fairness, and anti-corruption to establish an entirely transparent organization. In order to promote and embed business ethics over the long term and constantly from 2010 to the present, a plan has been developed. so that staff members possess morality, discipline, knowledge, and honesty.

The Company is one of the first 27 organizations to proclaim their pledge to combat corruption and, the Thai Private Sector Collective Action Against Corruption: CAC certified the Company as one of the first 9 organizations on 29th July 2013.

By continuing to offer advantages to suppliers who take part in the CAC SME program, the company has helped its suppliers while establishing anti-corruption plans and targets for 2022. As a result, suppliers can define objectives and convince in accordance with the strategy. Because of the company’s dedication to growing the Thai private sector anti-corruption alliance network during the COVID-19 epidemic situation, which has shown our strength and commitment to being involved and promoting transparency in business, the company was given the Change Agent Award 2022 by CAC’s Anti-Corruption Alliance. The company keeps growing its network in an effort to persuade clients to join a coalition against corruption. In the future, corruption issues will be lessened because to this.



The company does not tolerate corruption in any form, whether it be direct or indirect, and has established anti-corruption policies and guidelines in the corporate ethics and work practices manual as follows:



### Requirements

1. Directors, executives, and employees of the Somboon company group are forbidden from engaging in or accepting any form of corruption, whether it be direct or indirect. This includes giving and receiving items, gifts, receptions, soliciting donations from clients, and accepting any other benefits from clients of the Somboon company group.
2. This anti-corruption policy should be properly communicated to all groups of stakeholders, both locally and globally, so they are aware of it and are able to understand it. Also, the guidelines and standards for compliance with changes in business, rules, laws, and legal related requirements are evaluated routinely. The anti-corruption policy is reviewed on a regular basis, at least once a year.
3. The board of directors are in responsibility and accountable for creating policies and managing the Company's anti-corruption support system, including the significance of the Somboon company group's anti-corruption.
4. The audit committee are in charge of examining the financial and accounting reporting system, internal control system, internal audit system, corruption prosecution, investigation, and policy compliance, as well as presenting significant issues to the attention of the board of directors.
5. The president, management group, and executives are in charge of and accountable for the full implementation of this policy, determine and support the necessary work system to combat corruption, and communicate with all employees and related parties, including assessing the suitability of work systems in various matters to be in compliance with business changes, rules, regulations, and different laws.
6. The internal audit department are in charge of examining the Company's risk assessment for corruption and checking if the company has sufficient control over these risks and an effective control system. On a yearly basis, the various departments are required to operate correctly in accordance with the rules, regulations, and laws, including providing guidance on how to lower the risk of fraud and corruption. The audit committee shall be informed on a regular basis of the review's findings. In the event that difficulties are found with the evaluated results that are significant to the company, urgent reports should be properly made to management and the board of directors.



### Regulations

1. Directors, executives, and employees of the Somboon company group are abide by the anti-corruption policy, ethics, and code of conduct and shall not be directly or indirectly implicated in corruption.
2. The employees of the Somboon company group do not neglect or ignore in case they are witnessing any acts of corruption related to the company/subsidiary. The employees should notify the supervisor or person in charge and cooperate in investigating various facts. If there is any doubt or question, consult the supervisor or the person assigned to be responsible for monitoring compliance with business ethics through the specified ways.
3. By taking actions to defend complainants or those who assist in reporting corruption as stipulated by the firm in the complaints policy and recommendations, the company should treat employees fairly and protect those who refuse or report wrongdoing connected to the company and its subsidiaries.
4. Anyone who engages in corruption is committing an act that is against the company's ethics, one is subject to disciplinary action in accordance with the rules the company has established, as well as legal sanctions if the behavior is unlawful.
5. The Company/subsidiaries shall be cognizant of the significance of communicating information and understanding to others who must carry out tasks related to the Company and its Subsidiaries, including the company's stakeholders, in order to operate in accordance with the aforementioned anti-corruption policy.
6. The company is dedicated to generating and creating "Smart People" who are morally upright, act as responsible members of society, and contribute to the development of a culture that does not tolerate any sort of corruption.



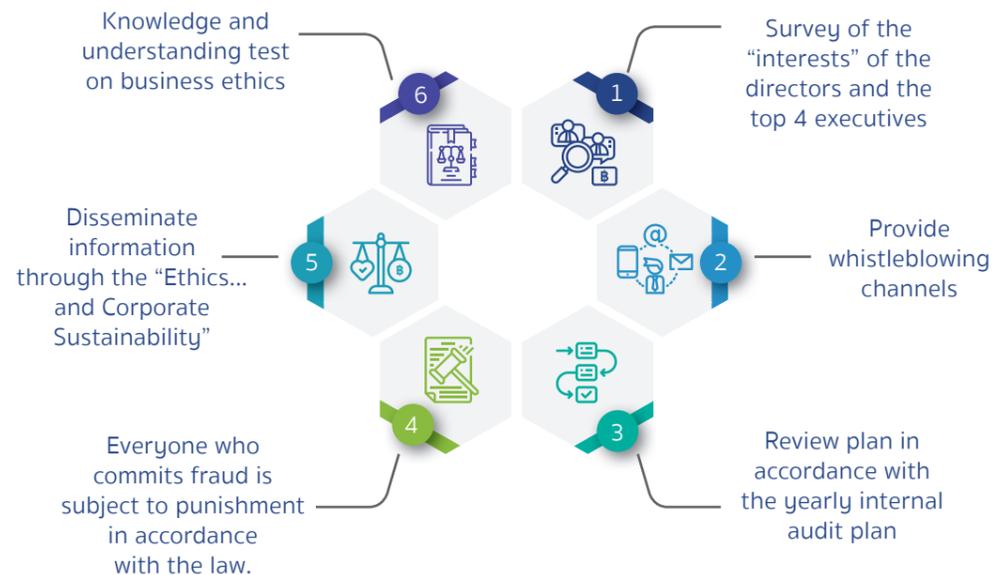
### Principles and processes for corruption risk assessment

The Company mandates that corporate risk assessment and corruption risk assessment be conducted separately. The risk management department, along with the compliance and audit department, collaborate with other departments to identify corruption risks related to all potential business operations. They also gather and categorize these risks, and they consider a process to effectively prevent and investigate corruption risks.

The internal audit department should also examine the corruption risk control process in all firm activities to study the channels and the opportunity to lead to corruption as well as the assessment of pertinent possibilities and repercussions (based on the evaluation score of opportunities and impacts referring to corporate risk management manual). The yearly audit plan and annual review are prepared using the findings of the risk assessment.

The board of directors has established guidelines for monitoring and evaluating the implementation of the anti-corruption policy as follows:

1. As required by law, conduct a survey of the “interests” of the directors and the top 4 executives and expand the survey to include executives with operating power at all levels as well as employees who have interests in order to prevent conflicts of interest that could result in corruption;
2. Provide whistleblowing channels and measures to protect whistleblowers on the company website by informing staff members at all levels to file complaints and report any suspicious activity, which is considered to be an employee’s responsibility and a form of discipline;
3. Establish the review plan in accordance with the yearly internal audit plan and assign the supervision and inspection department the task of examining fraud risks;
4. Anyone who engages in corruption is committing an act that is against the company’s ethics, one shall be subject to disciplinary action in accordance with the rules the company has established, as well as legal sanctions if the behavior is unlawful;
5. Disseminate information through the “Ethics...and Corporate Sustainability” curriculum to new employees so they may comprehend corporate ethics code of conduct at work, anti-corruption policy, and criteria for taking and providing items or any other benefits of companies in Somboon group; and
6. Through the company’s intranet system, establish a knowledge and understanding test on business ethics, a code of conduct at work, and anti-corruption, and utilize the results to evaluate the level of knowledge and understanding in order to review and improve work ethics and procedures, including raising awareness of all types of corruption.



### Guidelines for receiving items or any other benefits

- (1) Executives and staff are forbidden from taking or asking clients, creditors, or stakeholders who do business with the company for anything, including presents, receptions, services, financial support, and gratuities of any type.
- (2) It is possible to ask for help in the form of an organization with an organization, although such requests must only be accepted by the authorized director.
- (3) Except from special occasions or holidays where it is customary for people to show one another kindness, such products or advantages must cost no more than 2,000 Baht and/or be required to sustain positive ties between people or organizations.
- (4) Within five working days after the date of receipt of the items or any other advantages, the executives are expected with delivering them to the president via the Office of the Company Secretary on behalf of the organization.
- (5) Employees may receive gifts with a value of no more than 500 Baht, such as key chains, calendars, and notebooks with the organization’s insignia, in addition to the customary festival mementos. The executives are obliged with receiving the delegation and communicating their findings in writing to the president via the Office of the Corporate Secretary.
- (6) In order to avoid conflicts of interest, except the cases of force majeure, the company forbids employees from acting on behalf of the company to receive gifts or other benefits. However, executives who are one level below them (in their own or a different line of work) are permitted to accept assignments and report right away to the executives.



### Criteria for providing any other gifts or benefits.

- (1) On the occasion of a traditional celebration, gifts are typically given to remind people to be kind to one another. The corporation is the one that decides the price or value, which cannot be more than 2,000 Baht, and arranges a survey or suitability check before moving forward in order to stop corruption that breeds corruption.
- (2) The executives assigned to represent the business while presenting gifts or other rewards

The operation in 2022

1. The company has formulated a strategy to raise the level of good governance, risk management, responsibility to stakeholders and society based on knowledge and virtue which is one of the 6 main missions of the organization’s strategy for sustainable business growth based on the Sufficiency Economy Philosophy and good immunity in business operations. The business additionally encourages employees in every position throughout the company embody knowledge, understanding, and consciousness in executing their duties, responsibility, cautiousness and honest.

2. To develop a new SAT culture as part of the strategy to advance and establish corporate principles, the company has expanded knowledge through training/ seminars, workshops, and various events as follows:

2.1 The business has created a course called “Ethics...and Corporate Sustainability” with lessons that concentrate on workplace ethics, morals, and conscience. This also emphasizes educating new hires at all levels on anti-corruption issues so they can better comprehend the company’s business ethics and the fundamentals of good corporate governance. Also, this resulted in a “transparent organization” with quality that could be verified throughout every procedure. Furthermore, the company has arranged the training sessions for 20 new employees and 105 executives which both took place in 2022.

2.2 To routinely assess the way in which executives are implementing their anti-corruption program. The company arranges an intranet portal for all executives to utilize in order to complete a test and review their understanding of anti-corruption from the Corporate Governance (CG) knowledge test. Everyone must meet the requirements with an average of 80% on the measurement. The company’s anti-corruption issues were deemed to be well understood by all executives.

2.3 By developing tactics for enhancing business value from the beginning of the Thai Private Sector Collective Action Against Corruption (CAC) in anti-corruption of companies in Somboon group, the Board of Directors encourages stakeholders and trading suppliers to develop with the companies in Somboon group. Hence, the supply chain’s operations are guaranteed to be completely transparent. Thus, the network has been developed to proclaim its intention to suppliers by encouraging knowledge and understanding as well as realizing the significance of anti-corruption

2.4 Every quarter, the audit and good governance committee reports to the Board of Directors on the strategies and activities against corruption and adherence to good corporate governance principles.

2.5 The board of directors has established a way for filing complaints and whistle blowers by allowing employees and stakeholders of all groups to express their opinions freely and report clues about illegal actions or corruption. The goals are to (1) have a clear channel for complaints and whistle blower; (2) correct/improve management and; (3) fact-check. The compliance and audit departments, as well as the company secretary, are tasked with handling complaints about the company’s corporate governance and business ethics.

A fact-finding investigative committee was formed in 2022 after the company received one complaint, with the goal of being equitable for all parties.

**Ways for filing complaints and whistle blowers via independent director’s email**

Name	email
1 Mr. Sansern Wongcha-um	sansern.w@somboon.co.th
2 Dr. Panja Senadisai	panja.sena@somboon.co.th
3 Mr. Atcharin Sarasas	ajarin.s@somboon.co.th
4 Mr. Paitoon Taveebhol	ptaveebhol@somboon.co.th
5 Dr. Suthat Setboonsang	suthad.setboonsarn@somboon.co.th
6 Mr. Prayong Hirunyavanich	prayongh@somboon.co.th
7 Supervision and audit department	wasumeth.kul@somboon.co.th or Tel. 0-2080-8143

The company secretary is as well able to be reached by mail at Building 11, 2nd Floor, Somboon Advance Technology Public Company Limited, No. 129, Moo 2, Km.15 Bangna-Trad Road, Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province 10540.

2.6 The company has issued a no gift or other benefits (No Gift Policy) in all forms to eliminate risks associated with giving and receiving gifts, to establish strong workplace norms devoid of the expectation of additional benefits, and to consistently end corruption.



**Expansion of the anti-corruption network with the Thai Private Sector Collective Action Against Corruption of companies in Somboon group**



All suppliers must sign a declaration of intent against corruption with companies in the Somboon group, according to the corporation. By inviting suppliers who made purchases totaling at least 10 million baht to participate in announcing their intentions with the Thai Private Sector Collective Action Against Corruption in 2022, the company established anti-corruption plans and targets.

**Result of suppliers companies' CAC declarations of intent**



**Suppliers training encouragement**



Since the COVID-19 pandemic, the company has persisted in cultivating partner learning to broaden the network of anti-corruption initiatives and stimulate suppliers to be aware of and appreciate the value of anti-corruption. By promoting and inviting suppliers to training with CAC with the objectives of (1) having a transparent operating system within the organization; (2) having work standards to be accepted by significant trading partners and foreign trade partners; and (3) reducing the risk of corruption, which is training seminars in the form of Online Seminar via WebEx system as follows:



- 24<sup>th</sup> February 2022**

A seminar on how to develop anti-corruption immunity to cut expenses and open up commercial prospects
- 17<sup>th</sup> March 2022**

SME Clinic seminar on how SMEs can become certified with the Thai CAC to expand business opportunities
- 21<sup>st</sup> April 2022**

The CAC seminar of the utility announcement of submitting documents for certification via online system, effective on 1st July 2022 to outline the process and explain how to become CAC certified
- 11<sup>th</sup> May 2022**

A seminar on increasing the efficiency of internal control procedures to lessen the issue of bribery with a focus on Section 176, the law that the private sector must be aware
- 25<sup>th</sup> May 2022**

SME Clinic seminar on how SMEs can become certified with the Thai CAC to expand business opportunities
- 6<sup>th</sup> September 2022**

SME Clinic seminar on comprehending the fundamentals of the CAC project, learning how to apply for certification with CAC, and being ready to prepare the 17-item assessment form
- 3<sup>rd</sup> November 2022**

Road to Join & SME Briefing Seminar 4/2022



# 5.4 Information Technology and Cybersecurity Policy

Nowadays technology and information systems are essential tools for driving business and organization forward and accelerated. Moreover, digital transformation has increased the risks of cyber threats and data leakages of sensitive information of information system. However, to control the levels of risk and prepare for cyber resilience, the Company has appointed the Enterprise Risk Management Committee and the working group to consider technical issues. The Cybersecurity Maturity Assessment is performed in accordance with the standard of NIST Cybersecurity Framework starting from the process of identifying the issues, protection, detection and monitor, response measure, and systematic recovering measure. All this is to ensure that confidence and security are fully met with business and customers together with stakeholders inclusively, and to drive the operations to comply with the Information Technology and Cybersecurity Policy.



## Risk Management Guidelines on Cybersecurity and Information System

The Company realizes the importance of cybersecurity that can impact on business operations. The Company has thus joined the project of 2022 Cyber Resilience Survey for listed companies with The Stock Exchange of Thailand. Consequently, the survey results have led the Company to be aware of the levels of cybersecurity inside its own organization. The results can also be utilized for operational planning on regular tasks, for instance, system maintenance, vulnerability tests on important tasks, and the tasks needed to be improved additionally to upgrade the levels of cybersecurity maturity continuously and properly, to help push and promote cybersecurity awareness, including minimizing risks that may impact on the Company's operations. The guidelines are as follows.



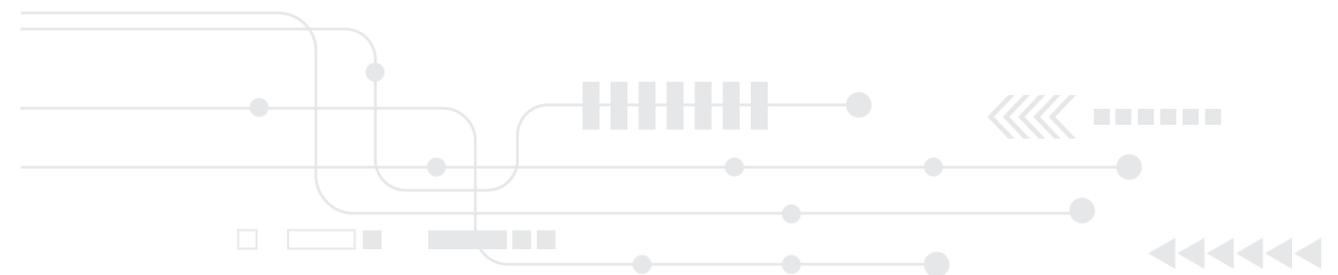
### 1. Supervising Information Technology Safety and Security

The Company has announced a policy of information technology safety and security by bringing together essential legal requirement and stakeholders' requirements for consideration; setting up a committee which includes the executive management and a working group regarding IT safety and security to formulate policies, support resources and consider important decision-making issues as well as clearly assign person in charge under the main IT department. The document can be viewed here



### 2. Self-Understanding by Performing the Cybersecurity Maturity Assessment

The Company has joined the project of 2022 Cyber Resilience Survey for listed companies with The Stock Exchange of Thailand and performed assessment of a project concerning important customers by implementing with the NIST Cybersecurity Framework. As a result, the Company is aware of the levels of cybersecurity maturity of its own firm and can thus utilize the data for policy modification, planning, and improvement constantly to be in line with the same level of leading companies and industry with appropriate resource investments. The Company's top strengths and weaknesses to be improved are as follow



## The Cybersecurity Maturity Assessment implemented with the NIST Framework

Top strength NIST Control performance	Nist Function	Top Improvement NIST Control performance	Nist Function
1 IT and Facility Maintenance and Repairs	Protect	1 Improvement of IT Disaster Recovery Plan	Recovery
2 Mitigation for lessening probability and the impact of cybersecurity incidents	Respond	2 Supply Chain Risk Management	Identify
3 Cybersecurity Incident Response Planning	Respond	3 Analysis of Cybersecurity Incidents	Respond



### 3. Planning and Improving the Operations Continuously

The Company has planned regular operations in supervision of information technology systems, including improving important issues from the Maturity Report. For instance, the Company has arranged the SAP system testing and inspection by an independent auditor of KPMG in the 2022 annual audit to verify that the SAP system still fits to standard properly and the mitigation plan is available as follows.



#### 1 Improvement

Reviewed business continuity plan (BCP) regarding an issue of data backup in case of natural disasters



#### 2 Supply Chain Risk Management

Performed BCP simulation testing with relevant trading partners



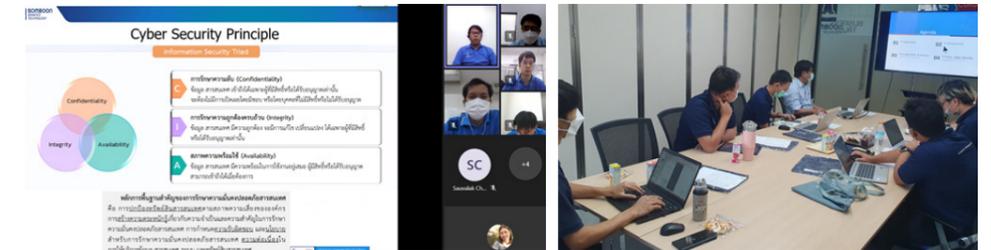
#### 3 Analysis

Improved the stages of cybersecurity incident analysis upon receiving notification alerts from the system



### 4. Promoting Awareness of Information Technology and Cybersecurity

The Company provides training courses regarding IT Security and Cybersecurity to new employees and permanent ones who have device access rights to create awareness of access control and data usage alert. Moreover, a refresher training course is arranged annually for users of important programs that may impact on business operations, such as SAP-ERP 100% including updating the basic tips of cybersecurity continuously.



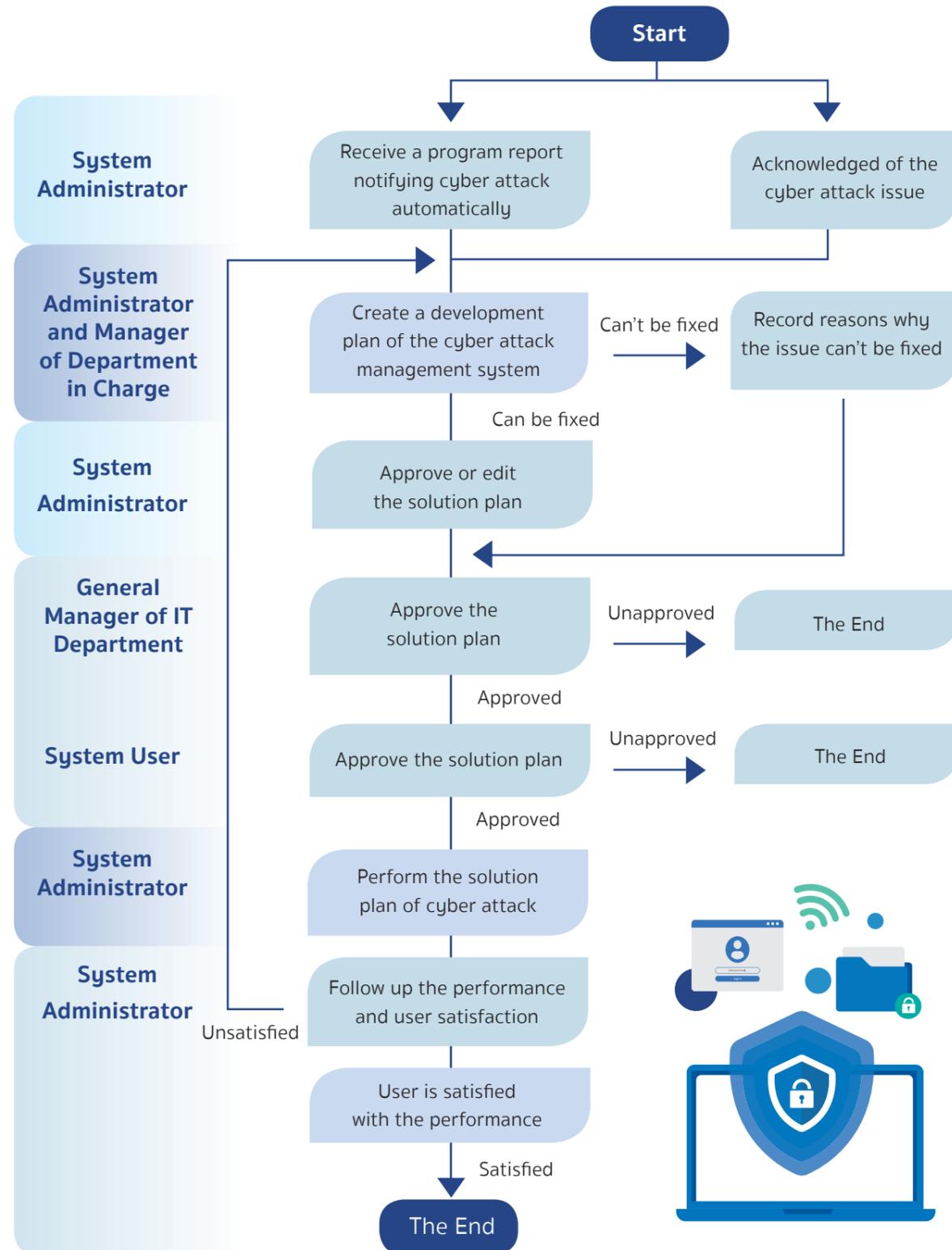
### 5. Monitoring and Evaluating Risk Continuously

Currently, the Information Technology Department provides risk evaluation, incorporated with key risk indicators to report to the Enterprise Risk Management Committee monthly, thereby ensuring that possible risks can be managed proactively with efficiency and minimizing impacts that may arise to the organization and business opportunities.



