



## SUSTAINABLE ORGANIZATION

 **Innovation Organization**  
2021-2025

**CSR for Sustainability**  
2021-2025



 **Sustainability Index**  
2019-2021

**Sufficiency Economy Standards**  
2016-2018

( TIS 9999 )



**Philosophy of Sufficiency Economy**  
2013-2015

**Corporate Social Responsibility Guidelines**  
2010-2012



**Employees are happy and enjoy working**  
2003

**Balance Security Sustainability and Happiness**





Update: Year 2020

By The Board Of Directors and The CSR Committee on November 12, 2020



ปรับปรุง ปี 2563

อนุมัติโดยคณะกรรมการบริษัท และคณะกรรมการ CSR เมื่อวันที่ 12 พฤศจิกายน 2563



## กิจกรรมของบริษัท SSSC Activities



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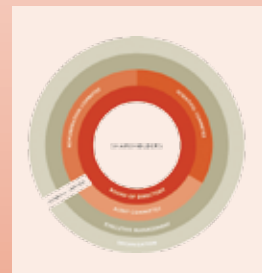


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# 1. BUSINESS OVERVIEW

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## 1.1 Policy and Nature of Business

Siam Steel Service Center Plc., the affiliate of Siam Steel Group, was established as a Thai-Japanese joint-venture on 30 September 1985. The Company has been set up to manufacture metal components for use in such industries as the construction, automobile, electrical appliance, electronics, furniture industries and etc. operates business of producing and distributing primary steel under the investment between Siam Steel International Plc., and Japanese investors - Okaya & Co., Ltd., Mitsubishi Corporation and Toyota Tsusho Corporation.

The Okaya & Co., Ltd., as the Company major shareholder, holds 31.50 percent of the share capital. Okaya & Co., Ltd., is a dealer for steel, machinery, pipe and chemical products. It has no marketing or customer base or running the same business as the Company in Thailand.

### Vision Goal and Operation Strategy

Vision “Business operation incorporating good governance with empathy, access ability, and continual collaborative innovation development toward customers’ satisfaction; treating shareholders, customers, business partners, and employees equally; responding to economy, environment, society, and safety; acts collectively against all forms of corruption.”

### Business Strategy

- Supplies only quality and standard products according to the Thai Industrial Standards of Thailand (TIS), Japanese Industrial Standards of Japan (JIS), Underwriters Laboratories Inc. of USA (UL), and British Standards of England (BS). Manufacturing process using quality raw material, high capacity machine with state of the art technology, and standardization for products quality.
- Development toward quality, environmental and occupational health standards to attain Quality Standard System ISO 9001:2015, IATF 16949:2016, Environment Management System ISO 14001:2015, BS OHSAS 18001:2007, and Energy Management System ISO 50001:2001 from TÜV NORD (Thailand) Limited so as to secure the customers’ trust on the Company’s quality products and timely service as required by customers.
- Supplies various products with effective inventory control, sufficient and variety of raw materials to meet customers’ needs.
- Provides various complete services with effective production process enabling timely distribution of steel at the right size and shape to customers.
- Timely product delivery based on proper raw material inventory and production planning that enable effective production process including standard packaging delivered to customers.
- Applies state of the art computer system for operational control, storage and production in particular, to ensure sufficient raw material reserve and minimum process scrap.
- Foreign professionals and engineers working in team to provide consultancy and advices which enable effective selection of quality raw material and production procedures toward obtaining customers’ confidence on Company’s products.
- Provides after sale service with advice from professionals in case of manufacturing defect.