### The System of Complaint Handling and Response to the IT and Cybersecurity Incidents

The Company provides the complaint handling management system regarding IT security via web application, Emails, and telephone. Communication channels are accessible 24 hours, employees can contact a person in charge by telephone or emailing to [cybersecurity@somboon.co.th](mailto:cybersecurity@somboon.co.th) or contacting a helpdesk through the Company's web application on the intranet. The steps are as follows.



### Performance Result of IT and Data Security in 2022

The Organization's Preventive Computer Virus Capability for 2022

Month	No. of Attacks	No. of Preventions	No. of Security Incidents
January	219	219	0
February	423	423	0
March	367	367	0
April	205	205	0
May	590	590	0
June	350	350	0
July	538	538	0
August	471	471	0
September	410	410	0
October	495	495	0
November	204	204	0
December	398	398	0



1 Prevented **100%** of attacks from computer viruses

2 **None** of interrupted business continuity incidents arising from cybersecurity risk

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

4 Provided **100%** of cybersecurity and information system trainings to new employees

5 Provided the SAP-ERP training to persons involved **100%**

# 5.5 Risk management



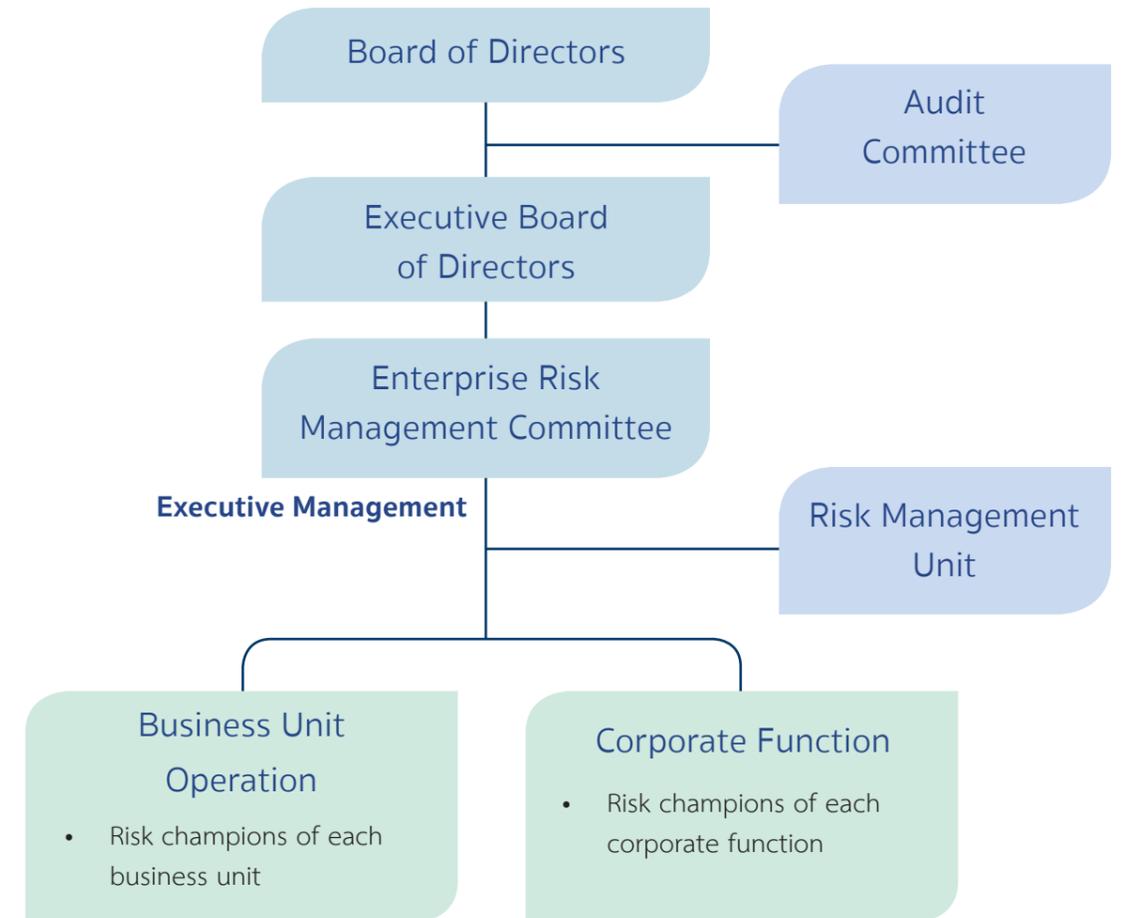
## Risk management policy and plan

Somboon Advance Technology Public Company Limited is well aware that the current business operations are facing rapid changes in the business context and; therefore, has adopted risk management system under the global standard of COSO ERM 2017 as part of corporate governance tools to control and minimize impact from risk within an acceptable level. Risk management has helped the Company appropriately address the expectation of all key stakeholders; especially customers, employees and suppliers/partners; with the goal of achieving the organization’s objective and sustainable growth.



## Risk Management Structure

Companies in Somboon Group have risk management system integrated with corporate strategy and business plan development to ensure that the system is seamlessly implemented throughout the organization with effectiveness and efficiency. The Company has organized risk management structure as follows:



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

1



**Policy Risk Management Committee (BOD and Ex-BOD)**

is responsible for governing the risk management policy and approving the risk appetite, overseeing the implementation of the organization’s risk management policies and strategies, and defining the organization-wide risk management structure. The BOD appoints an Enterprise Risk Management (ERM) Committee and provide some advice on improvement of organization’s risk management system .

2



**Enterprise Risk Management Committee (ERM)**

is responsible for formulating the enterprise risk management strategy and the risk appetite to propose to the Policy Risk Management Committee for consideration. ERM also develop processes and measures for enterprise risk management and follow up on risk review and reporting to the Audit and Corporate Governance Committee, including the appointment of a Functional Risk Management Champion as appropriate.

3



**Functional Risk Management Committee: FRM**

is responsible for identifying and assessing functional risks, preparing a treatment plan, and determining the Risk owner. Also, FRM has its role in monitoring and reporting on functional risk management results to align with the Company’s policy.

4



**Audit and Corporate Governance Committee**

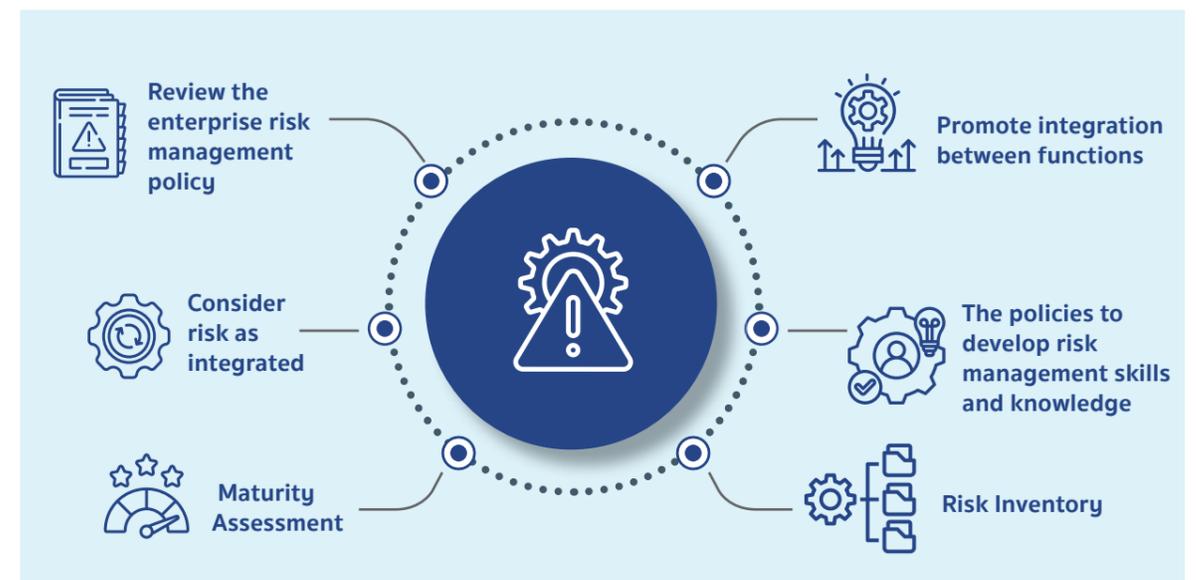
is responsible for overseeing effectiveness of risk management system of the organization, reviewing risk management performance, and providing suggestions to BOD, Ex-BOD, or ERM committees to improve the overall implementation of the organization’s risk management process.

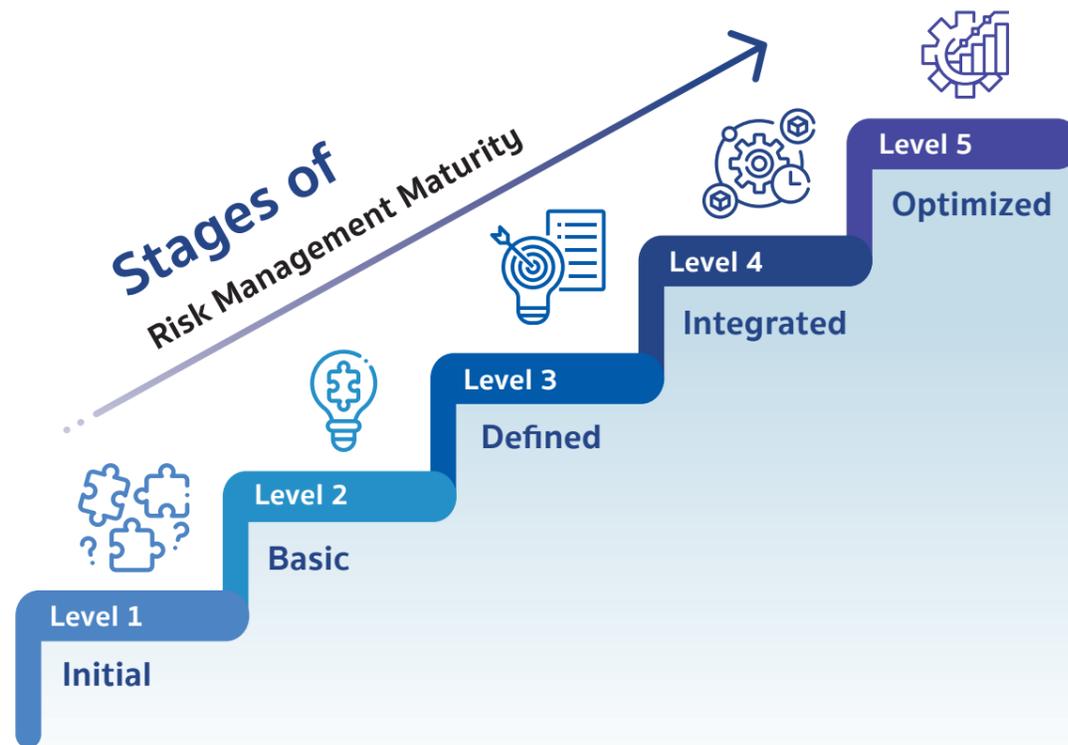


**Building Risk Culture**

Somboon Advance Technology Public Company Limited places importance on embedding and raising awareness of the significance of risk management among executives and employees at all levels. As a result, the Company strives to create the continual, company-wide risk culture to efficiently and effectively apply the risk management system to the operation. So, the Company lays the foundation for systematic risk management by carrying out the operation under the global standards whereby all committees perform their duties to promptly identify risks or business opportunities. Listed below are the details:

- On an annual basis, review the enterprise risk management policy and risk appetite. Communicate to the management, staff and all units in the organization to raise an awareness of risk possibility, risk-induced impacts, the importance of risk management and mutual responsibility for risks, as well as integrating risk management policy into the operation by using it as the guideline for decision-making and planning.
- Determine a process to consider risk as integrated part of strategic planning and business plan, and cascade risk appetite to business unit or strategic projects levels.
- Utilize risk maturity assessment developed with consultants to determine roadmap for development of enterprise risk management process.
- Promote integration between functions according to the Three Lines of Defense and define roadmap to develop risk champions of each function as a representative in coordinating and monitoring implementation of risk management plan.
- Encourage the formulation of the policies to develop risk management skills and knowledge or require some relevant certifications relating to the operation to appropriately and efficiently provide some advice to the management and employees in the organization.
- Develop standard risk database for gathering and organizing risk inventory.





**Level 1 Initial**

- No risk management framework is established
- No tools or standards are adopted in risk management and responses are made after risk events have occurred
- Results of important projects cannot be predicted

**Level 2 Basic**

- Concept of basic-leveled risk management is understood without any adoption of related standards into organization
- Key but not all processes are defined with emphasis on functional level
- Results of important projects cannot be predicted

**Level 3 Defined**

- Standards are adopted as a guideline to define risk management framework and tools are utilized in it
- Risk is controlled at certain level, but still limited within the level of management or some units in organization, with emphasis on overall perspective of the organizational risks
- Results from business operation can be predicted but perhaps not yet holistically

**Level 4 Integrated**

- Tools and processes in risk management are further standardized: there is the process for monitoring, assessing, and reporting throughout the organization in order to improve and plan at overall organization level
- Risks are considered during strategic and business planning and included in project management process
- Risk appetite is defined with qualitative and qualitative indicators

**Level 5 Optimized**

- Risk management process is integrated as part of strategies and plans with emphasis on risk management at all levels in the organization
- Risks are controlled and monitored in each process using tools that are integrated with the organization's information technology system
- Risk appetite is defined with quantitative and quantitative indicators and is clearly cascaded to functional level

## Operational Risk Factors

### 1. Risks in Business Operations

Somboon Advance Technology Public Company Limited has continuously analyzed the environment based on both internal and external factors i.e., economic trends, industries, technologies, competitors and other trends, whether global, regional and national, in its future planning. This was to identify and assess key risks that may affect the operations and achievement of the organization's objectives. The Company had prepared a risk management plan to reduce the impact of potential risks. In 2022, SAT assessed and prepared a risk management plan as follows:

#### Strategic Risks

##### (1) Risks from competition and requirements of customers

The competition within the industry had been increasing mainly in cost, technology and changes in customers' requirements, which had possibly led to uncertainty in the performance. So, the Company had formulated risk management to cut impacts by developing raw materials and product quality through utilizing technology and automation to help reduce waste from the production process. Also, a group of engineers had been trained to develop projects for continuous production efficiency improvement. Similarly, the Company continued to monitor customer needs to explore business opportunities in expanding new products based on the Company's production capability and technology to meet their needs. Furthermore, a product portfolio planning had been carried out, focusing on the appropriate levels of revenue, profit margins and production capacity utilization. In addition, the Company managed the relationships and build confidence among customers at all levels to achieve sustainability in parallel to the future plans.

##### (2) Risks from implementation of corporate strategies

The change of the mega trend of the world that had introduced the era of electric vehicles and the needs of customers to reduce the cost of automotive parts could affect the operation. According to the Company's revised vision, missions, and the above factors, the strategies had

been adjusted. The Company strives to generate operation's value growth by exploring some opportunities in new products/customers. The Company also created growth through cooperation with business partners to improve its market opportunities and competitiveness to support new business. Based on these strategies, in 2022, the Company partnered with Tron Energy Technology (Tron E) to establish Somboon Tron Energy (STRON), a joint venture company, to expand the business into the area of production, assembly and sales of drivetrain and batteries for electric vehicles (EV). As for automotive part manufacturing, the Company focus on improving product designs and studying new materials in production to resonate with evolving business landscape while diversifying the risk of sluggish growth or decline of the parts manufacturing business unit in the long run.

## Operational Risks

### (1) Risks related to human resource management and human resource development to prepare for business growth

In 2022, the Company launched the new vision and missions to emphasize the corporate strategies that created growth in new business. Due to changing external factors, risks could emerge in the preparation of executives and personnel regarding skills, competence and culture that were in line with the corporate strategies. This might pose an obstacle in the continuation of business operations. Accordingly, the Company has formulated a plan, regarding the organizational restructuring and succession planning for management and critical positions to ensure business continuity. In addition, employees will be trained and developed to cope with the rapid changes in the industry. The Company encouraged employees to participate in innovation development and continual improvement of the working processes. Likewise, incentives have been rolled out to attract employees with high knowledge, skills and abilities to meet the needs of the Company to develop new business, both from inside and outside the organization.

### (2) Business interruption risk

The Company had applied the business continuity plan (BCP) to the operation by assessing business impact analysis and risk event assessment and detected the following significant issues as listed below:

- Some of the production lines are critical to ensuring customer continuity. If an unexpected event occurs, for example, to the machine, the damage will impact the production line of key customers. As a result, the subsidiaries in the Somboon Group directly related to customers have prepared for contingencies and rehearsed a run-through for intergroup production line relocation on customer's approval in order to resume the production within the timeframe as accepted by the customer.
- The risks posed by the global and domestic COVID-19 outbreaks had gradually subsided, with tourists beginning to return to Thailand according to the government's economic stimulus. But some impacts could be felt from the zero Covid policy in China and this might affect the supply chain of the automotive industry in Thailand. Concerning the operational control, the Company's working group continued to ensure business continuity management by rolling out basic policies for employees to reduce risks, such as face mask mandate, required symptom self-checks for employees before entering workplaces, hybrid work, etc. During the past year, no business interruption risks were identified.

## Financial Risk

### (1) Risks from price volatility of raw material due to exchange rate

Price volatility of raw material, especially steel which is the main raw material for production, could cause uncertainty in cost and performance of the Company. For this reason, the Company rolled out the guidelines for risk management by evaluating terms and conditions in purchase agreements and regular monitoring with customers to adjust product prices in line with agreement cycles.

In addition, fluctuation in the prices of steel purchased in foreign currencies, which were the main raw material in the production process, might affect the overall costs and performance. Consequently, the Company negotiated with its business partners and customers in order to mitigate the risks associated with exchange rate fluctuations. Additionally, the Company's export income and expenses for raw materials purchased in foreign currencies could mitigate the impact of fluctuating exchange rates (natural hedge). In an overall picture, risks and impacts on the performance of the Company were lessened.

### (2) Production cost and transportation cost risks posed by the rise of energy prices

The risks posed by rising energy prices was mostly caused by a scarcity of fuels used in electricity generation, such as natural gas and coal. This resulted in higher global energy prices. Lesser natural gas production in Thailand and Myanmar had raised overreliance on foreign fuel imports. The situation had a knock-on effect on Thailand's rising variable electricity (FT or fuel tariff) and consequently the organization's manufacturing costs and profit. As a result, the Company has improve the manufacturing process to be more efficient, resulting in lower electricity consumption, and also installed the 3.66 MW solar energy system in 2022 to minimize electricity bills. Production line flexibility had been ---- to lower electricity expenditures at peak periods. New ways of production line management had been explored to cut huge quantities of demand at the same period of time, for instance, all furnaces must not be operated at the same time as they consumed significantly high quantity of energy during the cold start. At the same time, SAT had negotiated with clients to compensate for the increased energy costs.

Furthermore, rising crude oil prices in 2022 and high freight prices in its first and second quarters affected domestic and international transportation costs. To lower risk associated with profitability levels, the Company had worked with clients to counterbalance transportation costs. As a result, the risk led by rising transportation expenses had lowered. Since the third quarter, the risk had gradually dropped, lessening the impact of such risks proportionally.

## Compliance Risks

### (1) Risks from changes in laws, regulations, and law enforcement related to the industrial sector

The Company had expanded into a new business area that might be subject to special laws and regulations and their changes. So, the Company required that regular study and assessment should be carried out for important rules and regulations in the operation or when significant changes arose. The Company had rolled out the policies to support change in laws, appointed responsible employees and formed a working group to take appropriate action to prevent compliance issue, which could lead to the Company's tarnished reputation, punishment and fine by governmental agencies and industrial estates.

## Risks of the Environmental, Social, Governance (ESG) Impacts

The guideline of the sustainable operation was widely adopted in corporate operations across the globe. In this regard, the ESG principle managed environmental, social and governance, and were served as a strategic risk management tool to ensure stakeholders' confidence. Listed below are the risks that were reviewed and monitored by the Company:

### (1) Risk of Impact and possibility on climate change related

The Company had adopted the "TCFD" (Task Force on Climate-related Financial Disclosures). In the near future, Corporate-level evaluation of greenhouse gas emissions will become mandatory. The transition risk concern that the Company had focused on and regularly evaluated to prepare for the upcoming legalization of the Climate Change Act. Currently, the Company had been continuously followed this practice for two years in a row, allowing all involved parties to accurately and effectively prepare data for the pre-cross-border price adjustment measures in the European Union (CBAM).

Although the Company did not directly export products to Europe, the customers might demand supply chain information at the product level. And this could cause a possible impact, because the regulation was applicable to the supply chain in the GHG Scope 3. Similarly, the stance of the United States, a significant consumer base, over this measure was critical. At present, the Company was awarded with the main product carbon footprint certification by the Greenhouse Gas Management Organization and it would be valid for 3 years. The risk associated with the policy of vehicle changing from combustion to electric types posed little impact in the short term. The reason was that combustion parts accounted for less than 3% of the Company's products. However, the long-term repercussions of the drop in exports must be monitored and it's critical to devise a strategy for adjusting technology to meet the changing needs of consumers.

### (2) Risk in human rights

This had been the key risk that the Company paid attention to as part of operation monitoring. Now, the human rights policy was put in place. Among crucial issues included non-discrimination that started at the recruitment process; and the risk assessment guideline through human resources on evident concerns such as forced labor, child labor, etc. Various complaint channels were available while whistleblowers were justly protected and compensated. At the moment, no risk issues had been discovered.

## 2. Risks of securities holder in investment of the Company

### Risks of uncertain returns on investment for shareholders

SAT share price depended on the Company's performance and creation of long-term growth, which were affected by several factors such as:

- Thailand automotive production
- Thailand agricultural machinery production
- Change in government policies, regulations, requirements, or terms that affected automotive and agricultural machinery industries.
- Increased production costs caused by raw material prices and rising energy prices

- Economic situation, crisis, or abnormal situation such as COVID-19 pandemic, shortage of semiconductor components which were used in cars, etc.
- ภาวะการขาดแคลนชิ้นส่วนเซมิคอนดักเตอร์ ซึ่งเป็นชิ้นส่วนหนึ่งที่ใช้ในรถยนต์ เป็นต้น

These factors could affect the performance of the Company and hence, share prices.

### Risk from Dividend Affordability Below Investors' Expectation

SAT dividend affordability was subject to several factors such as maintaining cash flow for operating activities, normal capital expenditure and investment budgets that support SAT's business growth, etc. These factors affected the cash level that was used for dividend payment for shareholders. However, SAT's dividend policy was to have minimum rate of dividend payout ratio at 30% of net profit after deducting all reserves under the law and the Company's policy.

## 3. Foreign Investment Risk (in Case the Issuer is a Foreign Company).

-N/A-

## 4. Emerging Risk

### (1) Risks arising from the war between Russia and Ukraine

The war between Russia and Ukraine began in early 2022, directly affecting the energy industry, causing the rises of crude oil and natural gas prices and affecting exchange rates around the world. This caused a lot of risks, for example, production costs were likely to increase and the price of raw materials as part of the production process fluctuated due to the exchange rate and the global economic slowdown. All of these might affect the supply chain and later hit the automotive industry and harm both domestic and international demand and supply. For this reason, the Company had formulated the guideline to monitor the situations such as the war between Russia and Ukraine, and issues that could impact the Company such as crude oil and natural gas prices, transportation costs, exchange rates, etc. The Company had introduced preventive measures to tackle negative factors of the Company, which had been discussed in the risk section above.