## Changes and Developments

- 1994**
  - The Company increased its capital from Baht 100 million to Baht 224 million. The transaction was approved and registered with the Ministry of Commerce on 18 May 1994.
  - The Company has been Transformed into a public company under the name of Siam Steel Service Center Public Company Limited. The par value was changed from Baht 100 per share to Baht 10 per share. Meanwhile the registered capital was increased from Baht 224 million to baht 320 million. The approval from/ and registration with the Ministry of Commerce were granted on 8 June 1994.
- 1995**
  - The Company expanded by establishing factory no. 3 in Zone no.3 of Eastern Industrial Park in Rayong Province. The construction started in early 1994 and the production and distribution of product commenced in the fourth quarter of 1995. The Company received the highest incentives from BOI.
  - The Company founded and invested in Siam Nippon Steel Pipe Co.,Ltd., which is the manufacturer of special steel pipe for various industries, focusing on auto part industries and downstream industries. The investment proportion was at 6% or Baht 7.32 million.
  - The Company was granted an approval from the SEC to distribute 9.6 million common shares to the public at the price of Baht 120 per share during 10-13 October 1995.
- 1996**
  - The SET had listed the Company which allows the Company to trade its shares under the name “SSSC” since 15 January 1996.
- 2006**
  - At the AGM held on 28 April 2006, the shareholders passed a resolution to increase the Company’s authorized share capital by Baht 160,000,000, from Baht 320,000,000 to Baht 480,000,000 (divided into 48 million shares at Baht 10 par value), to reserve for stock dividend payment to existing shareholders of the Company.
  - The Company already registered the increase in share capital with the Ministry of Commerce on 1 May 2006 and registered the paid up capital totaling Baht 479,999,910 on 18 May 2006.
  - The SET registered the transaction of the capital increments which allows the Company to trade its shares in the stock exchange since 30 May 2006.
  - Since June 2006, the Company has jointly invested with the Okaya & Co., Ltd. (Japan) to set up Siam Steel Vietnam Company Limited.
- 2009**
  - The Company decreased its registered share capital by canceling 9 unissued shares at Baht 10 par value, totaling Baht 90 from the existing registered share capital of Baht 480,000,000 to Baht 479,999,910 (divided into 47,999,991 common shares at Baht 10 par value).
  - The Company increased the Company’s authorized share capital by Baht 159,999,970 from Baht 479,999,910 to Baht 639,999,880 (divided into 63,999,988 shares at Baht 10 par value), to reserve for stock dividend payment to existing shareholders of the Company. The Company registered the decrease and increase in share capital with the Ministry of Commerce on 4 May and 6 May 2009, respectively.

- The Company registered the increase from Baht 479,999,910 to Baht 639,997,880 with the Ministry of Commerce on 29 May 2009.
- The SET has registered the transaction of the capital increments since 4 June 2009 which allows the Company to trade its shares in the security market.
- 2017** • At the Ordinary Shareholders' Meeting held on 27 April 2017, the shareholders passed the resolution to change in par value with a par value of baht 10 each to baht 1 each. The Company, accordingly, had the change in par value registered with the Ministry of Commerce on 18 May 2017.
- 2021** • The 30 April 2021 AGM has resolved for the amendment of 8 additional objectives of the Company and of the Memorandum of Association from 25 to 33 objectives.

The details of change in par value has shown as below.

Particulars	<u>Prior</u> The Change in Par Value	<u>After</u> The Change in Par Value
Par Value	Baht 10 per share	Baht 1 per share
Number of Share		
• Registered Capital	63,999,988 shares	639,999,880 shares
• Paid up Shares	63,999,788 shares	639,997,880 shares
Company Capital		
• Registered Capital	639,999,880 baht	639,999,880 baht
• Paid up Shares	639,997,880 baht	639,997,880 baht
Effective Date		29 May 2017

## 1.2 Nature of Business

### Income Structure

Item	2019		2020		2021	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Steel Sheets used in Production						
1. Steel Sheets for Sale	2,955,342	67.60	2,270,827	65.65	3,528,974	75.27
2. Cutting Service	325,995	7.46	237,998	6.88	303,641	6.48
Construction Parts	841,595	19.25	780,468	22.56	639,595	13.64
Press Product	180,676	4.13	120,179	3.48	155,924	3.33
Transportation	68,218	1.56	49,362	1.43	60,212	1.28
<b>Total</b>	<b>4,371,826</b>	<b>100.00</b>	<b>3,458,834</b>	<b>100.00</b>	<b>4,688,346</b>	<b>100.00</b>
Domestic	4,371,826	100.00	3,458,834	100.00	4,688,346	100.00