### (2) Cybersecurity risk

Somboon Advance Technology had adopted information technology to assist with the operation surrounding data recording, communication and coordination. As a result, this led to more efficient corporate operations. However, it's feasible that the information system was the key issue that exposed the organization to the risk of business disruption, as well as data and system loss. The Company realized the security of all stakeholders' information throughout the value chain. For this reason, the Company had undertaken the cyber security maturity risk assessment through the NIST Framework. The implementation was cooperated by the Stock Exchange of Thailand's project and plans and operations had been overhauled. These included the formulation of security policies for corporate information technology, the employee's requirement regarding assessment and monitoring of risks. Key risk indicators were implemented to risk assessment at the function level on a monthly basis.

# 5.6 Business Continuity Management

Currently, business operation changes rapidly and unpredictably which may threaten business operation of companies in Somboon Advance Technology. As emphasized to risk management and crises that may cause business disruption, the business continuity management have been established as the working framework in order to build confidence for stakeholders that we can meet the needs, and can protect reputation, corporate images, and main production activities in a crisis.

## Policy of Business Continuity Management

The company establish business continuity management committee (BCM committee) which work under board of risk management directors. BCM committee was established to focused on the development of business continuity system according to international standards framework. Business unit is responsible for implementing business continuity management plans at operational level which consists of crisis management plan, crisis communication plan, and business continuity plan at department and organization level. Both level have work with linkage to test and improve business continuity plan (BCP) of department, and ensure that it is complete, accurate, up-to-date, and can be sued in case of crisis. In addition, they have to encourage executives and employees of all departments to comply with the business continuity management system by constant practicing and reviewing the plan until it becomes a corporate culture.



## Management Approach

The company has applied the principles of business continuity management following ISO 22301 as a framework using a 10-step business continuity plan combined with the context of the organization or PDCA cycle which is a continuous quality and systematic management as a guideline for the operation according to the current process. Currently, the company has reached the 8<sup>th</sup> step. In 2023, the company will proceed to practice and review the plan as planned.



Currently, the company has reached the 8<sup>th</sup> step.

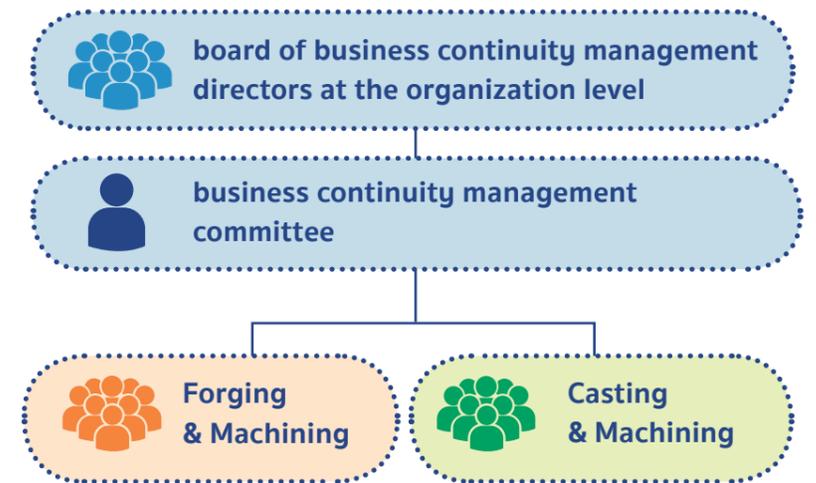
	Person in charge	Process	Related document	
<b>Plan</b>	1. President, SMD, MD, VP	1 The executive announced the business continuity management policy to make employees understanding of objective and operations.	Policy of business continuity plan at organization level	<b>Operates every Q1-Q2 in each year</b>
	2. Executive Team (VP up)	2 Training to provide knowledge and understanding about ISO1, BCP 10 steps for executives and committees to understand the requirements and operational methods.	Letter of appointment of board of business continuity management directors at the organization level	
	3. Human Resource	3 Appointment of the board business continuity management directors at the corporate level for the determination of duties, responsibilities, and authority to follow up, govern policies, and goal at the corporate level and line of business.	Employee annual training plan	
	4. Sustainability Development	4 Establish a working standard or quality procedure (QP) regarding the BCP, prepare control document, and determine the preservation method.	Quality procedure on business continuity plan (BCP) (QP-6-04)	
	5. Business Unit	5 The chief of each business unit publishes the business continuity management policy at the business unit level for making understanding and awareness of the objective and operations to employees.	Business continuity plan policy at business unit level	
<b>Do</b>	7. BCP working Team	6 Appointment of business continuity management committees at the business level for the determination of duties, responsibilities, and authority to follow up, govern policies, and goal at the business level	Letter of appointment of business continuity management committees at business unit level	
		7 Business impact analysis (BIA) for prioritizing activities (PA)	Quality record of business impact analysis (BIA) to prioritized activities (PA) and assign RTO and MTPD (FM-GL-046)	
		8 Get the results of the prioritized activities (PA) or product champion which obtained from BIA to determine the value of RTO and MTPD		
		9 Risk assessment (RA) of the event that disrupt production of product champion	Quality record of risk analysis of disaster events (FM-GL-047)	
		10 Identify the resources needed to recovery process, which is significant to the disruption of the product champion	Quality record of indentifying resources needed for recovery process(FM-GL-048)	
		11 Determine target on resource recovery and its impact on stakeholders	Quality record of business continuity plan preparation (One Stop Template) (FM-GL-049)	
		12 Emergency preparedness and response		
		13 Define the recovery method for each event		
		14 Establish a supply chain diagram from raw materials to finished products, assess the risk, and propose methods to reduce risks	Quality record of parts/raw material procurement analysis (FM-GL-051)	
		<b>Check</b>		
16 Plan training plan for each event that significantly affect to disrupt production champion, and the rehearsal frequency was determined at least once a year.	Training plan for each event			
17 Collection of results and drawbacks of the training plan for further analysis and improvement.	Data collection form for collecting results and drawbacks of the training plan in each event			
19 Review of activities and plan to modernize operations. Senior management will participate and consistency promote improvement	Management Review			
<b>Act</b>				



### Goal and Results

Business continuity plan organization chart consists of board of business continuity management directors at the organization level which is the set of board of risk management directors at operational level. They were established to supervise the overall business continuity management of the company by focusing on the development of business continuity system according to the international standard framework, preparation of business continuity management plan, for example, encouraging executives and employees of all departments to comply with the business continuity management system by constant practicing and reviewing the plan until it becomes a corporate culture, and support and push towards business. BCM committees play roles in preparation of business continuity plan at the operational level consisting of practicing, testing and improvement of business continuity plan (BCP) of department, and ensure that it is complete, accurate, up-to-date, and can be used in case of crisis. The BCP must be reviewed at least once a year or when there are significant changes, as well as control and maintain the BCP of the department.

Goal and performance are calculated on the proportion of company's sub-business units (2 Bus). Six factories have established policy and committees and prepared a business continuity plan.



		SFT1	SFT2	SFT3	SBM	ICP1	ICP2
Baseline 2021							
Target 2022							
Actual 2022							

Remark : That 40% of firms already have a business continuity plan in place.



Figure. Workshop on preparation of business continuity plan for committees

# BUSINESS PHILOSOPHY



# Somboon

## Triple Bottom Line

**Create Value**  
for Oneself, the Organization  
and Society

**Create Opportunities**  
for A Strong Society



**Create Value**  
for Stakeholders



## 6 Smart People

6.1 Smart People Strategy

6.2 Smart People Development

6.3 Good People Development



Hours of good deeds

11.19

hours/person/year



Hours of training

11.96

hours/person/year



Course personnel development

65

course



Budget for employee potential development

5.2

million baht

## 6.1 The Smart People Strategy



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

At the present time, the global situation is changing rapidly, with advanced technology and newly emerging innovations, resulting in changes in business operational guidelines. Therefore, the Company needs to adjust the strategic plan of human resource management and the SAT Culture appropriately, enabling the Company and its employees to be prompt for learning and coping with the latest changes



#### The Smart People Policy

The Company is committed to creating good work experience to employees and aims to be the organization of learning, developing future skills and knowledge, fostering ideas of being good person with the volunteer mindset which will enhance the potential development for all employees of the organization who are the key to drive sustainability and pay it forward organizational values to the outside society.



#### Management Approach

Being the organization of learning, the Company is determined to develop skills and potentials for employees, together with creating a readiness plan for business continuity amid the changes in the organizational context.

- Managing the “smart and good personnel” to remain permanently in the organization, planning for employees’ career development plan while simultaneously creating the succession plan in support of the sustainable business expansion.
- Changing the SAT Culture to be integrated with strengths and behaviors in compliance with the organizational direction.



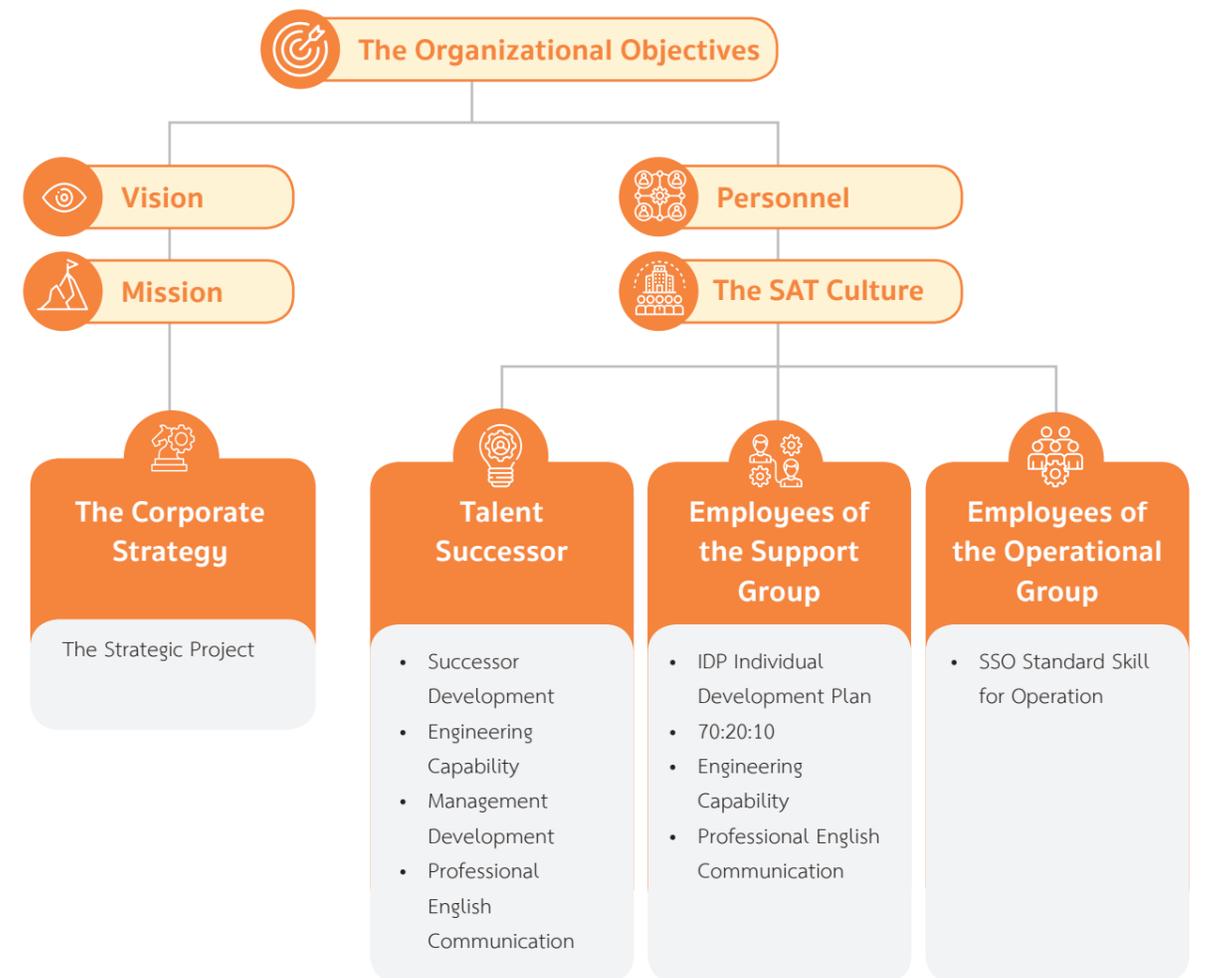
## 6.2 Smart People Development



### Policy

The Company places an emphasis on the potential development of employees at all levels and focuses on laying the foundations of theory-based knowledge and competencies by developing hard skills; technical knowledge and skills required for working and soft skills; professional qualities, for example, teamwork and interpersonal skills. The development is integrated with the SAT Culture and applied in practice for the entire organization. With the aims to shape and improve personnel in the same direction, the organization's targets are to support employees to have career growth and be the main power for the organization continually which are the key success factors of the Company's sustainable development.

To improve the employees' capabilities of driving the strategy in creating business advantage, the Company has formulated a behavioral development policy which requested every employee to jointly express opinions; regarded as "the culture". The Company's competency development plan is set to divide people into different groups including the Talent Group; to develop management skills for future growth, the Production Support Group; to focus on the support which required a great proportion of interpersonal and teamwork skills (soft skills) whereas the skills required in working (hard skills) can be set to secondary level. The categorization is implemented with the Individual Development Plan (IDP) having 5 criteria considerations in each level. And the last categorized group is the Production Group which required a great proportion of hard skills; professional expertise while soft skills; interpersonal and teamwork skills are secondary here. This can be categorized into 3 levels of LCM. The Company has thus formulated the Personnel Development Policy as follows.



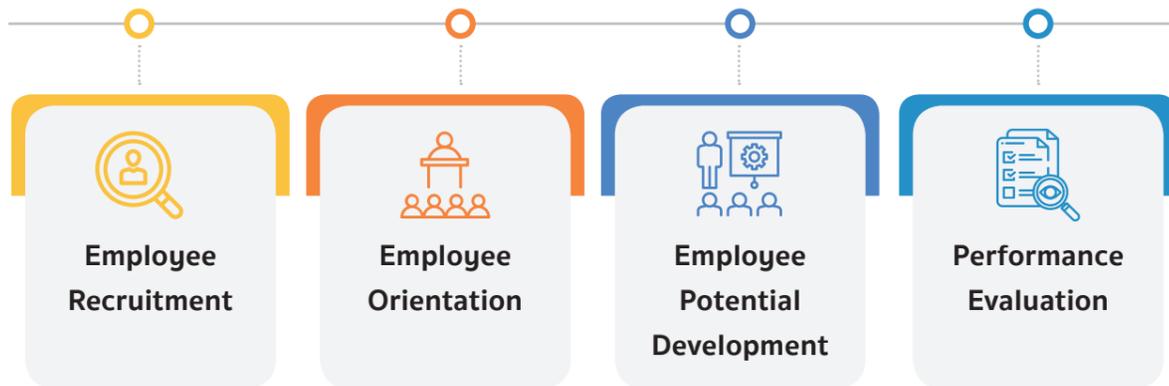
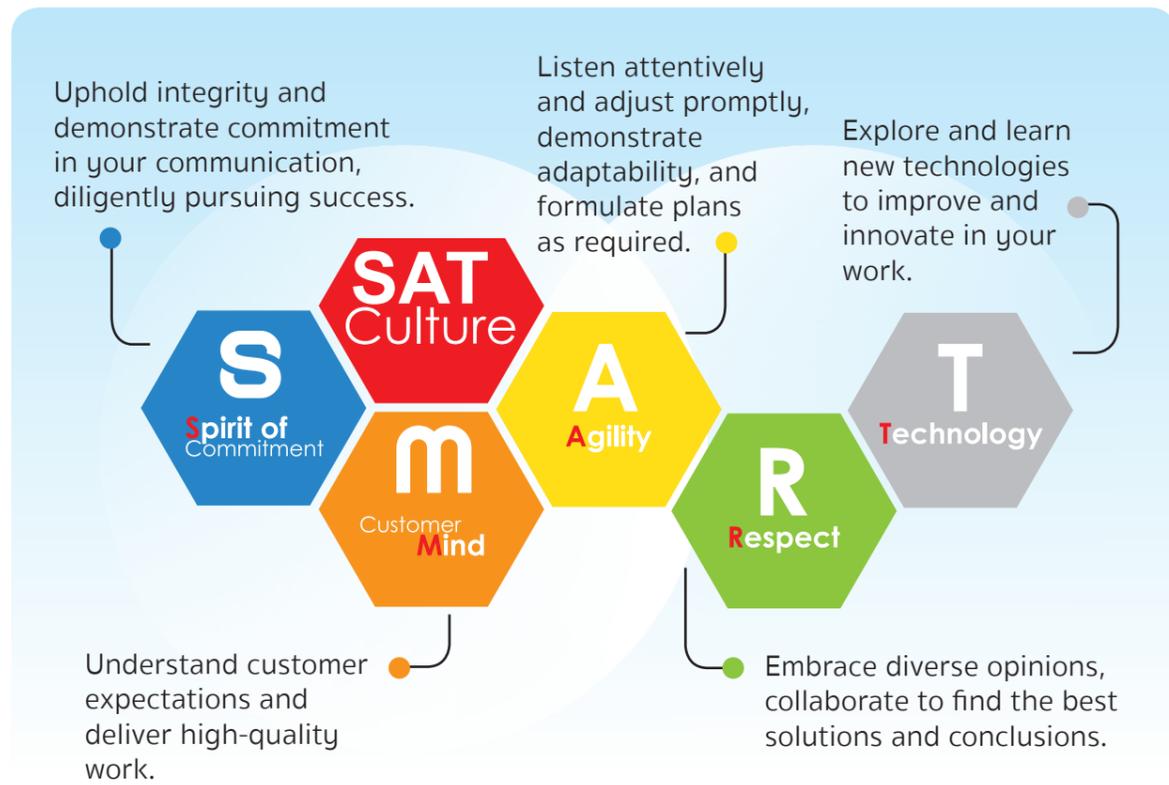
### Management Approach

The Company drives the strategy of human resource development to comply with the organization's business operational strategy by organizing the Knowledge Management (KM) system and internal training courses covering core and specialty courses as well as enhancing the management skill development for the Talent Group. The important projects are listed below.

#### 1. Changing the SAT Culture to align with the business direction

In 2022, the Company has changed its vision and mission to become more challenging to achieve the organizational long-term objectives and create a competitive advantage. Therefore, the SAT Culture has been changed to be integrated with increased strength, adapted from the old approach that emphasized on the QCD to become behavior-based which is in line with the organizational direction.

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



**Evaluation results of 2022 organizational culture compliance**

Group	Spirit of commitment	Customer Mind	Agility	Respect	Technology	Average
AGM up	4.53	4.00	4.00	4.21	4.26	4.20
MGR	4.31	4.22	4.18	4.14	3.98	4.17
Chief down	4.02	3.94	3.85	3.89	3.75	3.89
Grand Total	4.03	3.95	3.87	3.90	3.76	3.90

The full score is set at 5 ★★★★★

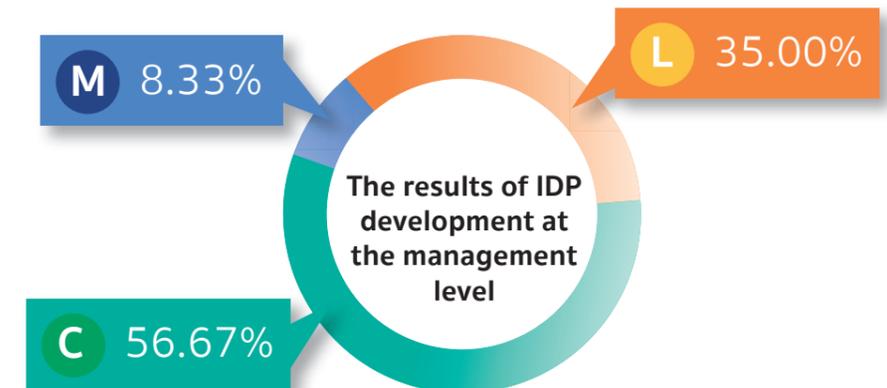
In addition, the Company has created the “Organization Cultural Caravan” to create awareness of the organizational culture genuinely and accessibly. And the result reached 100% of the target.



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

**2.1 The Individual Development Plan (IDP)**

The Company has established an individual development plan (IDP) to be the guidelines on performance goal achievement for personnel. The main objectives are to improve gap analysis and create strength points in personnel’s job positions. Furthermore, this can be preparation for improving qualifications and work potential of higher job positions or career path as specified by the organization. The IDP is regarded as the essential tool connecting the needs of individual employees and the organization, resulting in organizational goal achievement. In addition, the plan provides monitoring and evaluation of employees’ learning continuously to utilize the data for further IDP development as well as for creating a plan for annual training courses of employees for greater efficiency.

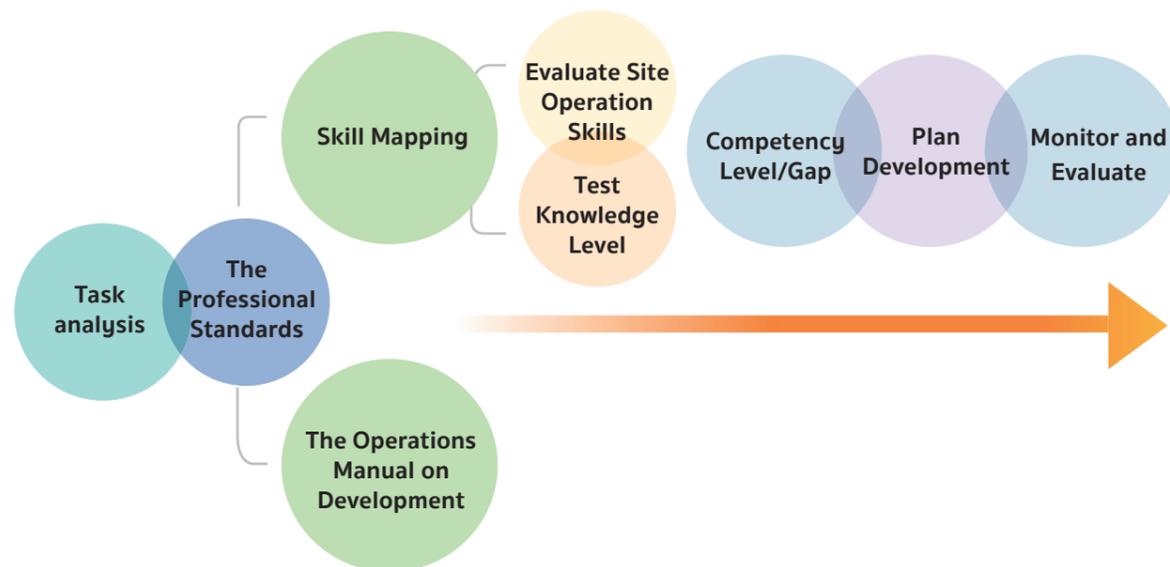


## 2.2 Developing the Operational Employees with the Professional Standards

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

As the operational employees are the key mechanism in producing high quality merchandise according to customer needs, the processes of knowledge, skills and attitude developments are also significant for employees. Therefore, the importance of competency analysis process which complied with the site and processes of evaluation, development and monitoring the actual competency analysis shall be realized.

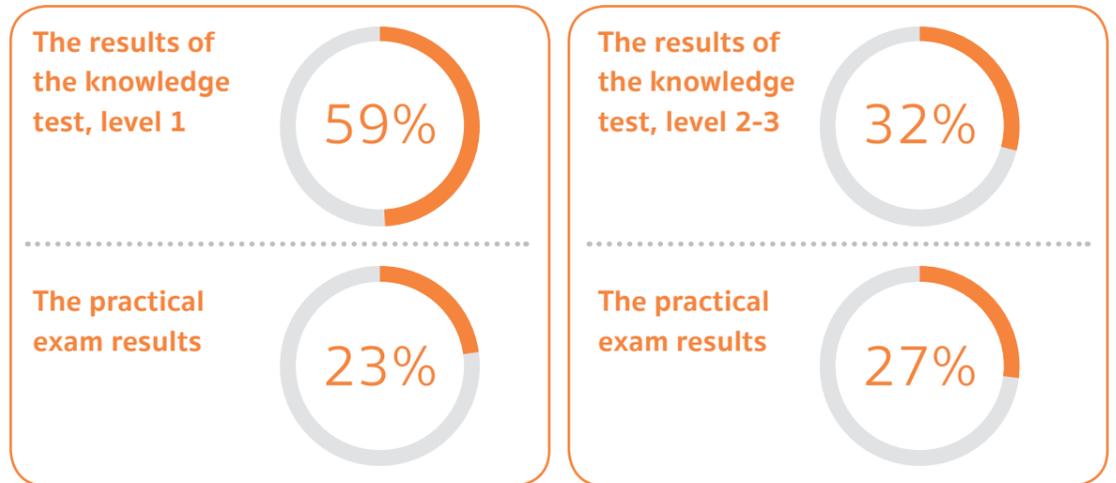
**The process of personnel development implemented with the professional standards are as follows.**



To genuinely perform the competency evaluation of operational employees and verify employee knowledge and skills for true development in compliance with duties and responsibilities, the process of competency evaluation is therefore essential. The two main processes include:

1. The site operation skill evaluation in compliance with the professional standards
2. The knowledge level testing in compliance with the professional standards

## Test Results

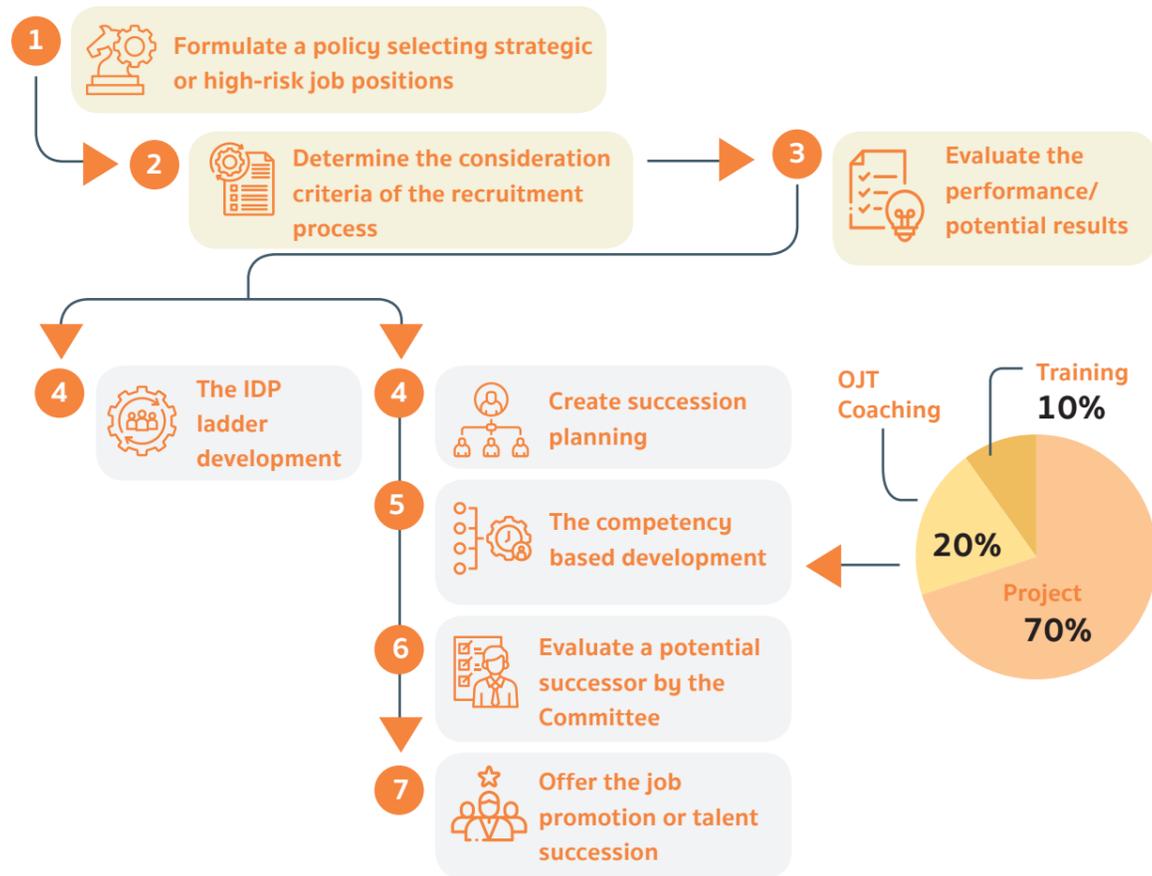


After that, input the evaluation results of those two methods into the skill mapping to understand the current individual employee competency together with the gap analysis to improve and accelerate the competencies for future growth of the employees.



## 3. Talent Successor

The Company has formulated the policy and puts an emphasis on the leadership readiness development for driving forward the sustainable business by setting the process of determining and developing high potential employees. The process is designed using a unique developmental project with focused empirical learning through the 70:20:10 Model for Learning and Development by providing the learning plan, monitoring and the actual evaluation.



### 70:20:10 Development Plan & Result

According to the Talent Successor process, the key development framework of the 70:20:10 model is demonstrated as follows.

#### The framework development of high potential employees in accordance with the 70:20:10 model

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

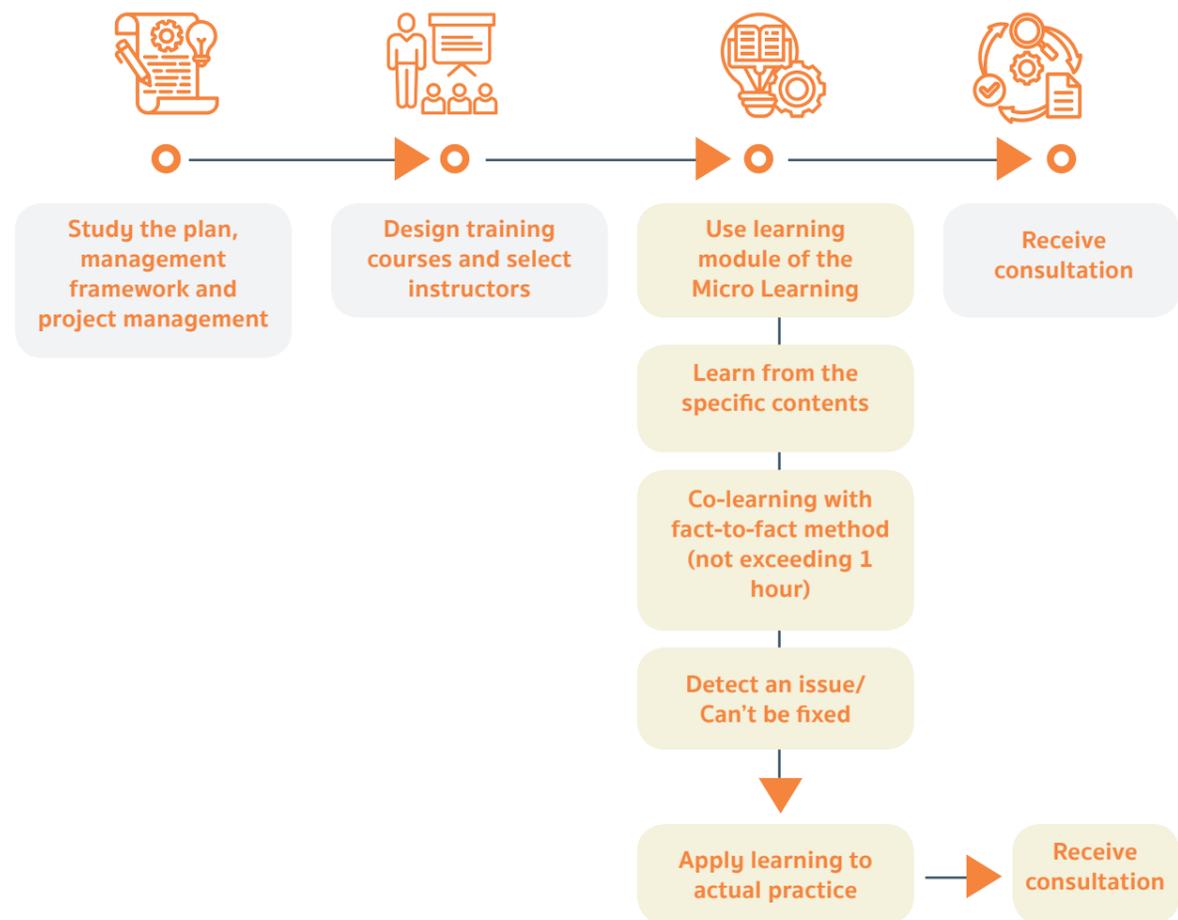
Remark: The development goal is set, and the actual evaluation is conducted.

The numbers of high potential personnel (talent successors) in 2022 are divided by the ladder levels.

No. of VP Pool	9	No. of GM Pool	8
No. of Manager Pool		30	

#### 4. Micro Learning: Short-Term Learning with Applicable, Concise and Precise Contents

Due to the current management changes that require greater diverse duties and responsibilities of the managers at middle to high levels, the process of learning and development is a necessity. While simultaneously the learning timeframe for the management may be limited, short-term learnings based on concise and precise contents are considered the essential tool for assisting the development of knowledge and skills in critical issues. In addition, the managers can apply the gained knowledge to actual practice or management. Micro learning is instructed by the Company Management or the advisor on various topics, for example, performance result evaluation, giving performance feedback for the performance evaluation and review of the culture understanding.



Furthermore, the personnel development process still emphasizes the existing approach of contributing the fulfillment to the organizational strategy and vision, both in the aspects of soft and hard skills under 4 following frameworks.



The empirical evaluation is conducted according to the performance results and the gained knowledge and competency levels through the competency evaluation in compliance with the personnel development guidelines and the individual development plan (IDP).

-  The targeted employee training hours:  
**8 Hours**
-  The 2022 performance results:  
**11.96 Hours**

## 6.3 Good People Development



The Company realizes that creating value to society and the environment is integral to sustainable development. Consequently, Corporate Social Responsibility (CSR) activities in all aspects have been initiated continuously from the past to present as being the resolution of the organization’s founder, “Khun Somboon Kitaphanich”.

The “employees” are not only the key power to drive business toward the goal, but also the ones who lead the organization to sustainability. Thus, the Company emphasizes taking care of employee quality of life by adhering to the principles of “morality” and “gratitude” nurturing employees to hold conscious minds of being the giver and to live with caution, have immune system boosted and be reasonable, according to the philosophy of Sufficiency Economy which is the essential fundamental principle for fostering the “good people” to step up to the “smart people”.



### Policy

The Company has formulated a policy encouraging employees to perform good deeds by offering opportunities for employees with volunteer mindsets to utilize knowledge, competency, potential, and skills in various fields to create value to the community. In doing so, the Company’s intention is to motivate employees to perform good deeds without expecting in return. Moreover, it will be beneficial to society without having an impact on the organization. In 2022, the number of hours employees performing good deeds were 23,593 hours in total, calculated for number of good deed hours were 11.19 hours per person.



### Management Approach

The Company has set the target of performing good deeds for 5 consecutive years in 2022, with the targeted good deeds of 10 hours per person/year. The Company’s good deed guidelines are divided into 3 approaches and the performance results for 2022 were as follows.

-  The fundamental good deeds:  
**614 Hours**
-  Knowledge sharing:  
**144 Hours**
-  Community service on the “voluntary” basis:  
**22,835 Hours**
-  Total: **23,593 Hours**

## 1. The fundamental good deeds

### Blood donations



Participants in the **197** person blood donation activity



Received blood volume in total of **68,950** CC



Calculated for good deed hours at **197** hours.



The Company supports employees to perform good goods by themselves through donating blood which is regarded as the value creation that can help save the lives of fellow human beings in society. The Company has collaborated with the Thai Red Cross Society to arrange blood donating opportunity for employees 4 times a year annually, for 23 consecutive years in 2022. There were the Company employees, the management and trading partners joining the blood donation activity for 197 persons. The Thai Red Cross Society received blood volume in total of 68,950 CC, calculated for good deed hours at 197 hours.

### Other fundamental good deed activities

The Company supports participation in important religious activities through making merit and giving alms to the monks, and light waving rite on major Buddhist days, for instance, Asalha Puja Day, Maka Bucha Day, Visakha Bucha Day, the Buddhist Lent Day, etc. The Company's religious event of making merit and giving alms to the monks were held to add the good deed channel for employees to easily access.



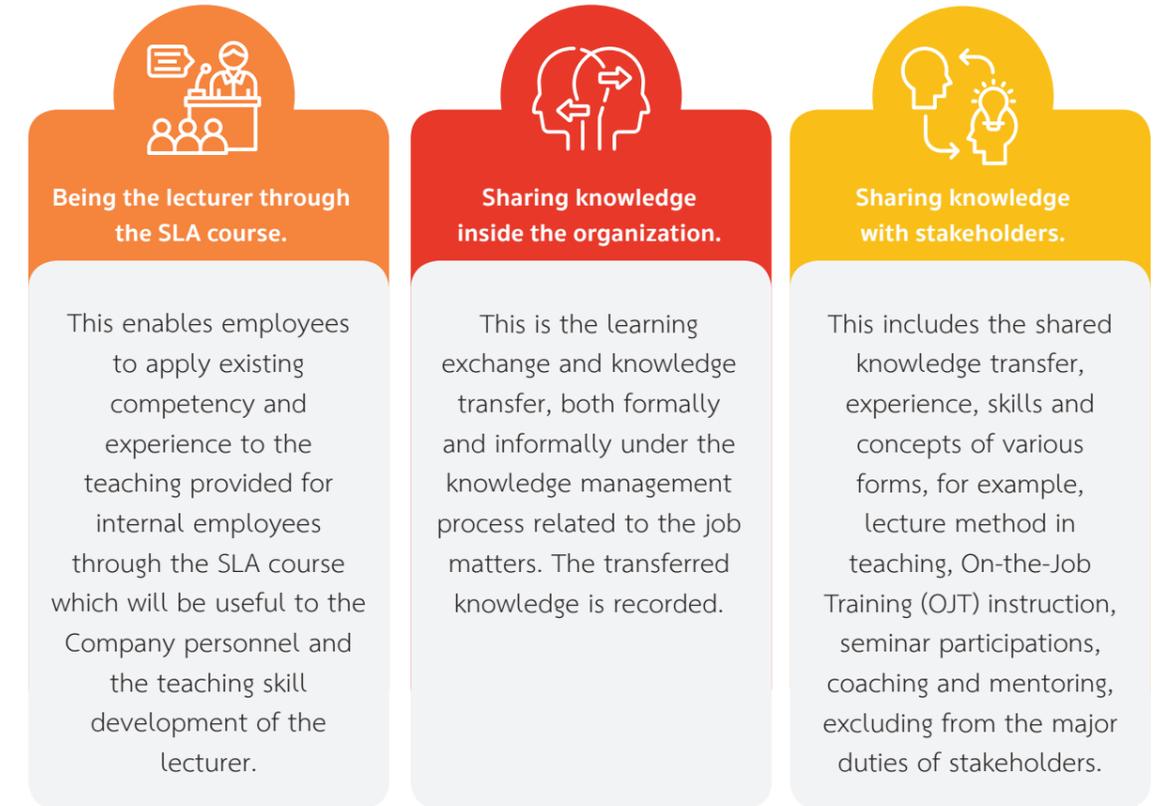
Furthermore, the Company also supports donating money and things to the disadvantaged, for example, unused clothes, consumer goods including educational equipment. These contributions can be passed on to the disabled, orphans, and the disadvantaged through reliable projects or agencies. In 2022, the good deed hours reached 417 hours in total.



The good deed hours reached **417** hours in total

## 2. Knowledge sharing.

The category is divided into 3 following practices.



There were employees participating in good deeds of sharing knowledge: **144** Hours.



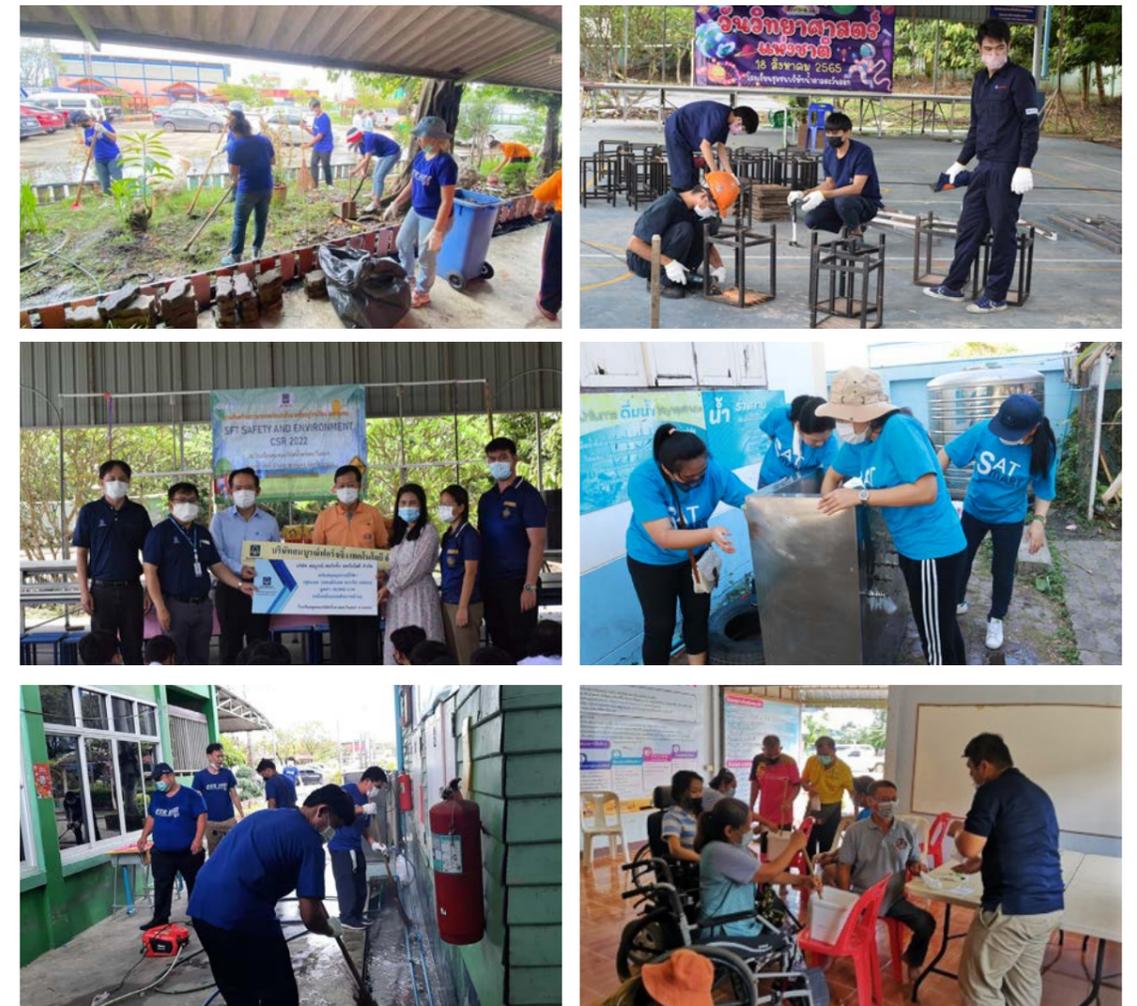
### 3. Community service

This is the encouragement according to the personnel development policy regarding the creation of good people by utilizing self-potential to perform community service for oneself, the organization and society with the focus on building consciousness and participation of employees. The employee development objective is listed below.



In 2022, the Company has supported employees to perform CSR activities through various projects, offering the CSR opportunities in diverse dimensions, for instance, environmental and natural resource conservation, the support of circular economy, development of community quality of life, etc.

No.	Company	Location	Activity
1	SAT	• Surao Bang Play School • Wat Ka Long School	<ul style="list-style-type: none"> <li>• Improved 3 water systems: drinking water, commodity water and water used in the toilets</li> <li>• Developed a stadium</li> <li>• Developed a vegetable plot</li> </ul>
2	SFT3	• Surao Bang Ka Si School	<ul style="list-style-type: none"> <li>• Learning activity base                             <ul style="list-style-type: none"> <li>• Social media usage</li> <li>• Nutrition</li> <li>• Savings</li> </ul> </li> <li>• Improved educational equipment</li> </ul>
3	SFT1, 2	• Chumchon Borisat	• Learning activity base
4	SBM	• Namtan Tawan-Ok School	<ul style="list-style-type: none"> <li>• Waste sorting</li> <li>• Basic fire fighting</li> <li>• Improved educational equipment</li> </ul>
5	SBM, ICP	• The association of disabled persons and child development center	<ul style="list-style-type: none"> <li>• Trained career creation for the disabled</li> <li>• Utilized the materials left from the production process for pathway improvement</li> <li>• Installed electrical equipment</li> </ul>



The employees with volunteer mindsets performing good deeds in the community service and CSR activities totaled **22,835** hours.

No. of average good deed hours of all employees





# 7.1 Business Trust Strategy



## “Create Value for Stakeholders”

The Company has built our business trust in accordance with the Somboon Triple Bottom Line which emphasizes on “creating value for stakeholders” while considering economics, society, environment, and good governance.

In 2022, the Company has upgraded our organizational sustainability strategic plan in accordance with the growing challenge of sustainability in the global context. This has been implemented with an aim to strengthen the demand chain, reduce risks from climate change, develop business innovations and the creativity of our staff as well as generating cooperation from all involved to accomplish our goals.



## 7 Business Trust

- 7.1 Business Trust Strategy
- 7.2 Human Rights
- 7.3 Employee Care and Employee Engagement
- 7.4 Occupational Health and Safety Management
- 7.5 Customer relationship management
- 7.6 Supplier management and supply chain management
- 7.7 Environmental Sustainability Management
- 7.8 Business process innovations for sustainability
- 7.9 Tax practices



Customer satisfaction assessment

98%



Partners declare their intentions with CAC

100%

of the target group



Employee engagement score

78%



GHG release from process

13.9%



### Management Approach

The Company has been operating our business to continuously create value for stakeholders, following the guidelines below.

- Operate business in accordance with the fundamental principles and rights at work stipulated by labor organizations and labor laws. The Company has adhered to the principles of freedom, equality, and human dignity.
- Take responsibility for safety issues in all business units in accordance with the Company’s regulations and standards.
- Foster employee motivation and strengthen organizational bonds to promote readiness and ensure maximum efficiency in the workplace.
- Develop products and services that meet the needs of our customers to ensure the highest level of satisfaction while also promoting social and environmental responsibility.
- Manage the demand chain and raise social and environmental responsibility among our business partners.
- Promote an efficient, moderate, and environmentally friendly use of resources.
- Foster business, social, and environmental innovations to create added value for both our company and stakeholders.
- Create a systematic financial and tax plan with preparation and publication of tax policies in accordance with related laws.



# 7.2 Human Rights

Somboon Advance Technology place a strong emphasis on human rights issues within the business sector, recognizing that these are fundamental rights and freedoms at birth, and that equality is a foundation for effective co-working among the Company’s employees. To reduce the risk of human rights infringement among stakeholders that may occur due to unsafe workplace environments, discrimination towards business partners, and pollution that may affect the rights of the community, the Company has performed procedures as follows.