### Steel Distribution by Industry

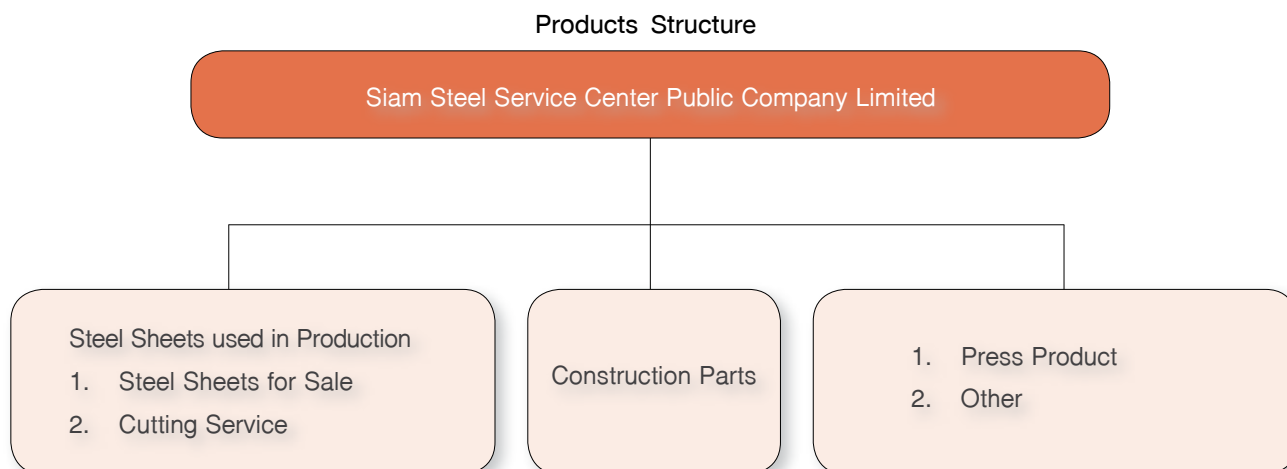
Customers Industry Category	2019	2020	2021
Automotive	45%	41%	46%
Construction	19%	23%	14%
Electrical Appliances	15%	16%	18%
Furniture	1%	1%	1%
Others	20%	19%	21%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Market Share

Year	Steel Sheet & Others		Construction Parts	
	Market Share (Percentage)	Total Market Value (Estimated)	Market Share (Percentage)	Total Market Value (Estimated)
<b>2021</b>	4	72,000 Million Baht	31	2,200 Million Baht
<b>2020</b>	5	65,000 Million Baht	28	2,600 Million Baht
<b>2019</b>	4	88,000 Million Baht	18	5,600 Million Baht

Total market value estimated based on the Company's revenue in the same industry.- Financial statement of the Ministry of Commerce.

## Products and Services



### (1) PRODUCTS AND SERVICE

The Company's main products are divided into 3 categories.

#### 1. INDUSTRIAL STEEL PRODUCTS

Including steel coil cutting for distribution and cutting service on customers' steel into cutting sheet and slitting coil which are considered the main products generating income to the Company.

- **Steel cutting for distribution** using imported steel and steel purchased from domestic sources for custom cutting or transforming into sizes as required for subsequent distribution as ordered.
- **Steel cutting service** on customer's steel or transformed into size as required, the Company's income generated in this regard account only for cutting service.

The Company supplies steel at every size and type using modern and high efficiency machine to transform steel into steel sheet and slitting coil at 0.25-12 mm thick and up to 2,000 mm wide with no limit in length. In connection to this, two types of products are produced.

**Cutting Sheet** using slitting coil with specified width and have it cut to the length as required by customer.

**Slitting Coil** using Mother Coil as specified by customer and cut along the width with custom length and rolled back as slitting coil, subsequently, distributed to customer for further processing into various steel parts.

The Cutting Sheet and Slitting Coil are used in downstream industries i.e. automotive industry, electrical appliances & electronics industries, furniture industry and other related industries using steel as raw materials in manufacturing process.

#### 2. CONSTRUCTION SUPPLY

The Company imports coated steel for production and installation services for construction industries. Coated corrugated sheet is used as materials for internal and external construction. The Company imports different types of coated corrugated steel to be pressed, using modern technology, into different shapes and sizes such as roofing, roof frame, siding, ceiling, rouver, roof fan, deck plate, and etc. The products are durable, aesthetic, light, quick to install, and can be made from various kinds of coated corrugated sheet including:

- Aluminized Coating
- Galvanized Colored
- Aluzinc Colored
- Aluzinc and Galvanized



Steel products for use in construction industry, hence, steel coil is formed into shape as designed and installed, in most cases by the Company, in some cases the forming and installing are operated by the Company as per customer's design.

The Company also produces various structure steel including hollow steel for construction, corrugated steel bar, round tapered light pole, and etc.

### 3. SPECIAL PRODUCTION AND SERVICES

Including steel fabrication for finished and semi-finished products used in various industries, and steel pipe transformation for distribution to customers as size specified.