## Policy

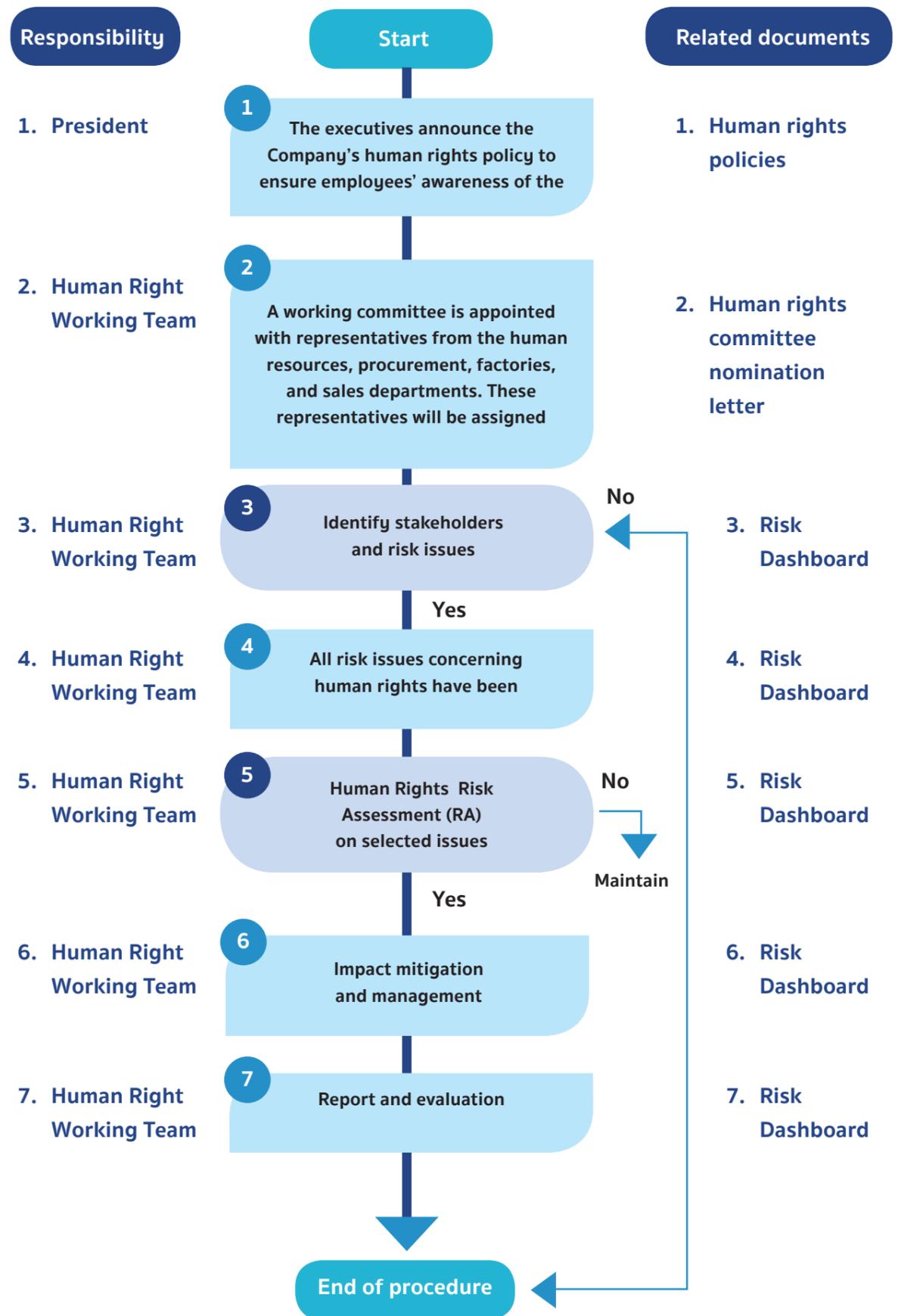
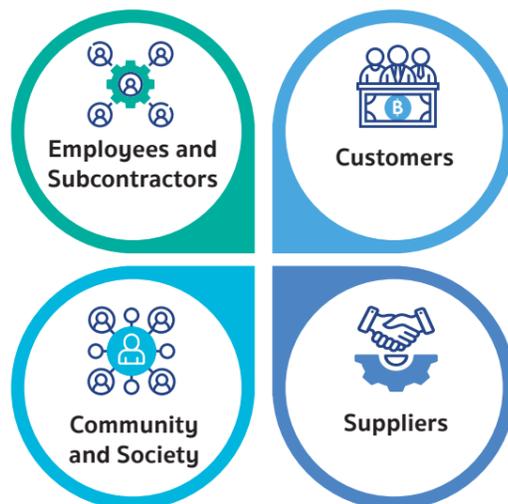


Somboon Advance Technology have expressed their intention and commitment to conducting business in adherence to human rights principles. To achieve this goal, the Group has implemented important principles such as the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Guide to Human Rights Impact Assessment and Management (HRIAM). Additionally, the Group has established comprehensive human rights monitoring procedures, including human rights policies and practice guidelines outlined in the code of conduct. These guidelines are intended to provide important guidance and communicate with employees and stakeholders to ensure consistent practices throughout the demand chain.



## Management Approach

The Company has inclusively considered human rights issues related to its stakeholders. Currently, the Company has evaluated human rights issues across various departments, including human resources, procurement, factory representatives, and marketing, focusing on four aspects: 1) employees and subcontractors, 2) customers, 3) suppliers, and 4) the community and society. This demonstrates the Company’s commitment to respecting human rights and avoiding their infringement towards all stakeholders. Additionally, the Company has conducted human rights risk assessments at both the unit and organizational levels, following specific procedures as follows.



## Human right risk assessment in 2022



### 1. Respect for and compliance with rights of affiliated companies, employees, and subcontractors

The Company has formulated policies to ensure equal and just treatment of employees without racial or religious discrimination. All employees have been hired and employment contracts have been prepared in accordance with labor laws. Gender diversity is treated equally, and female employees are relocated to appropriate positions when pregnant. Regular medical check-ups and examinations are conducted to identify potential risk factors and diagnose health problems related to daily workload. The employment of children under the age of 18 is strictly prohibited. The Company continuously improves its guidelines in accordance with human rights issues, including hiring and employment, work evaluation, remuneration, staff development, and labor relations policies.



### 2. Respect for human rights of business customers

When conducting business with customers, several important perspectives on human rights have emerged, including the disclosure of personal data. The Company has implemented appropriate management procedures and safe data storage to address these concerns.



### 3. Respect for human rights of suppliers

When conducting business operations with our partners, emerging issues include cooperative activities during the production and transportation of goods or raw materials, which may have a high risk of accidents due to circumstances or practice guidelines that do not cover appropriate safety measures. Beginning in 2022, the Company has started keeping records of accidents involving subcontractors' business partners, to ensure access to data for analysis and formulation of appropriate safety plans for our business partners.



### 4. Respect for human rights of the community and the society

During the production process, issues related to pollution may arise, which could impact the surrounding communities. However, the Company has implemented complaint management procedures to address concerns from the community and develop suitable guidelines for improving the community's quality of life while also caring for the environment. These efforts align with ISO 14001 and EIA measures. Additionally, the Company has made necessary amendments and improvements based on community feedback, to ensure correct, suitable, and sustainable operations.

### Impact mitigation and management



After assessing the risks and impact, the Company has identified the need for additional measures for impact mitigation and management, particularly for high and extremely high risk issues. To reduce negative impacts to a minimum level and enhance positive impacts that may arise, the Company has determined measures that will be applied to projects or activities with high and extremely high impacts on human rights. After implementation, the operation plans will be monitored and revised to achieve the highest efficiency. Upon completion of human rights impact assessment procedures, the impacts will be reassessed to identify any possible residual impacts.

### Management of complaints and remedies for human rights violations



The Company has established channels for employees and stakeholders to submit feedback, evidence, or complaints in case of events or actions that violate human rights or ethics. These complaints will be handled appropriately to ensure fairness and that whistleblowers are protected from retaliation. The Company also provides the highest level of protection for whistleblowers who report violations by following the procedure outlined below. If a violation of human rights has been committed by a member of our staff and is proven by law, the Company will provide reparation measures for the affected party. These measures may include medical treatment, compensation, and follow-ups to ensure appropriate reparation.



### Performance

In 2022, the company conducted a human rights risk assessment and monitored operational results, and no human rights violations or violations of the rights of employees or stakeholders were identified. The risk level was assessed as low.



0 complaint on human rights violations

### The Company's complaint channels (Human rights violations complaints)



## 7.3 Employee Care and Employee Engagement

The Company has determined strategies for managing human resources to support business growth. In addition to adapting strategies to present and future circumstances, the Company aims to foster employee engagement and employee care to promote growth that aligns with the Company's business growth. This is considered an important factor that motivates employees to perform at their full potential.



### Management Approach

The Company is committed to promoting employee engagement through various activities and projects that provide care and support for employees to improve their quality of life, especially in the current changing situation. The Company has set a goal of achieving an employee engagement level of 85% in 2026.

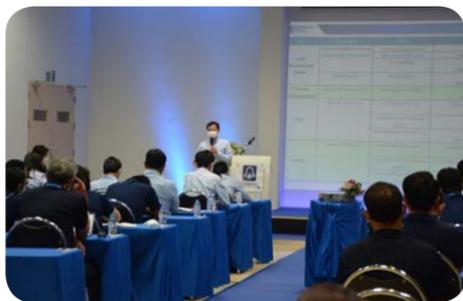
In 2022, the company renovated its headquarters to modernize the office space and accommodate the working lifestyle of new generations. Co-working spaces were created to provide employees with a new work atmosphere, including ample-sized spaces for small meet-ups or online meetings in an environment with extensive Wi-Fi coverage. This is considered an important policy that ignites change and builds creative spaces for informal meetings and cooperation among different departments. In addition, nine meeting rooms of various sizes were added, the cafeteria was renovated, and new nutritious menus were added to promote our employees' health.



In addition, the Company recognizes the importance of employee health welfare and health awareness. In the aftermath of the Covid-19 situation, health and well-being care has become even more crucial. The rising cost of living has also been significantly affecting our employees. To address these concerns, the Company has been offering health insurance with extended coverage for family members, using the same plan as our employees, to alleviate the cost of healthcare for our employees and their families. The welfare initiative aims to respond to our employees' needs and promote integrative healthcare.



### Top Management Communication Activities



The executives attended both onsite and online meetings to learn about the situations and business directions of the Somboon Group. These meetings provided opportunities for opinions, suggestions, and inquiries, enabling accurate and clear communication to employees at the department level.

### Promoting employees' savings



The Company encourages our employees to gain knowledge in personal financial planning and investment to foster discipline in saving and correct spending habits. This is considered fundamental knowledge and an important foundation for achieving financial security.

#### Savings cooperative

 **Member**  
961 Employees

 **Capital flow**  
152.6 Million Baht

 **Dividend**  
2.70%

 **Interest**  
13%

#### Provident Fund

 **Member**  
1,342 Employees

 **Capital Fund**  
19.4 Million Baht



### Love and Support for Smart People (Retirement Preparation Program)



The Company has established a pre-retirement program to help employees prepare for their post-retirement life. Being well-prepared will enable them to have a good quality of life and happiness. To achieve this, the Company has organized training activities on retirement benefits and financial planning for **64** employees between the ages of **50 and 55**.



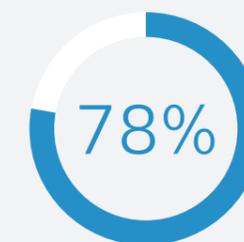
### Complaint Channel

The Company has implemented a systematic complaint management mechanism with transparency and fairness to uphold principles of confidentiality and human rights. To foster mutual understanding and trust between employees and the organization, the Company has appointed representatives from the Human Resources Department to the committee board. Employees can formally submit their complaints to the responsible departments, including the Control and Auditing Division, Secretary Division, and Human Resource Management Division, via telephone or email.

The employee engagement survey is conducted by an external agency every 2 years. The survey has an impact on employee engagement and performance development and addresses issues such as work security, remuneration and welfare, career path support, work environment, and communication at the department and organizational levels.

Additionally, the survey results include demographic data such as age, gender, work position, and years of work experience. This enables the Company to develop an efficient management system that responds to the specific needs of each group of employees. The survey results have been communicated to all executives and submitted to the Company's committee board.

### Employee engagement level of 78%



\* 79% of which were generated from an average engagement level of employees in automobile and auto parts in 2022

\*\* The employee engagement survey was conducted by an external agency (Kincentric (Thailand) Company Limited).

# 7.4 Occupational health and safety management

Provision of a safe work environment for our employees, subcontractors, and clients is the main concern for the Company's operation. To address this issue, the Company has implemented the protocols as follows.



## Occupational health and safety policy



The Company has established an occupational health and safety policy that adopts safety laws, regulations from clients, and important safety standards for all work processes. These safety measures are applied throughout all stages of operation, including the import of raw materials, production, construction and maintenance, and storage and transportation of products. The Company also has a systematic safety monitoring process in place, and fosters a continuous safety culture among all employees at every level.



## Management Approach

### 1. Review of policies at both the organizational and business unit levels

The Company has established safety committees at both the organizational and business unit levels to ensure that our safety policy is regularly updated. These committees serve as a platform for monitoring operations, improving and displaying safety goals and key performance indicators, authorizing important activities or projects, and sharing best practices among companies within the Somboon Group. The organizational level committee meets quarterly, while the business unit level committee meets monthly.

### 2. Regular review of legal issues and client's regulations

The Company responds to the safety policies of our clients and the Government by strictly adhering to all relevant laws and regulations. To ensure compliance, a monthly review of our legal database is conducted with a focus on accuracy.

### 3. Occupational health and safety promotion activities



To promote safety engagement among both internal and external parties, the Company has organized the following activities:

- Internal activities The Company has implemented internal activities to promote a culture of safety and encourage safe behaviors among employees with an aim to enhance employees' skills, knowledge, and awareness of safety protocols and procedures related to their individual behavior. One of the initiatives is the Behavior-Based Safety Activity, which encourages employees to take precautions before crossing the road. This has been done concurrently with an establishment of a system called Work Requisition and Work Permit, which includes a monitoring process for dangerous work, such as working in a flammable environment or at high elevations.
- External activities The Company has participated in external activities such as a national-level safety workplace competition and joined safety inspection clubs with clients and business partners.

### 4. Regular inspection and maintenance of shop floor

The purpose of conducting shop floor inspections is to prevent accidents caused by unsafe working environments. To achieve this goal, the Company has established a shop floor inspection program that is jointly carried out by executives and safety representatives from each business unit. The findings from the inspections are then utilized to enhance safety measures and

decrease the likelihood of accidents in hazardous areas within the workplace.

### 5. Staff training and workplace safety drills



The Company has implemented an annual safety training program for its employees, which covers general knowledge, basic fire extinguishing techniques, annual fire drills, and specialized training for high-risk work. The program includes regular reviews of safety protocols for tasks such as working in confined spaces and at elevated heights.





## Operation

### Occupational Health and Safety Activities

The promotion of occupational health and safety puts an emphasis on developing staff and fostering safety behavior and culture to build skills, knowledge, and awareness on safe working environments. The Company has organized activities including The KY Ability activity which aimed to equip employees with knowledge and understandings of danger detection in different work positions to be able to locate suitable preventive measures. The activity attendance rate was 100% as planned. The “Completely Check Completely Find out (CCCF)” activity encouraged employees to recognize potential hazards in their work environment and find effective solutions to prevent accidents. The attendance rate was 100%. The Behavior-Based Safety (BBS) activity aimed to promote safe behaviors and reduce risky behaviors, with the ultimate goal of achieving 100% compliance among employees. Furthermore, the Safety Shop Floor Management activity encouraged executives at every level to participate in coverage inspections of the shop floor, with a weekly goal of inspections set in place. These activities were complemented by other safety promotion initiatives, such as promoting safe driving practices and encouraging employees to abstain from alcohol during Lent.



## Occupational health and safety operation results

Indicator	Goal	Outcome	
		2022	2021
1. Accidents causing injury Leave (case)	0	4	2
2. Accidents not causing injury leave (case)	50% less than the previous year	11	23
3. Frequency of injury	0	0.67	0.42
4. Severe fire accidents (time)	0	0	0

(LTIFR) Statistics of employees' injury leaves every 1,000,000 hours of work



### Safety Awards

In 2022, the Company participated in the model safety organization competition and won the following awards:

#### SFT



**Excellent Award for Safety, Occupational Health, and Work Environment at the National level (Gold)**

#### SFT



**Zero Accident Campaign, Basic Level for 1<sup>st</sup> year**

# 7.5 Customer relationship management

Customer relationship management is a crucial strategy for businesses, especially in today’s fast-changing landscape where customers increasingly focus on Environmental, Social, and Governance (ESG) issues. To this end, the Company has prioritized the development of high-quality products, improved productivity, and maintained strong relationships with our customers. The Company also places great emphasis on innovation, environmental management, and succession planning to meet the needs of current and potential customers, and to seize new business opportunities in the future. The Company has established policy guidelines in the 2022 Business Ethics Handbook, which all employees are expected to be aware of and comply with strictly, as follows.

- 1 To produce, design, and deliver products that meet certified quality and standards, as agreed with our customers, at a fair price without pursuing unreasonable profits.
- 2 To supply accurate, sufficient, and current news, information, and guidance to keep our customers informed about our products and services.
- 3 To strictly adhere to the conditions agreed upon with our customers. In the event that the Company is unable to comply with any condition, we will promptly inform our customers and work together to find a suitable solution.
- 4 To treat customers with politeness and earn their trust.
- 5 To establish a secure data storage system and implement measures to ensure the confidentiality of customer information. Any information may only be shared with customers’ explicit consent, and customer data shall not be used for the benefit of the Company or any other related parties without their consent.
- 6 To provide a warranty for products as outlined in the purchasing contract and to comply with the consumer protection act.
- 7 To establish a system or procedure for addressing customer complaints related to the quality, quantity, and safety of our products and services. We will ensure prompt response and action to provide our customers with fast and efficient resolutions.
- 8 To establish and support corporate responsibility initiatives with customers, covering all Environmental, Social, and Governance (ESG) issues.
- 9 To prioritize product development and focus on the use of environmentally friendly packaging and transportation methods.
- 10 To provide various channels for continuously communicating information about products and product development to customers.



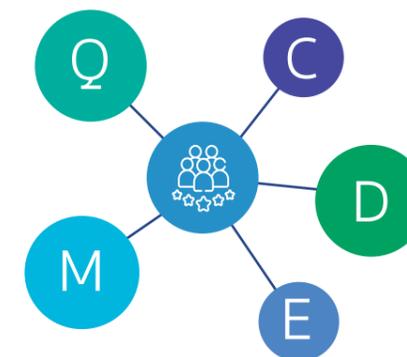
## Management Approach

### Innovations for production process

By researching and adopting new innovations and digital technologies for the production process, the Company can achieve the highest level of production efficiency and provide digital technological services to meet the evolving needs of customers. This can enhance the Company’s competitiveness and enable it to adapt to changing business trends in the future.

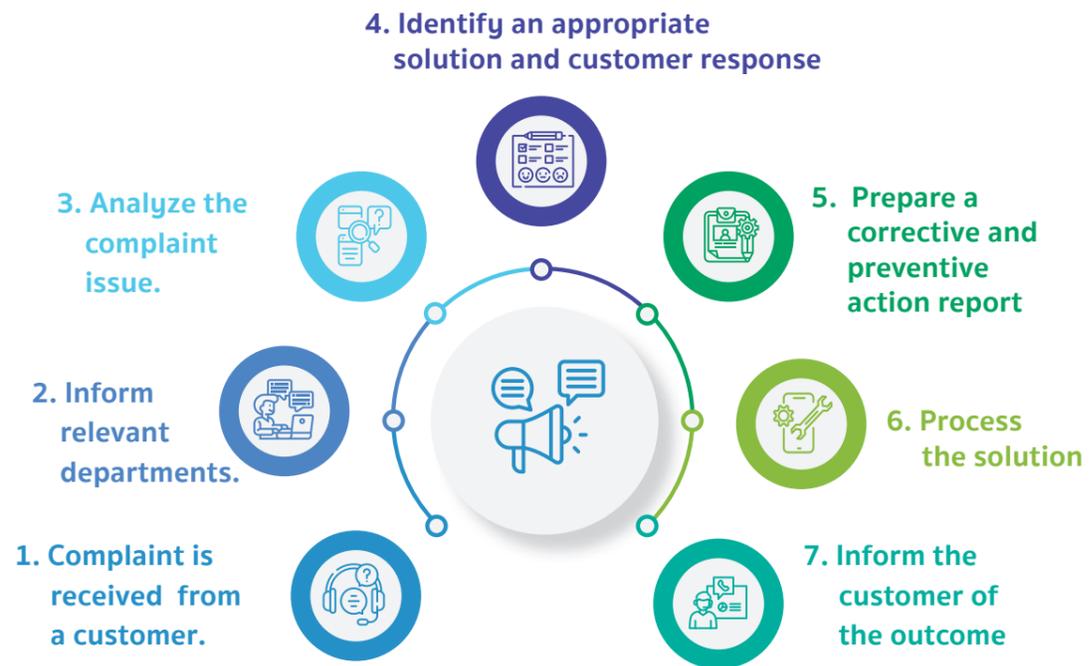
### Customer satisfaction survey

The company has fostered customer relationships through actively seeking feedback from them to improve our products and services. Customer feedback has been used to formulate improvement guidelines and has been forwarded to the relevant departments for consideration and action. The Company aims to respond to customers’ needs efficiently and in a timely manner. As part of this effort, the company has conducted an annual customer satisfaction survey based on five criteria (Q, C, D, E, M).



## 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.



## 7.6 Supplier management and supply chain management

Somboon Advance Technology have committed to achieve sustainable business growth by enhancing competitiveness in production costs and fostering mutual growth with their business partners through a transparent and fair procurement process, guided by the Company’s procurement management framework. To this end, the Company has established a procurement policy with the following key principles:

1. Procurement is carried out with careful consideration of quality (Q), cost (C), delivery (D), speed of service, and adherence to the Company’s policies, with an emphasis on efficiency and effectiveness.
2. Procurement is carried out with transparency, fairness, and is subject to verification procedures.
3. The Company adheres strictly and completely to all laws and regulations related to procurement.
4. The Company treats all its business partners with fairness and transparency, providing accurate and complete information, without discrimination or manipulation. It also encourages and welcomes feedback and suggestions from its business partners to improve collaboration and enhance the quality of service.
5. The Company selects business partners who prioritize minimizing environmental impacts, share social responsibilities. The Company also takes into consideration their level of engagement and business operation with good governance.
6. Business partners must strictly comply with “Ethics and Guidelines for Business Partners of the Somboon Group,” as well as with all laws and regulations related to business activities.

### Targets

In order to comply with the policy, the Company has taken into account the needs and key factors of key stakeholders, such as customers, to set appropriate goals for production processes and operations that ensure effectiveness throughout the supply chain. The key performance indicators include:

Indicator	Target	
	2022	2023
<b>1. Cost</b>	5% reduction	5% reduction
1.1 Cost Reduction	compared to 2021	compared to 2022
<b>2. Delivery</b>	100%	100%
2.1 Delivery		
<b>3. Compliance (Anti-Corruption)</b>		
3.1 New suppliers must declare their commitment to anti-corruption.	100%	100%
3.2 Suppliers with a purchase amount of 10 MB or more are required to declare their commitment to CAC for 100%.	+10	+10

### Social activity engagement with customers

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



### Awards from customers in 2022



- MCC-QCC Presentation Contest of 2022: (MCC) (SFT)
  - The Winner (Group B)
  - The 1<sup>st</sup> Runner – up (Group A)



- The 5<sup>th</sup> Safety Activity 2022 (Level A): THAI HINO CO-OPERATION CLUB (SFT)

Indicator	Target	
	2022	2023
3.3 Supplier Code of Conduct & CSR	100%	100%
<ul style="list-style-type: none"> <li>All new suppliers are required to sign a commitment agreement.</li> <li>Suppliers with a purchase amount of 10 MB or more are required to sign a commitment agreement.</li> </ul>	10 Suppliers	10 Suppliers
3.4 Practice in compliance with the laws	100%	100%



### Management Approach

The company has developed a set of guidelines for prioritization and risk management in the supply chain. These guidelines aim to foster engagement from business partners and create opportunities for them to participate in the development and upgrading of our quality and cost standard, known as QCDEM. Business partners who meet the assessment criteria will receive a business partner certificate. The following are some of the key guidelines:



### กลยุทธ์การจัดการซัพพลายเชนและเกณฑ์



1	2	3	4
<b>Business partner management plan</b>	<b>Business partner development and upgrading</b>	<b>Quality assessment with QCD</b>	<b>Improvement and correction for unintended</b>

**1 Business partner management plan**

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

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

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

**3 Quality assessment with QCD**

Prior to each procurement of products for our production process, the Company conducts a comprehensive assessment of the product's quality using the QCD system. This system evaluates the product's quality, cost, and delivery to ensure that all products meet our company's standards for quality, are cost-effective, and are delivered within the specified time frame.

**2 Business partner development and upgrading**

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

1. Transfer knowledge on TPS/Lean Supply Chain system.
2. Provide advice on how to improve work processes to promote transparency and form alliances in the Anti-Corruption Alliance (CAC).
3. Organize an SBG's Annual Supplier Meeting.

**4 Improvement and correction for unintended**

The Company has established channels for our business partners to clarify or express their opinions to us in two cases:

1. When partners need assistance in developing areas where they may be lacking, the Company will consider incorporating their needs into our annual business partner development and upgrading plan.
2. When partners have suggestions for us on how to improve aspects of our operations that may impact them in various ways. This is to ensure the highest level of fairness and transparency for our business partners.



### Operation results



**5%** in cost reduction according to the 2022 target.



**100%** of new business partners have declared their commitment to anti-corruption with SAT.



**100%** of products have been delivered according to the 2022 target.



**14** target business partners with a purchase amount of 10 million baht or more have declared their commitment with CAC.

## 7.7 Environmental Sustainability Management

Somboon Advance Technology focuses on risk management and discovering ways to cope with climate change. The Company's Board of Directors have set a medium-term greenhouse gas reduction goal of 30% from the base year 2018 for direct and indirect greenhouse gas emission own by the Company (Scope 1,2), where electricity utilization is the primary source, up to 95%. Furthermore, we have started collecting data and analyzing the amount of greenhouse gas emissions throughout our value chain to determine materiality of indirect GHG emission Scope 3. Two of the fifteen categories have been recognized including: Category 1, raw material consumption and Category 3, Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2. The Company has prepared to roll out the policy that will be driven jointly with key business partners. Examples include increasing the proportion of raw materials that use more recycled elements. The Company continued to monitor resource utilization management, particularly energy management and GHG emissions, which have a significant impact on production costs as well as the organization's impact on water and waste management. The objectives and outcomes are listed below:

Indicators	2022 Goals	2022 Performance
 <b>1. GHG emissions</b> 1.1 GHG emissions per production <sup>1</sup> (tCO <sub>2</sub> e/ Ton of Production and total GHG emissions) has been reduced from 2018 Scope 1+2 <sup>2</sup> . 1.2 GHG emissions per production <sup>1</sup> (tCO <sub>2</sub> e/ Ton of Production and total GHG emissions) has been reduced from 2018 Scope 1+2+3 <sup>3</sup>	 Reduction 8%	 Reduction 13.46%
	 Reduction 8%	 Reduction 6.69%
 <b>2. Amount of energy consumption per production<sup>1</sup></b> (GJ/ Ton of Production) * has been reduced from 2018.	 Reduction 3%	 Reduction 7.9% <sup>4</sup>
 <b>3. Water consumption per production<sup>1</sup></b> (M3/Ton of Production) * has been reduced from 2018.	 Reduction 1%	 Reduction 18% <sup>4</sup>
 <b>4. Amount of industrial waste disposed perproduction<sup>1</sup></b> (ton of waste/ton of production) * has been reduced from 2018.	 Reduction 2%	 Reduction 3.5% <sup>4</sup>

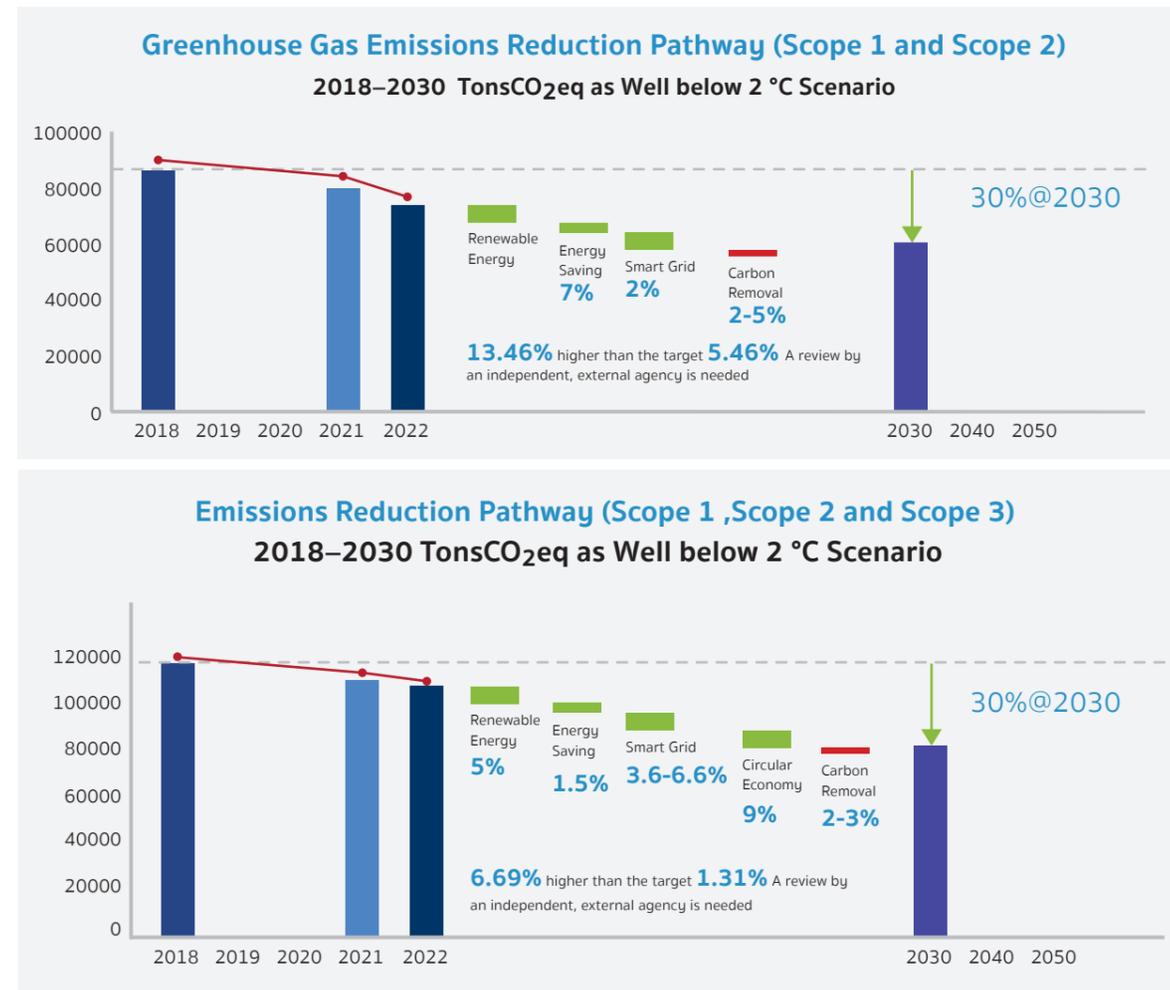
- A change involves comparing the book weight of production volume to the current indicator data with that of the 2018 base year, as opposed to the unit of weight and the unit of work in the past.
- GHG data collection and comparison only in Scope 1 and 2 of the Company.
- GHG data collection and comparison both internally and externally in the Scope 1, 2 and 3.

- Corporate-level number aggregation was caused by the merger of various forging and casting businesses of varying intensity, resulting insignificant overall savings. However, the Company had adjusted the numbers to accurately reflect its business challenges.

## Climate change and energy management

Climate change caused by global warming, as well as energy management, are important issues for the organization, particularly as domestic energy resources become scarce and reliance on natural gas as the primary source of electricity generation declines. As a result, the company has to rely on imported foreign energy. Moreover, currency volatility contributes to rising energy prices, which in turn raise production costs. As a result, the company has set a goal of reducing greenhouse gas emissions by increasing renewable energy to 10% and using energy efficiently at a rate of no less than 5% by 2026. This is in order to meet the 30% GHG reduction target by 2030 (baseline year 2018). The Company continues to monitor key changing factors in global aspects. This includes technological advancements such as carbon capture and storage, the use of hydrogen as an alternative energy source, as well as industry trends such as a study of alternative high-efficiency furnace usage and cooperation measures in the automotive industry's GHG Scope 3. The current management guidelines as follows:

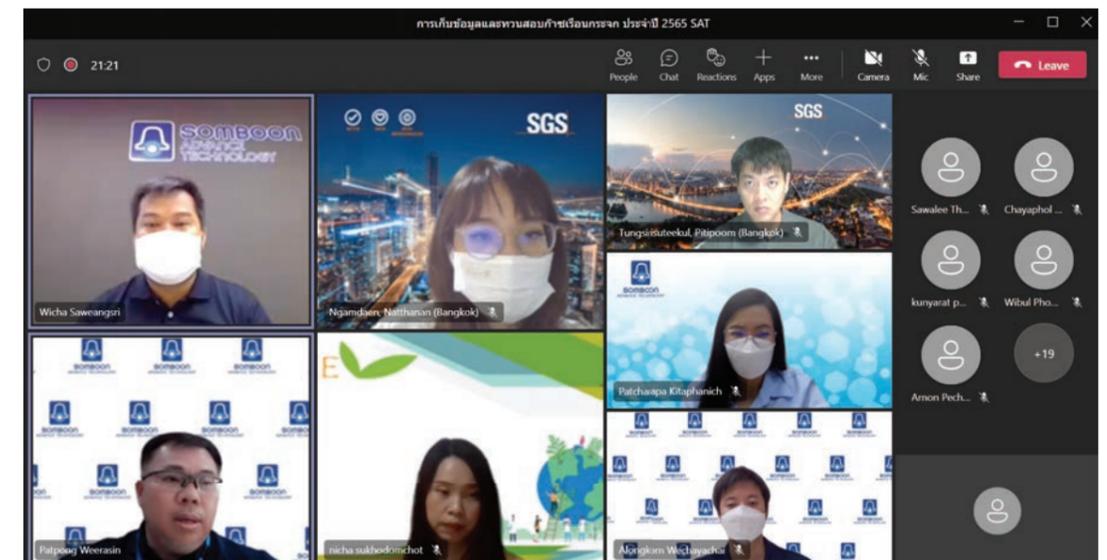
Figure 7 shows the goals and scenarios for reducing GHG emissions in the medium term in accordance with the policy of keeping global temperature below 2°C.



## Management Approach

### 1. Establish a baseline for energy and GHG management.

In terms of greenhouse gases, the Carbon Footprint of Organization (CFO) assessment tool of the Thailand Greenhouse Gas Management Organization (TGO) is used to calculate. The principle considers raw material acquisition, production, and transportation. The result is shown in terms of carbon dioxide equivalent for the year 2022, which has been verified continuously since 2021. The assessment is divided into three Scopes in accordance with the international standard ISO14064-1. The Center of Excellence for Eco-Energy, Department of Chemical Engineering, Faculty of Engineering, Thammasat University, has consulted on the first verified data in 2022. We are currently preparing for the second verification, which will be conducted by an external independent agency registered with the Greenhouse Gas Management Organization, SGS Thailand, to further support the Company to be classified the organization's carbon footprint.



Picture (Carbon Footprint of Organization : CFO)

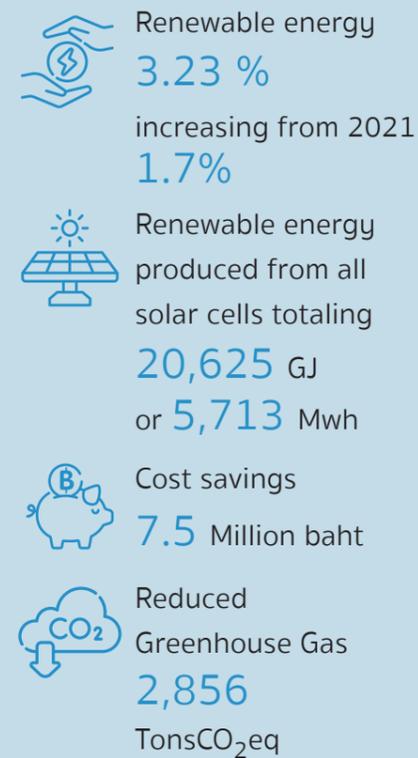
### 2. Setting medium-term goals

by planning execution in accordance with the Science Base Target Organization's Scenario, to prevent global warming by limiting temperature rise to below 2°C. This requires a 2.5% annual reduction in GHG emissions. The following five pillar activities have been carried out to reduce GHG emissions:

### 1 Promote the use of renewable energy

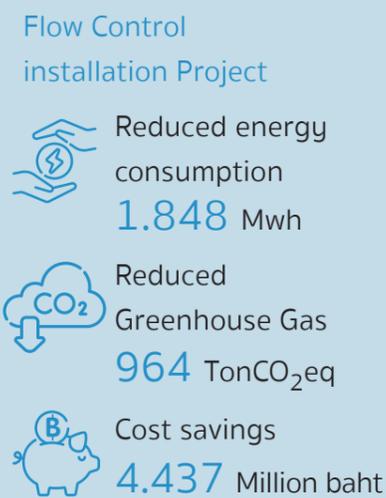


Solar cell installations are expected to account for 10% of total energy consumption by 2030. In 2022, the proportion of renewable energy consumption was 3.23% of total energy consumption, increasing from 1.7% in 2021. The two major renewable energy projects are the installation of 1.5 MW solar cells at the SFT1 plant and the installation of 2.1 MW solar cells at the SBM plant, both of which were completed in late 2021 and fully operational in 2022 respectively. Renewable energy produced from all solar cells totaling 20,625 GJ or 5,713 Mwh in 2022, -equivalent to a cost savings of 7.5 million baht (The project invested in by an energy company in 2022 allows us to reduce 30% of electricity energy costs.) In 2022, we began to investigate the possibility of installing 1MW of solar cells at the ICP1 and SFT2 plants in 2023.



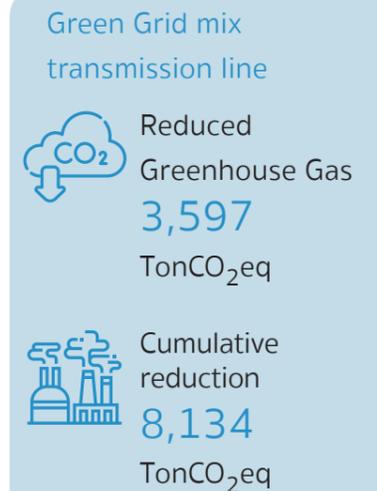
### 2 Efficient use of energy in the production process

The high-efficiency compressed air with a capacity of 215 horsepower has been installed at Somboon Malleable Iron Industrial Company Limited, as well as the flow control in the air compressor system has been installed at every plant. The energy consumption has been reduced by 1.848 Mwh, resulting in a greenhouse gas reduction of 964 tCO<sub>2</sub>e and a cost savings of more than 4.437 million baht. We continue to promote energy conservation awareness among employees.



### 3 Promote the use of electricity energy from environmentally friendly sources

with low carbon emissions such as the use of electricity from power plants produced from natural gas. The location of the company that connects with the power transmission system is crucial and listed as factors in fuel consumption policies at the national level. The company has switched to a Green Grid mix transmission line, resulting in a reduction of 3,597 tCO<sub>2</sub>e of greenhouse gases in 2022, for a cumulative reduction of 8,134 tCO<sub>2</sub>e.



### 4 Encourage business partners to use more recycled materials

in order to reduce the use of natural resources. At the present, recycled materials are used at a rate of 73% across all businesses and 100% in the Casting business group, where melting capacity is available in-house. This allows for direct control of product quality and the use of a high percentage of recycled materials. However, our challenge is to work collaboratively with suppliers to develop finished round bar products in the Forging business group, where recycled materials are limited to 10%.



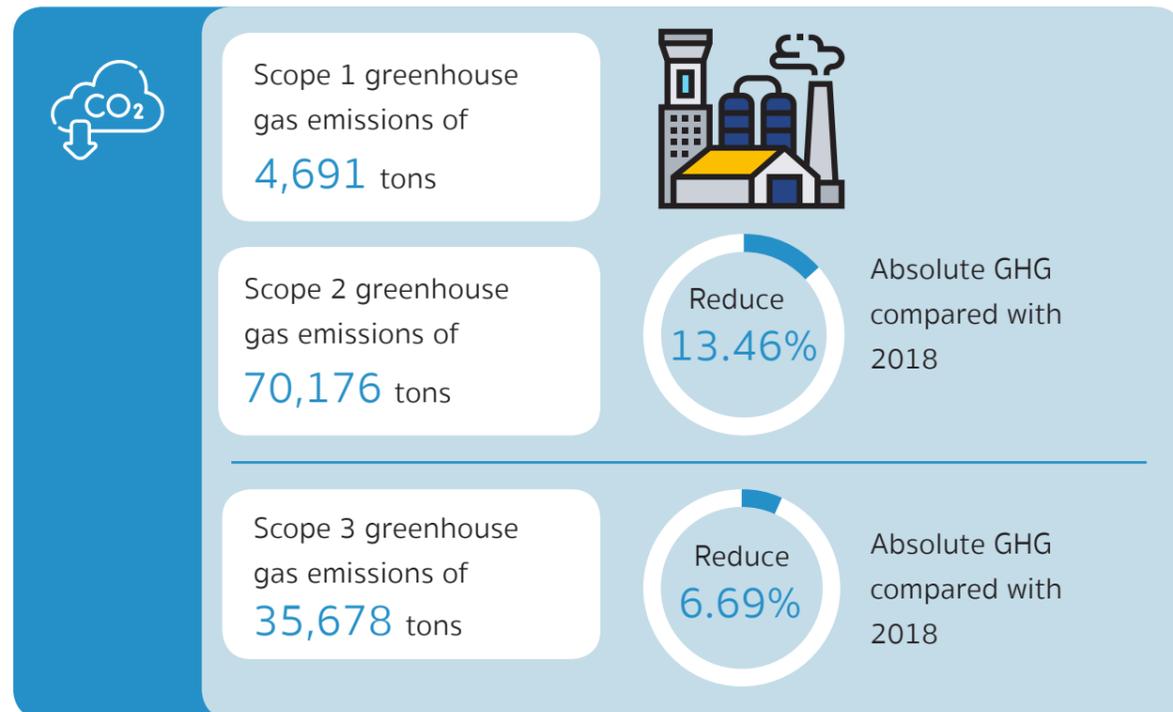
**5 Promote and prepare for the implementation of carbon credits**

This was intended to foster a key business or activity that had the potential to collect and receive carbon credit credits. such as an initiative with STRON, one of the group’s subsidiaries, to request carbon credits from the electric tricycle manufacturing business through the T-VER (Thailand Voluntary Emission Reduction), as well as developing people’s knowledge in data collection, calculation methods, and greenhouse gas data verification as well as a platform for carbon credit trading in alignment with the domestic and international standards.

**3. Data Assurance Verification and Disclosure of Greenhouse Gas Data**

The Company has allowed an external agency certified by the Thailand Greenhouse Gas Management Organization to verify the accuracy of the data before disclosing to the public. The Center of Excellence for Eco-Energy, Department of Chemical Engineering, Faculty of Engineering, Thammasat University has consulted on the first verified data in 2022. We are currently preparing for the second verification, which will be conducted by an external independent agency registered with the Greenhouse Gas Management Organization, SGS Thailand, to further support the Company to be classified the organization’s carbon footprint.

The verification results show Scope 1 greenhouse gas emissions of 4,691 tons and Scope 2 emissions of 70,176 tCO<sub>2</sub>e, a reduction of 13.46% from 2018. Scope 3 greenhouse gas emissions of 35,678 tons, a 6.69% decrease from 2018 greenhouse gas emissions.



Project	Before	After
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**1. Replacement Air compressor 215 HP**  
**Support strategy :**  
 GHG and Energy consumption



- Air compressor effectiveness testing suggested that the air compressor at building 2 used more electricity than the standard. A larger air compressor will cut electricity consumption and produce 20% more air when compared to the original air compressor.
- A new air compressor of 215 hp can produce 28.7 m<sup>3</sup> per minute by the calculation of averaged air volume used in one day in the same volume. After an adjustment, energy consumption will drop to 2,310,144kWh/year (1,299 Ton Co<sub>2</sub>/Year)

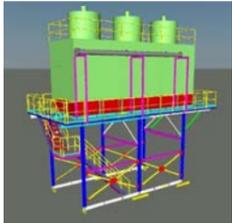
CO <sub>2</sub> Emission	1,459 Ton/Year	CO <sub>2</sub> Reduction	159 Ton/Year
Energy Usage	2,593,428 kWh/Year	Energy Reduction	283,285 kWh/Year

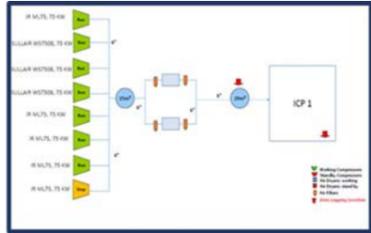
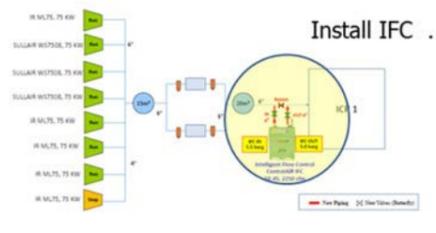
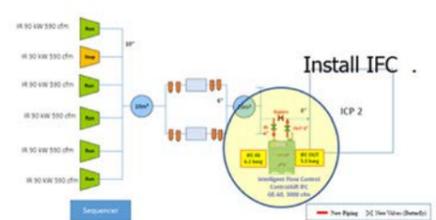
**2. Add Economizer Boiler 1,2,3**  
**Support strategy :**  
 GHG and Energy consumption



- Current :**
- 500Kg Boilers produce pressure of 4-6 bar
  - Needs 70-85°C temperature. Water in the production must be 30 °C.
  - Temperature of 200°C is released from a boiler vent (chimney).
  - Use averaged NG of 1,863 m<sup>3</sup>/day
- After :**
- Use heat from the vent to exchange heat to increase water’s temperature before adding it into a boiler.
  - Install 3 economizer boilers.
  - Increase the water’s temperature from 30°C to 70°C before adding into a boiler.
  - Use averaged NG of 1,649 m<sup>3</sup>/day
  - Use averaged NG of 554,135 m<sup>3</sup>/year (1,030 Ton Co<sub>2</sub>/Year)

CO <sub>2</sub> Emission	1,163 Ton/Year	CO <sub>2</sub> Reduction	133 Ton/Year
Energy Usage	625,872 m <sup>3</sup> /Year	Energy Reduction	71,737 m <sup>3</sup> /Year

Project	Before	After																
<b>3. Replacement New Cooling Tower</b> <b>Support strategy :</b> GHG and Energy consumption	 <p>According to the analysis of the cooling tower system design at the building 1,</p> <ul style="list-style-type: none"> <li>An installation area is not appropriate so air circulation is bad. Cooling tower ing is affected.</li> <li>Many water pumps are used because, according to the original design, hot water is kept at a sump before being soaked into the cooling water.</li> <li>Excessive consumption of electricity and maintenance of many water pumps.</li> </ul> <p><b>Total electricity consumption</b> = 577,170 Kwh/Year</p> <p><b>CO<sub>2</sub> emission from electricity use</b> = 324.60 Ton CO<sub>2</sub>/Year</p> <table border="1"> <tr> <td><b>CO<sub>2</sub> Emission</b></td> <td><b>324 Ton/Year</b></td> <td><b>CO<sub>2</sub> Reduction</b></td> <td><b>146 Ton/Year</b></td> </tr> <tr> <td><b>Energy Usage</b></td> <td><b>577,170 kWh/Year</b></td> <td><b>Energy Reduction</b></td> <td><b>259,722 kWh/Year</b></td> </tr> </table>	<b>CO<sub>2</sub> Emission</b>	<b>324 Ton/Year</b>	<b>CO<sub>2</sub> Reduction</b>	<b>146 Ton/Year</b>	<b>Energy Usage</b>	<b>577,170 kWh/Year</b>	<b>Energy Reduction</b>	<b>259,722 kWh/Year</b>	 <p>Here are the expected results from the new system design of cooling tower 1 of the Building 1,</p> <ul style="list-style-type: none"> <li>Less water pumps lead to less electricity and maintenance costs.</li> <li>The use of chiller of process 6 HQI is cut because the larger size of cooling water lessens the temperature of cooling water.</li> <li>The cooling tower can offer better cooling. All water in a sump becomes cooler.</li> </ul> <p><b>Total electricity consumption</b> = 317,448 Kwh/Year</p> <p><b>CO<sub>2</sub> emission from electricity use</b> = 178.53 Ton CO<sub>2</sub>/Year</p> <table border="1"> <tr> <td><b>CO<sub>2</sub> Emission</b></td> <td><b>324 Ton/Year</b></td> <td><b>CO<sub>2</sub> Reduction</b></td> <td><b>146 Ton/Year</b></td> </tr> <tr> <td><b>Energy Usage</b></td> <td><b>577,170 kWh/Year</b></td> <td><b>Energy Reduction</b></td> <td><b>259,722 kWh/Year</b></td> </tr> </table>	<b>CO<sub>2</sub> Emission</b>	<b>324 Ton/Year</b>	<b>CO<sub>2</sub> Reduction</b>	<b>146 Ton/Year</b>	<b>Energy Usage</b>	<b>577,170 kWh/Year</b>	<b>Energy Reduction</b>	<b>259,722 kWh/Year</b>
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Project	Before	After																
<b>4. Installation Intelligent Flow Control Of Air compressor at ICP1</b> <b>Support strategy :</b> GHG and Energy consumption Reduce Energy Consumption	 <p><b>Current :</b></p> <ul style="list-style-type: none"> <li>The air system at the plant lacked an on-duty air pressure control system. As a result, air compressors produced excessive pressure and consumed excessive energy.</li> </ul> <table border="1"> <tr> <td><b>CO<sub>2</sub> Emission</b></td> <td><b>1,487.65 Ton/Year</b></td> <td><b>CO<sub>2</sub> Reduction</b></td> <td><b>88.77 Ton/Year</b></td> </tr> <tr> <td><b>Energy Usage</b></td> <td><b>3,670,491 kWh/Year</b></td> <td><b>Energy Reduction</b></td> <td><b>214,095 kWh/Year</b></td> </tr> </table>	<b>CO<sub>2</sub> Emission</b>	<b>1,487.65 Ton/Year</b>	<b>CO<sub>2</sub> Reduction</b>	<b>88.77 Ton/Year</b>	<b>Energy Usage</b>	<b>3,670,491 kWh/Year</b>	<b>Energy Reduction</b>	<b>214,095 kWh/Year</b>	 <p><b>After :</b></p> <ul style="list-style-type: none"> <li>The air intelligent flow control is installed to oversee the air distribution pressure while on duty to ensure consistency. Air compressors consume less electricity.</li> </ul> <table border="1"> <tr> <td><b>CO<sub>2</sub> Emission</b></td> <td><b>1,487.65 Ton/Year</b></td> <td><b>CO<sub>2</sub> Reduction</b></td> <td><b>88.77 Ton/Year</b></td> </tr> <tr> <td><b>Energy Usage</b></td> <td><b>3,670,491 kWh/Year</b></td> <td><b>Energy Reduction</b></td> <td><b>214,095 kWh/Year</b></td> </tr> </table>	<b>CO<sub>2</sub> Emission</b>	<b>1,487.65 Ton/Year</b>	<b>CO<sub>2</sub> Reduction</b>	<b>88.77 Ton/Year</b>	<b>Energy Usage</b>	<b>3,670,491 kWh/Year</b>	<b>Energy Reduction</b>	<b>214,095 kWh/Year</b>
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<b>Energy Usage</b>	<b>3,670,491 kWh/Year</b>	<b>Energy Reduction</b>	<b>214,095 kWh/Year</b>															
<b>5. Installation Intelligent Flow Control Of Air compressor at ICP2</b> <b>Support strategy :</b> GHG and Energy consumption Reduce Energy Consumption	 <p><b>Current :</b></p> <ul style="list-style-type: none"> <li>The air system at the plant lacked an on-duty air pressure control system. As a result, air compressors produced excessive pressure and consumed excessive energy.</li> </ul> <table border="1"> <tr> <td><b>CO<sub>2</sub> Emission</b></td> <td><b>1,824.36 Ton/Year</b></td> <td><b>CO<sub>2</sub> Reduction</b></td> <td><b>106 Ton/Year</b></td> </tr> <tr> <td><b>Energy Usage</b></td> <td><b>4,243,694 kWh/Year</b></td> <td><b>Energy Reduction</b></td> <td><b>247,548 kWh/Year</b></td> </tr> </table>	<b>CO<sub>2</sub> Emission</b>	<b>1,824.36 Ton/Year</b>	<b>CO<sub>2</sub> Reduction</b>	<b>106 Ton/Year</b>	<b>Energy Usage</b>	<b>4,243,694 kWh/Year</b>	<b>Energy Reduction</b>	<b>247,548 kWh/Year</b>	 <p><b>After :</b></p> <ul style="list-style-type: none"> <li>The air intelligent flow control is installed to oversee the air distribution pressure while on duty to ensure consistency. Air compressors consume less electricity.</li> </ul> <table border="1"> <tr> <td><b>CO<sub>2</sub> Emission</b></td> <td><b>1,824.36 Ton/Year</b></td> <td><b>CO<sub>2</sub> Reduction</b></td> <td><b>106 Ton/Year</b></td> </tr> <tr> <td><b>Energy Usage</b></td> <td><b>4,243,694 kWh/Year</b></td> <td><b>Energy Reduction</b></td> <td><b>247,548 kWh/Year</b></td> </tr> </table>	<b>CO<sub>2</sub> Emission</b>	<b>1,824.36 Ton/Year</b>	<b>CO<sub>2</sub> Reduction</b>	<b>106 Ton/Year</b>	<b>Energy Usage</b>	<b>4,243,694 kWh/Year</b>	<b>Energy Reduction</b>	<b>247,548 kWh/Year</b>
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## 6. Change Air Compressor : SBM At plant2

### Objective Project :

Install three new air compressors of 215 HP (160 W) to replace 75kW

### Investment :

1,700,000 Baht

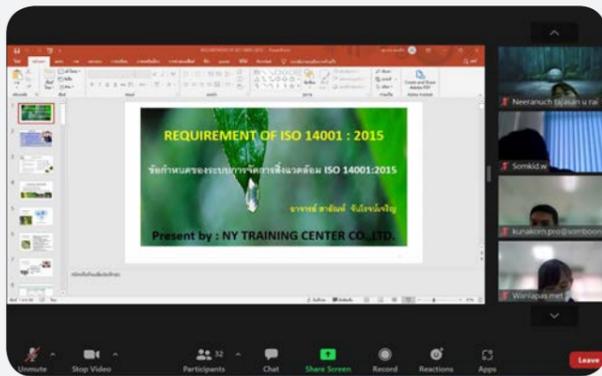
### Estimate cost saving

Air Compressor	Electricity cost/Year
Air compressor 75 kW	6,322,176.0
Air compressor 215 HP (160 Kw)	4,515,840.0
<b>Saving</b>	<b>1,806,336.0</b>



## Environmental and energy campaigns in 2022

### Employee Training



Program  
Requirement  
ISO14001:2015



Program  
Energy preservation  
awareness campaign



### Performance

- 

The carbon footprint verification at the corporate level was carried out by an independent agency accredited by the Thailand Greenhouse Gas Management Organization.
- 

The amount of GHG reduction at the project level in 2022 amounted to 74,867 tons of carbon dioxide; and reduced the accumulated GHG emissions to an absolute level of **13.46%** compared to the 2018 base year.
- 

Increase the proportion of renewable energy use to **3.23%** from **1.7%** when compared 2022 to 2021, saving energy costs in 2022 by 12 million baht. This resulted in a decrease in overall cumulative energy consumption in the Intensity unit to **7.9%**, as opposed to the 2018 base year.



Somboon Advance Technology Public Company Limited received certification in the **Science-Based Target (SBT) project from the Center of Excellence for Eco-Energy of the Thammasat University** under supporting by Thailand Greenhouse Gas Management Organization (Public Organization) that shows the company set the greenhouse gases reduction target corresponds to international standard has context menu



## Sustainable Water Management

Somboon Advance Technology prioritizes the efficient use of water resources by establishing a policy and guidelines for water consumption efficiency. We have been working on projects to reduce water consumption in the manufacturing process. Water is used sparingly in the organization, primarily in the forging business group for hard coating and cleaning processes.

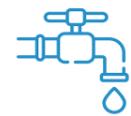


### Management Approach

Reduce the amount of wastewater to outside treatment by maximizing the utilization of water in the manufacturing process while maintaining high quality. In order to reduce the use of water resources, we created a system that re-uses less concentrated wastewater in the processes that require higher concentrations. We have tried switching from RO to soft water for the boiler feed. This reduces the release of Brine/Rejection water from the RO system by approximately 30-35% while still maintaining water quality in accordance with the law. In addition, excess water from the RO system is reused in the sanitary system.



### Performance



reduction of cumulative Water



consumption compared to 2018

## Waste Management and the Promotion Circular Economy

Somboon Advance Technology is committed to waste management by using the most cost-effective resources. The goal is to reduce waste from production, which is one of our key concerns. We use the 3R principle of **Reduce**, **Reuse**, and **Recycle**, as well as promoting the circular economy at the national level. We have begun a collaboration to recycle steel waste from our key stakeholders in the value chain, in production processes, into high-quality manufacturing using our own furnace.

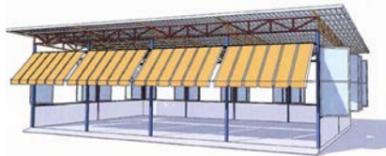


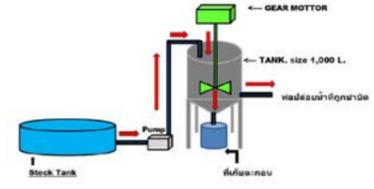


## Management Approach

The Company follows the waste management approach by primarily applying the 3Rs principle: **Reduce**, reduction of new wastes in the manufacturing process and establishing a system design to reduce mold and model sand loss. **Reuse**, reusing materials in production by developing a storage system to allow bringing back the used black sand into the same process and **Recycle**, recycling black sand qualified as non-hazardous waste to make brick blocks for pave way. Furthermore, we have initiated projects that help reduce pollution and costs in final treatment systems before submitting waste to an external agency for disposal. This includes a project to install a coolant treatment system before delivering to a third-party disposal destination.



Project	Before	After
<b>1. Brick production made of waste black sand</b> <b>Support strategy :</b> <ul style="list-style-type: none"> <li>Waste Disposal Reduction</li> </ul>	  <p><b>Current :</b></p> <ul style="list-style-type: none"> <li>ICP2 releases waste black sand with mesh value that out of standard sent to disposal process.</li> </ul>	  <p><b>After :</b></p> <ul style="list-style-type: none"> <li>Waste black sand from this process is used as material for brick production. The production ratio - cement: black sand: coarse sand: water (0.5:2:2:0.5)</li> </ul>
	<p><b>Waste Disposal</b> 175 Ton/Year @ Y'21</p>	<p><b>Waste Disposal Reduction</b> 50 Ton/Year</p>

Project	Before	After
<b>2. Coolant Oil Chemical Treatment</b> <b>Support strategy :</b> <ul style="list-style-type: none"> <li>Waste Disposal Reduction</li> </ul> <p>Update: The procurement team is comparing prices of chemical treatment tanks</p>	 <p><b>Current :</b></p> <ul style="list-style-type: none"> <li>SBM removes coolant oil from the machining process and sells it to a disposal operator. at 1,600 baht per ton.</li> </ul>	 <p><b>After :</b></p> <p>The coolant oil treatment system has been installed. In a stock tank, wastewater treatment chemical powder is used to raise the pH of the water, COD, oil, and grease. Stir coolant oil and chemical powder together for 10-15 minutes, or until coolant oil separates from water.</p>
	<p><b>Waste Disposal</b> 1,786 Ton/Year @ Y'21</p>	<p><b>Waste Disposal Reduction</b> 714 Ton/Year</p>



## Performance

<p>1  Up to <b>101,813</b> tons of recycled steel are brought back into the process per year</p>	<p>Accounting for <b>73%</b> of the steel used in all plants</p>
<p>2  Reduction of waste disposal costs by <b>646,884</b> baht per year from the installation of a Coolant treatment system.</p>	<p>3  Overall, the amount of waste per ton of production can be reduced compared to 2018. <b>3.5%</b></p>



**Cheerawit Sureerattanan ,Ph.D , Senior Managing Director** received Carbon Footprint of Circular Economy Product Certification. from Thailand Greenhouse Gas Management Organization (Public) Organization)

# 7.8 Business process innovations for sustainability

Somboon Advance Technology has been committed to enhancing the Company’s innovation competency to improve business operations and processes, by cultivating an innovative culture among employees and fostering joint ventures to develop innovative products and work processes. The Company aims to promote innovative management to respond to market-focused business while maintaining competitiveness, and to generate appropriate economic, social, and environmental benefits.



## Management Approach

Amidst the current global changes in technology, environment, and economic conditions, business operations have been significantly impacted, requiring companies to adapt to the rapidly changing landscape. In response, the Company has established innovative operational guidelines as follows.

### 1. Culture of Innovation

A culture of innovation can have a sustainable impact when there is a continuous pursuit of development and a never-ending discovery of new ideas. To foster such innovation, our company has established a dedicated unit to oversee continuous development activities. We organize QCC/Kaizen and Lean Manufacturing projects every year for employees at all levels, encouraging them to adopt an improvement mindset in their work. This has resulted in an organizational culture that generates innovative projects conceived by our employees every year, as evidenced by the following examples:



### → QCC Project :

A solution for thin edge casting for the front axle part cover, a project by Somboon Malleable Iron Industrial Company Limited

### → Lean Manufacturing Project :

An application of ECRS principles to reduce the production time for cast molds’ cores. The Company has also held an Innovation Day for employees interested in new technologies and innovations from all companies within the Somboon Group who can exchange knowledge with external participants from educational, government, and industrial sectors.



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## Performance

Initiative	Goal 2022 No. of Projects	Performance 2022 No. of Projects	Hard Saving (THB/year)
QCC	150	150	10,630,415
Kaizen	1,708	1,708	14,178,095
Lean Manufacturing	15	15	27,064,043
<b>Total</b>	<b>1,873</b>	<b>1,873</b>	<b>51,872,553</b>

After years of continuous efforts to promote innovative development within the organization, Somboon Malleable Iron Industrial Company Limited has made an achievement this year by winning the first runner-up Silver award for Kaizen Suggestion System (KSS) at the Thailand Kaizen Award 2022. The award was organized by the Technology Promotion Association (Thailand-Japan) for the project titled “Pokayoke: Preventing diameter 6 injection without concentricity”.

**Winning the first runner-up Silver award for Kaizen Suggestion System (KSS)**



In addition, Somboon Malleable Iron Industrial Company Limited has also received the Golden Award in the “New Born” category of the Thailand Quality Prize Award 2022 (National level QCC), organized by the Technology Promotion Association (Thailand-Japan), for their project titled “Resolving Bracket Spider BW 65022302 Diameter (Ø) 44 MM Over Spect”.



**รางวัลชนะเลิศอันดับ 1 Golden Award ในประเภทกลุ่ม New Born**

**2. Product innovations**

The Company has formed a joint venture with Tron-E Technology Company Limited to establish Somboon Tron Energy Company Limited, a company focusing on assembling electric three wheelers for the transportation of small goods over short distances, with versatility and a priority on efficiency, safety, and environmental friendliness.



Due to the present global focus on climate change, Somboon Tron Energy Company Limited has acknowledged the significance of this issue and has developed electric three wheelers powered by clean energy and electricity, which have a much lower environmental impact than vehicles with combustion engines. The Company anticipates that this project will reduce greenhouse gas emissions by an average of 1,420 tCO<sub>2</sub>eq/year.

**Expected ESG benefits from product innovations**

**The reasons for selecting electric three-wheelers as an innovation in business development.**



- There is support from the Thai government for the increased adoption of electric vehicles in the country.
- The logistics market in Thailand is expanding, but 4-wheel pick-up trucks fueled by gasoline are not as versatile.
- Three wheelers also uniquely reflect Thainess, making them stand out.

**ESG Benefit**



**Environment**

SAT has anticipated an expansion in the distribution of electric three wheelers.

It is estimated that the energy cost in the ecosystem will be reduced when replacing four-wheel vehicles powered by diesel gasoline with electric three wheelers for business owners and for Thailand.



**Social**

The use of electric three-wheelers will result in a reduction of **PM 2.5 fine particles released into the community.**

An increased employment rate in the **Ecosystem**



**Good Governance**

It is estimated that greenhouse gas emissions can be **twice** reduced by **1,420** tCO<sub>2</sub>eq per year when replacing four-wheel vehicles powered by diesel gasoline with electric three wheelers (equivalent to planting 130,635 trees).

### 3. Work process innovations

The company has formed a joint venture with Siasun Robot & Automation Company Limited, also known as SIASUN, from China. The joint venture, Somboon Siasun Tech Company Limited, has been committed to upgrading the industrial sector by introducing digital technologies and automatic systems to boost the efficiency of the production process and automatic storage at Somboon Forging Technology (SFT1) Limited as follows.



#### 3.1 Robotic arm with 3D vision for material analysis

In the final step of the production process, when the finished products are ready to be stored in the warehouse, there is a need for continuous transportation. To address this need, the Company has adopted robotic arm technology and 3D camera automatic detection. This technology ensures the accuracy of the products through communication with 5G technology.



#### 3.2 Unmanned Automated Guided Vehicles (AGVs)

The Company has adopted unmanned automated guided vehicles (AGVs) for warehouse usage, to enhance work efficiency and reduce the usage of LPG in traditional forklifts. These AGVs are responsible for taking over finished products from the robotic arm.



#### 3.3 Smart warehouse (AS/RS warehouse)

To optimize space utilization, the company has implemented an ASRS (Automated Storage and Retrieval System), which is connected to robotic arms and AGVs to improve cost efficiency and work productivity. As a result, the lifting capacity has increased from 40 to 80 pallets per hour, effectively doubling the performance of both inbound and outbound automatic processes.



#### Expected ESG benefits from product innovations

	Before		After		ESG Benefit
	<p>Manpower was needed for the transportation of automobile parts.</p>	<p>Forklift trucks were used for the transportation of products to the warehouse.</p>	<p>Conventional warehouses required significantly large storage space.</p>		
	<p>3D Vision - Robots are used for transportation of automobile parts</p>	<p>AGVs are used for transportation of products to the warehouse</p>	<p>AS/RS Smart Warehouse</p>		
	<p><b>Environment</b></p> <p>The cost of energy usage by forklift trucks has been reduced by <b>60-80%</b></p>	<p><b>Social</b></p> <p>The organization has achieved a reduction in the risk of accidents among its employees.</p> <p>By relieving employees of burdensome tasks, they can utilize their knowledge and skills in more productive roles.</p> <p>There is an opportunity for learning and adapting through the use of new innovations.</p>	<p><b>Good Governance</b></p> <p>The Company's production efficiency and effectiveness have increased, resulting in enhanced competitiveness.</p> <p>The reduction of storage space required for products.</p>		

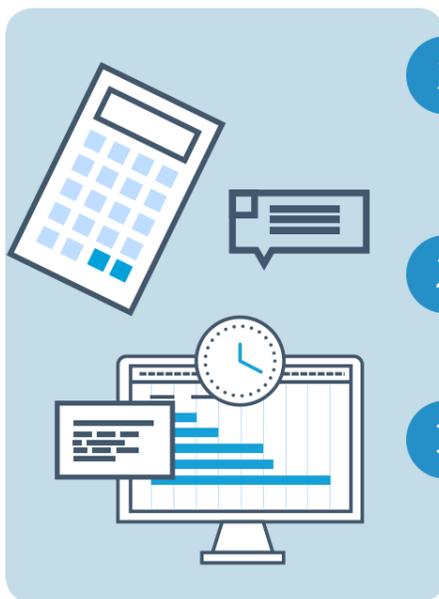
## 7.9 Tax practices



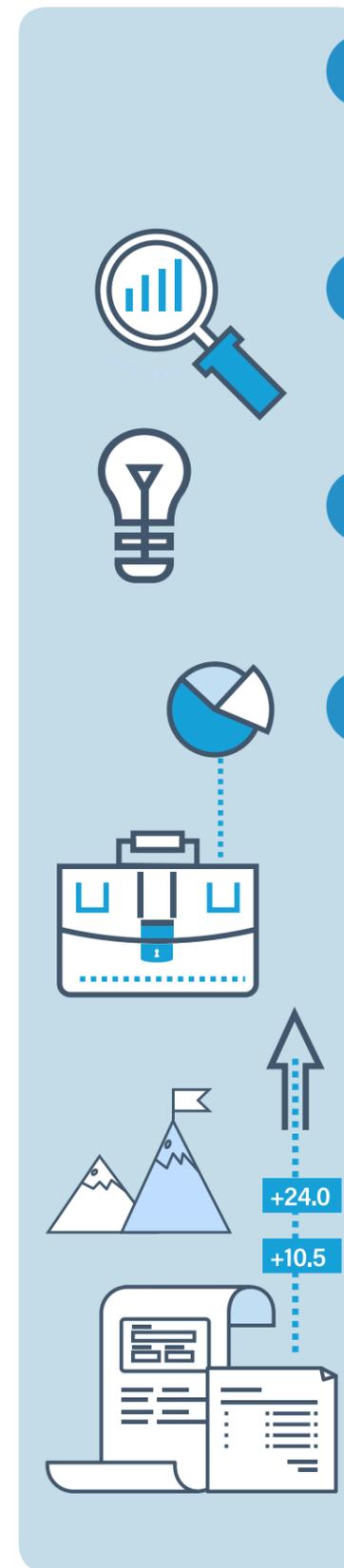
The Company places great importance on maintaining accurate, transparent, and auditable tax governance practices. In 2022, the Company generated a total income of 9,093 million baht and paid 139.65 million baht in taxes.

The Company has implemented clear tax policies as follows.

	<b>Total revenue</b> <b>9,093</b> <b>million baht</b>
	<b>Corporate tax was</b> <b>139.65</b> <b>million baht</b>



- 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 To appoint a designated responsible person to liaise with government agencies regarding taxes, ensuring proper tax practices and providing accurate and factual information about the Company's operations upon request or inspection by government agencies.

6 To publicly disclose the Company's annual tax payment information, demonstrating the Company's commitment to accurate, complete, and transparent tax practices. Additionally, an annual risk assessment and review will be conducted at least once per year.

7 To educate employees within the organization about tax regulations and practices, enabling the relevant employees to carry out their duties in an accurate and complete manner

In 2022, the Company's profit before tax amounted to 1,075 million baht, and the corporate income tax paid was 139.65 million baht. The actual tax rate applied was 12.99%, which differed from the actual tax rate of 7% 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.

### Summary Tax exemption has been applied in 2021 effective

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

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



# 8 Growth Society

- 8.1 Growth Society Strategy
- 8.2 Creating Educational Opportunities
- 8.3 Employee Participation in Community and Social Development
- 8.4 Improving the quality of life for people with disabilities



Create value for society  
**4.6**  
million baht



Total hours of good deeds  
**23,593**  
hours



Values through educational opportunities  
**1.05**  
million baht

## 8.1 Growth Society Strategy



### “Create Opportunities for A Strong Society”

The Company is committed to “Creating Opportunities for A Strong Society” to promote sustainable development by responding to the needs of communities, which is one of our key stakeholders that are important to the business operations. Mutual trust and confidence enable both our organization and community to thrive. To gain acceptance from stakeholders, the company adheres to the concept of sustainable business operations with social and community responsibility, focusing on responding to needs and solving their problems. Furthermore, the Company has developed a network of academic institutions for the organization’s operation in order to benefit educational agencies. We also support the creation of educational equality and the development of innovation in Thai industry as we work toward the Sustainable Development Goals (SDGs).



#### Management Approach

The Company regularly improves its operational guidelines. In 2022, our operation with the community has continued. The social projects are categorized into three categories: educational, community, and social.

We have developed social and community strategies that are being monitored through the “Growth Society Strategy”, a comprehensive community master plan. The guidelines for project management have been reviewed and monitored by the Sustainable Development Committee.



## 8.2 Creating Educational Opportunities

Fundamental education is a fundamental right and a critical factor in achieving social opportunities, sustainable business operations, and national development. However, some young people do not have access to a high-quality education. The Company participates in providing educational opportunities to young people through projects with the goal of improving knowledge and skills for their future careers.

### Scholarship Program

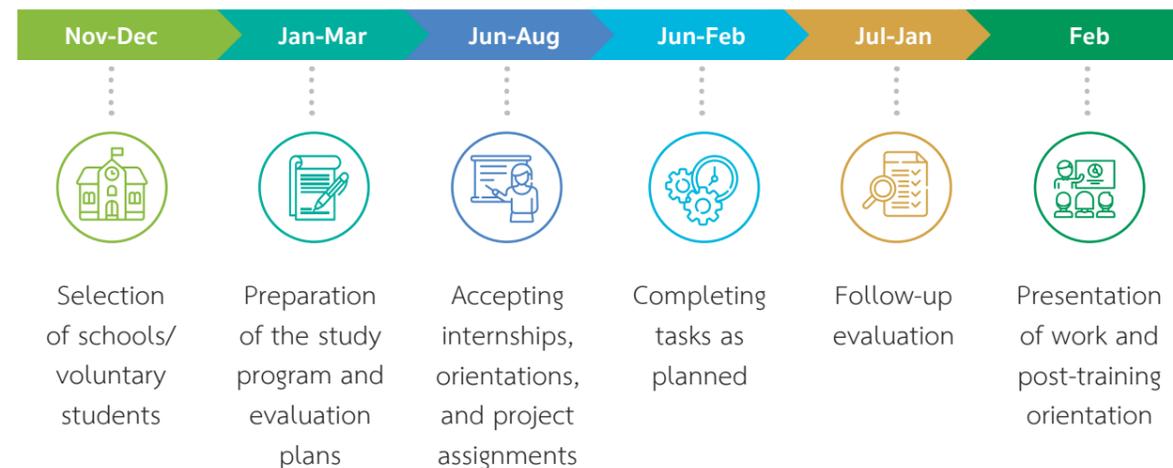
The purpose of the Scholarship Program is to support education for employees, their children, and students in the community by providing scholarships. The company has been in operation for the 23<sup>rd</sup> consecutive year.



Furthermore, the company paid visits to the scholarship students at their schools. In 2022, we visited six scholarship students in 3 schools.

### Equitable Education Fund

The project aims to reduce educational inequality by improving educational equality for those with limited financial resources. Learning with entrepreneurs, Bilateral Program, in the S-Curve, First Curve course, including industrial robots, modern automotive, robotics, and medical equipment, is one of the project's activities. In 2022, the Company is able to organize courses and accept 9 students for internships. The processes are outlined below:



Not only has the company established collaboration with the government sector, but the project's implementation has increased recruitment opportunities for future production lines.

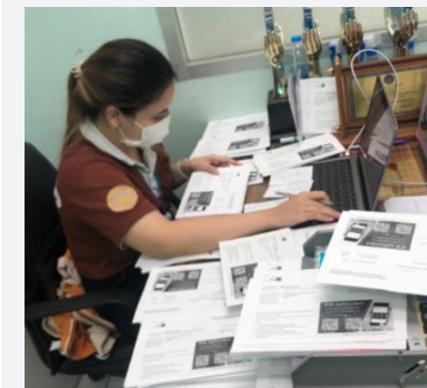


### Internship Program

The Company provides opportunities for university students who are interested in Engineering, Science, Business Administration, Marketing, Management, Finance, Accounting, Human Resource Management and other related disciplines to participate in our internship program. This is to help students on-site improve their knowledge and skills outside of the classroom. Students are better prepared for future employment by increasing their skills.



The cost of the internship program in 2022 was **465,714 Baht**. **106 students** came to watch, learn, and practice with us.



- 1 **63** General interns
- 2 **9** Interns in Bilateral Program
- 3 **9** Interns in Equitable Education Fund Project
- 4 **25** Interns in Cooperative Education Project

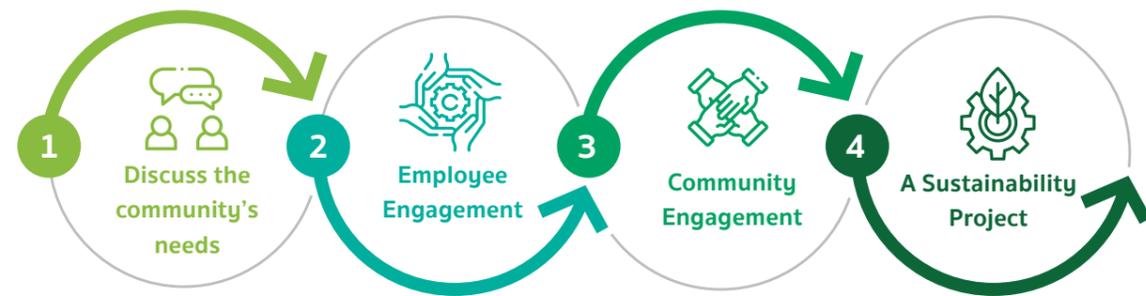
# 8.3 Employee Participation in Community and Social Development

In 2022, the Company continued to engage in a variety of activities that benefited the community. We recognized the importance of the company's role in supporting the community, which is one of the most important stakeholders in our business. Every year, we have subsidized the monetary budget in order to carry out projects and activities. This also increases employee awareness and engagement.



## Management Approach

The Company has adopted the Department of Industrial Works' CSR-DIW standard system as a guideline for project creation and community engagement.



The objectives are to address the problems that need to be solved and to enhance living standards so that the Company can be accepted and relied on by the community. The operating plant and the community can work together to find a clear co-living solution.

### 1. Creating Value from Manufacturing Waste

The Company employs the 3R principle of Reduce, Reuse, and Recycle to make the best use of resources. The Company has developed an innovative project, 'Transforming the production waste into a new product', producing brick from black sand waste.

In 2022, the community benefited from newly invented products. The bricks were used to construct the ground at the club's front entrance and the Child Development Center in Prachinburi Province.



Furthermore, the Company has made donations, giving commodities, to the Child Development Center.



<p><b>10,560 Baht</b> Time: Working Hours Paid Volunteer Employees</p>	<p><b>70,000 Baht</b> Activity Support Budget</p>
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### 2. Development Project for Community Schools in the Factory Area

School development is one of the activities that contribute to community improvement. Thailand's future is built on the foundations of childhood education. As a child's second home, the environment at school truly supports the learning environment.

In 2022, the Company supported the development of 4 four community schools in the vicinity of the factory.

- Surao Bang Pla School, Samut Prakan Province
- Surao Bang Ka Si School, Samut Prakan Province
- Watkalong School, Samut Prakan Province
- Chumchonborisatnamtaltawanaok School, Rayong Province

The development activities are based on the concept of '3 Waters: Drinking water, Consuming water, and Water closet' in order to improve water hygiene. We replaced the water pump and water filter, cleaned the drinking water machine, and repaired the bathroom sanitary. In order to improve children's school lives, we also improved the landscape and provided learning equipment.





Furthermore, the Company encouraged our employees to use their useful skills to add value to the community through educational sharing activities such as safety principles, hygiene, waste segregation, money saving, and using Social Media



 <p><b>324,060 Baht</b> Time: Working Hours Paid Volunteer Employees</p>	 <p><b>317,662 Baht</b> Activity Support Budget</p>
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### 3. Somboon, Create & Share Happiness

Since a COVID-19 virus epidemic in 2022, the Company has continued to carry out the project “Somboon, Create & Share Happiness” by delivering medicine supplies, face masks, and COVID screening kits to Bang Chalong community, Bang Phli District, Samut Prakan Province. The total amount donated is 82,600 baht.



## 8.4 Improving the quality of life for people with disabilities



The company values and accepts diversity among its employees. We recognize that our employees and people with disabilities play an important role in adding value at work. We are working to improve the quality of life for vulnerable groups as part of driving the organization’s growth.

### 1. Employment Opportunities for People with Disabilities

People with disabilities are employed in accordance with the Empowerment of Persons with Disabilities Act, B.E. 2550 (2007), which requires a company with more than 100 employees to hire at least 100:1. We currently employ 24 people with disabilities, which is more than the minimum required by law. There are 2 types of employment: 1) Section 33, employment of people with disabilities in the workplace. 2) Section 33, employment of people in communities where people with disabilities live or in public interest organizations such as working as a teacher’s assistant in a Child Development Center, a local hospital, or a sub-district Administrative Organization. Apart from complying with the law, it is an opportunity for us to give back to the communities by creating jobs for the disabled.




### 2. Enhancing the Lives of People with Disabilities

In addition to employing people with disabilities within the organization, the company also focuses on people with disabilities in the community. We aimed to improve the quality of life for people with mobility disabilities by making it easier for them to move or travel. In 2022, the Company provided the following opportunities and support to people with mobility disabilities:

#### Donating to Foundation to Eradicate Neuromuscular Disease, or F(E)N(D)

The amount is made up of 1,512,000 Baht contributed by the company and 1,512,000 Baht contributed by our partners, for a total of 3,024,000 Baht.



**Donation of prototype electric wheelchair vehicles developed by the Company to the Thai Association of the Physically Handicapped.**

The Company has created an initiative related to our business. The two electric wheelchair vehicles prototypes are worth 74,000 baht in total. We also discuss potential future collaboration projects.



**Vocational Training for the Disabled Club in Prachin Buri Province**

Our employees with disabilities' vocational training knowledge have expanded. The group earns revenue from selling products like dishwashing liquid and laundry detergent. The Company also donated wheelchairs and consumer goods worth 70,000 baht to the disabled group.



**Supporting Disabled Students as Interns.**

Students from Chacheongsao Technical College with a high vocational education in Production Technician have been given internship opportunities by the company. The students gained on-the-job experience as well as product design training in the department of product testing and evaluation. Furthermore, the student interns took part in other company activities such as electric wheelchair testing, social service activities, fire drill activities, corporate culture activities, etc.



**Performance Summary**



**Economic Performance**

Indicators	Performance	Unit	2021	2022
<b>GRI 201-1 Economic Performance</b>				
Total revenue		Thousand Baht	8,727,221	
<b>GRI 205 Anti-corruption</b>				
<b>GRI 205-3 Confirmed incidents of corruption and actions taken</b>				
Total number and nature of confirmed incidents of corruption.	Case		0	0
Total number of confirmed incidents	Case		0	0
Public legal cases regarding corruption brought against the organization	Case		0	0
Cases that are in the process of resolving	Case		0	0
<b>THSI Code of Conduct</b>				
In case of violation of business ethics received			0	1
Cases that are in the process of resolving			0	0
Resolved cases			0	0
<b>THSI Customer Satisfaction</b>				
Customer Satisfaction Score	%		94%	98%



## Social Performance

Indicators	Performance	Unit	2021		2022	
<b>GRI 102-8</b>	<b>Total employee</b>	Persons	2,067		2,140	
	Samut Prakarn Area	Persons	352		286	
	Samut Prakarn Area	Persons	1,715		1,854	
			Male	Female	Male	Female
	Total Employee	Persons	1,604	303	1691	305
	Subcontractor	Persons	146	14	138	6
<b>GRI 401</b>	<b>Diversity and equal</b>					
	Employees by age					
	Less than 30 Years	Persons	515	90	582	87
	30 - 50 years	Persons	1,168	210	1,186	209
	>50 years	Persons	71	13	65	11
<b>GRI 401-1</b>	<b>New Employee Hires</b>					
	New Employee Hires	Persons	371		399	
		%	17.94%		18.64%	
	Less than 30 Years	Persons	217	20	380	19
	30 - 50 years	Persons	113	11	46	5
	>50 years	Persons	8	2	2	0
	Employee Turnover					
	Employee Turnover	Persons	277		275	
	% of Employee Turnover	%	13.40		12.85	
	Number of employee retirement	Persons	7		7	
	<b>Employee retirement rate</b>					
	Less than 30 Years	Persons	177	8	174	11
	30 - 50 years	Persons	88	3	79	10
	50 years	Persons	0	1	1	0

Indicators	Performance	Unit	2021		2022	
<b>GRI 401-3</b>	<b>Maternity leave</b>					
	Number Employees on maternity leave	Persons	16		7	
	Employees returning to work after maternity leave	Persons	16		7	
	Employees returning to work after maternity leave rate	%	100		100	
<b>GRI 404-1</b>	<b>Employee training hours by gender</b>	Training Hours	19,436	6,281	18,195	7,407
	Total Number of training hours	Training Hours	6,281		25,602	
	Number of training hours average per employee		12.44		11.96	
	<b>Number of training hours by Employee Level</b>	Training Hours				
	Employee	Training Hours	5,048.00		9,438.00	
	Chief - Section Head	Training Hours	13,568.00		12,043.50	
	Manager	Training Hours	4,852.00		2,784.50	
	Asistant General Manager Up	Training Hours	2,249.00		1,336.00	
	Investment in employee potential development	Million THB	4.2		5	
	number of internal courses training	Number of Course	52		65	
	Percentage of employees who attended the training	Percent	48		70	
<b>GRI 401-3</b>	<b>Total Corporate Citizenship/ Philanthropic Contribution</b>	Million Baht	6.3		4.6	
	In-kind giving: product or services donations	Baht	Activities are postponed because of the COVID-19 scenario.		239,950	

Indicators	Performance	Unit	2021	2022
Cash contributions		Baht	667,961	1,569,682
Rice for donation		Baht	2,000,000	980,000
Corporate Social Responsible Activities		Baht		317,662
Number of hours to do good deeds for employees throughout the year		Hours	19,025	23,593
Average number of hours per person per year in employee good deeds		Hours	9.4	11.19
Value of wages from employee volunteering hours		Baht	Activities are postponed because of the COVID-19 scenario.	1,038,092
Number of employees doing good deeds by donating blood		Persons	125	197
The amount of blood donated by employees		Millilitre	31,250	68,590
The value of creating educational opportunities or youth		Million Baht	1.20	1.05
Scholarships for student		Baht	551,500	583,500
Number of general internship students		Persons	8	63
Number of interns in Bilateral Program		Persons	4	9
Number of interns in Cooperative Education Project		Persons	21	25
Number of disadvantaged people (employees with disabilities)		Persons	23	24
<b>GRI 403</b>	<b>Occupational Health and Safety Management System</b>			
	<b>Working Hours</b>			
Employee		Working hours	4,760,140	5,954,054
Non-Employee worker		Working hours	244,192	441,302

Indicators	Performance	Unit	2021	2022
<b>403-9</b>	<b>Number of deaths due to work</b>			
<b>and THSI</b>	Employees	Case	0	0
<b>Number and rate of deaths due to work</b>	Non-Employee worker	Case	0	0
	<b>Rate of deaths due to work</b>			
	Employees	Case per 1,000,000 Hours	0	0
	Non-Employee worker	Case per 1,000,000 Hours	0	0
	<b>Total Recordable Incident</b>			
	Employees	Case	23	11
	Non-Employee worker	Case	0	0
	<b>Lost Time Injuries Frequency Rate (LTIFR)</b>			
	Employees	Case per 1,000,000 Hours	4.83	1.85
	Non-Employee worker	Case per 1,000,000 Hours	0.00	0.00
	<b>Number of Lost time injuries Casese</b>			
	Employees	Case	2	4
	Non-Employee worker	Case	0	0
	<b>Lost Time Injuries Frequency Rate (LTIFR)</b>			
	Employees	Case per 1,000,000 Hours	0.42	0.67
	Non-Employee worker	Case per 1,000,000 Hours	0	0

Indicators	Performance	Unit	2021	2022
<b>Number of occupational disease</b>				
Employee		Case	0	0
Non-Employee worker		Case	0	0
<b>Occupational disease rate</b>				
Employee		Case per 1,000,000 Hours	0	0
Non-Employee worker		Case per 1,000,000 Hours	0	0
<b>THIS</b>	<b>Chemical Spill</b>	Case	0	0
<b>THIS</b>	<b>Fire</b>	Case	0	0

## Environment Performance

Indicators	Performance	Unit	2018	2021	2022
<b>301-2 Material</b>					
Total steel consumption		Tons	62,993	138,363.17	139,262.53
Virgin Steel		Tons	28,367	43,642	37,450
Recycle Steel		Tons	34,626	94,721	101,812
% Recycle		Percents	55%	68%	73%
Finish Goods		Tons	147,500.2	139,218.54	163,238.00
<b>GRI 302-0 Energy Consumption</b>					
Total energy consumption within the organization		Gigajoule	984,037.48	627,943.13	637,956.72
Total non-renewable energy consumption within the organization		Gigajoule	983,942.89	617,013.97	617,331.09
Fuel oil		Gigajoule	208,370.00	-	-
LPG		Gigajoule	34,734.00	20,970.44	18,994.89
NG		Gigajoule	192,332.00	22,225.32	9,874.04
Diesel		Gigajoule	-	13.26	-
Electricity		Gigajoule	548,506.31	573,804.95	577,242.00

Indicators	Performance	Unit	2018	2021	2022
	Total renewable energy consumption within the organization	Gigajoule	94.59	10,929.16	20,625.63
	Solar Cell	Gigajoule	94.59	10,929.16	5,729.34
	%Renewable Energy	%	0.01%	1.74%	3.23%
	Energy Intensity	Gigajoule	6.67	5.04	5.13
<b>GRI 303 Water Withdrawal</b>					
<b>GRI 303-3</b>	Water Withdrawal	M <sup>3</sup>	400,570.32	329,311.80	389,102.86
<b>GRI 303-4</b>	Water Discharge	M <sup>3</sup>	95,940.62	263,449.44	304,130.90
	Water Consumption (Water intensity)	M <sup>3</sup>	2.72	2.65	3.13
<b>GRI 305 EMISSIONS</b>					
<b>GRI 305-1</b>	Direct (Scope 1) GHG Emissions	CO <sub>2</sub> eq	106,662.42	4,857.00	4,691.00
<b>GRI 305-2</b>	Energy Indirect (Scope 2) GHG Emissions	CO <sub>2</sub> eq	N/A	71,376.00	70,176.00
<b>GRI 305-3</b>	Other (Scope 3) GHG Emissions				
	1. Purchased goods and services	CO <sub>2</sub> eq	N/A	13,394.72	14,072.91
	2. Fuel- and energy related activities	CO <sub>2</sub> eq	N/A	18,563.74	19,066.43
<b>GRI 305-4</b>	GHG Emissions Intensity	CO <sub>2</sub> eq/ Tons	0.72	0.55	0.46
<b>GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</b>					
	Carbon Monoxide : CO	ppm	122	5.4	35
	Oxide of Nitrogen : NOx	ppm	N/A	5.12	4.98
	Sulfur Dioxide : SO2	ppm		1	1
	Total Suspended Particulates : TSP	mg/Nm <sup>3</sup>	7.85	8.7	3.1

Indicators	Perfermamnce	Unit	2018	2021	2022
<b>GRI 306-1</b>	<b>Water discharge by quality and destination</b>				
	pH		7.37	7.1-8.5	8.3
	Temparature	Celsius Degree	30.13	33.3	3.6
	BOD5	mg/l	4.82	214	280
	COD	mg/l	26.49	472	632
	(Oil and Grease)	mg/l	2.33	4.1	9
	Zn	mg/l	1.66	0.96	0.1
<b>GRI 306-2</b>	<b>Waste by type and disposal method</b>				
	<b>Hazardous Waste</b>				
	Reuse	Tons of waste	0	0	0
	Recycling	Tons of waste	13,017.81	3,334.81	1,865
	Composting	Tons of waste	0	0	0
	Recovery, including energy recovery	Tons of waste	0	683.79	2,912
	Incineration	Tons of waste		0	0
	Deep well injection	Tons of waste	0	0	0
	Landfill	Tons of waste	839.13	404.1	375
	On-site storage	Tons of waste	0	0	0
	Other Management Method	Tons of waste	0	0.3	27
	Total Hazadous Waste	Tons of waste	13856.94	4423	5179

Indicators	Perfermamnce	Unit	2018	2021	2022
	<b>Non-hazadous waste</b>				
	Reuse	Tons of waste	0	0	0
	Recycling	Tons of waste	17,018.78	25,322.97	30,112.00
	Composting	Tons of waste	0	0	0
	Recovery, including energy recovery	Tons of waste	0	0	12
	Incineration	Tons of waste	0	0	0
	Deep well injection	Tons of waste	0	0	0
	Landfill	Tons of waste	332.65	6,473.60	5,157.00
	On-site storage	Tons of waste	0	0	0
	Other Management Method	Tons of waste	1,521.92	1.85	-
	Total Hazadous Waste	Tons of waste	18,873.35	31,798.42	35,281.00
	Total Waste	Tons of waste	32,730.29	36,221.42	40,460.00
	% Recycle of waste	Percents	96.42%	81.01%	86.26%
	Waste Intensity	Tons of waste per ton of production	0.22	0.29	0.33

- 1 N/A not applicable
- 2 The environmental category shows only the year 2021 due to the change in the metric database from the former with both weight and number of pieces of product. Only the weight of the product remains
- 3 Stop using fuel oil since 2020



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**GRI**  
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# Sustainability Report 2022 Feedback Form

Thank you for your interest in Sustainability Report 2022. 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:**

wicha.saw@somboon.co.th  
Thepyuda.s@somboon.co.th



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

129 Bangna-Trad Rd. (Km 15) 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  
 Government Sectors   
  Governance Agencies   
  Industry association  
 Other Please state: .....

2. How effectively does the sustainability report communicate ThaiBev'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"/>				
2.2 Economic Performance	<input type="checkbox"/>				
2.3 Environmental Performance	<input type="checkbox"/>				
2.4 Social Performance	<input type="checkbox"/>				
2.5 Other, please state: ..... .....	<input type="checkbox"/>				

3. Please rate the content and quality of ThaiBev's Sustainability Report 2021

by the following criteria, where 5 is Excellent and 1 is poor\*

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

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



Center of Excellence for Eco-Energy (CEEE)

Chemical Engineering, Faculty of Engineering, Thammasat University,  
Rangsit Campus, Klong Nueng, Klong Luang, Pathumthaini 12120.

No. ecee.012/66

17 March 2023

Subject Audit of the environmental inventory for organizational carbon footprint assessment 2022

To Board of Directors, Somboon Advance Technology Public Company Limited

With reference that Somboon Advance Technology Public Company Limited hired Thammasat University Research and Consultancy Institute as the manager of “Consulting Project for Organizational Carbon Footprint;” and that hired Thammasat University Research and Consultancy Institute assigned Excellence Center of Eco- Energy, Chemical Engineering, Faculty of Engineering, Thammasat University, to be responsible for this project in accordance. In this regard, internal audit of the environmental inventory was required for part of the project for organizational carbon footprint assessment 2022 to enhance the reliability of data used in annual report.

Now, the implementation was completed. Thus, Excellence Center of Eco-Energy, Chemical Engineering, Faculty of Engineering, Thammasat University, would like to notify of the internal audit result for the environmental inventory Scope 1: Direct greenhouse gas emissions and Scope 2: Indirect greenhouse gas emissions by energy consumption for organizational carbon footprint assessment of Somboon Advance Technology Public Company Limit, Fiscal Year 2022, in accordance with the guidelines on greenhouse gas emissions report preparation for registered companies (The Office of SEC and TGO, 2022), **no evidence was found** to contain materially inaccurate information.

Please be informed accordingly.

(Assoc. Prof. Dr. Phairat Usubharatana)

Project Manager

Excellence Center of Eco-Energy  
Chemical Engineering, Faculty of Engineering,  
Thammasat University



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