The Company has blanking and forming lines completed with press and bender machines to form steel sheet into various semi-finished and finished products such as steel parts for automotive, electrical appliances, steel coil core, and slitting coil packaging. The variety of products and services enables the Company to facilitate customers especially those who look for full service. Steel forming services include:

**Steel fabrication for distribution** using the Company's steel sheet as specified by customer, the outputs are subsequently sale to customer, pricing based on steel inputs and services.

**Fabrication service** using customer's steel sheet transformed into shape as required. In this regard, customer pay for service charge. The Company also distributes custom cut steel pipe with thickness, diameter and length as required.

Steel products as per customer's job order are used as raw material in various downstream industries.

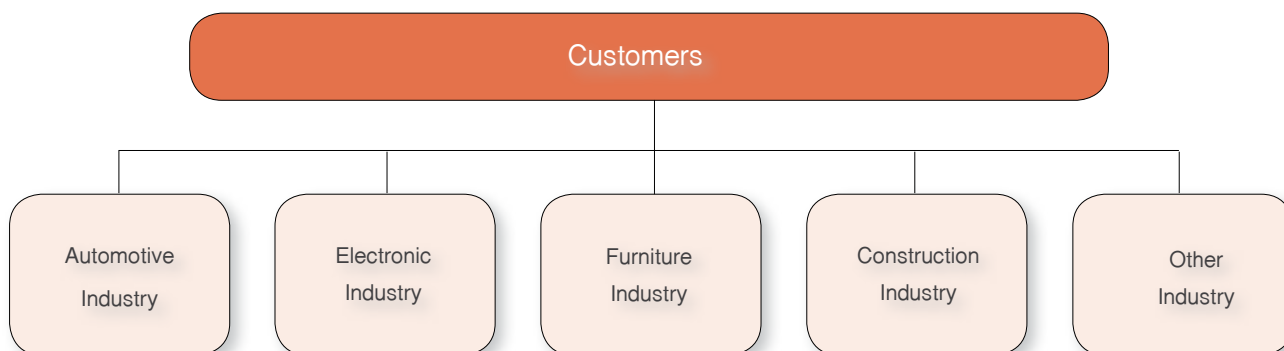
Construction industry:	For roofing, roof structure, metal deck, metal ceiling, metal window and door frame, metal railing, metal electronic column and metal bridge
Automotive industry:	For manufacturing of car, van, truck, motorcycle, bicycle, wheels vehicle, aircraft, train and tram.
Electronic Industry:	For manufacturing of dynamo, washing machine, grille machine, toaster, vocal and motion recorder, water heater, air conditioner, television, computer, refrigerator, stereo, electrical rice cooker, electrical calculator, electronic oven and electrical fan
Furniture Industry:	For office furniture, furniture in academic institute, furniture in bank and furniture in shopping mall such as table, chair, screen, safety box, metal cabinet, shelf and stage
Other Industries:	For any industries using steel parts as required by the customers.

## (2) MARKETING AND COMPETITION

### MARKETING

#### 1. Customers' Characteristics and their Relationship with the Company

Customers are manufacturers in various industries using steel as raw material in manufacturing process.



The Company has regular customers and others of large, medium, and small industries as well as those in construction industry including construction firm, proprietor, government agency, Thai-Japanese joint venture construction company, and etc.

Customer's relationship includes sale promotion through provision of advice and consultancy in relation to the products by both in-country and foreign steel professionals. Whereas the engineering team and skilled technicians provide professional control and inspection, based on the Company's long experience in steel manufacturing, to ensure products quality meet with standards and customers' requirements. Most customers have long relation and good cooperation with the Company. The Company has no special reliance on any customer as none of them has business deal exceeding 30% with the Company.

#### 2. Distribution Channels

##### Distribution to Manufacturers

Most of the Company's products are distributed to manufacturers of large and medium industries consuming large and certain amount of steel on a regular basis. In this regard, customers would order the amount required 1-2 month in advance so that the Company would be able to reserve for timely use. In the case of sale, the credit term is 1-3 month depending on individual customer by either the Company salesperson approaches the prospective buyer or vice versa.

##### Distribution to Construction Company

The distribution has been to mainly large and medium Thai-Japanese joint venture construction companies operating full construction service. Other customers include industrial plants and warehouses. In this regard, the Company sells products as per the project operated via the Company marketing personnel.

Besides regular customer, the Company also sale product to other customers e.g., industrial plant, warehouse, gymnasium, gas station, building, school, hospital, hotel, mall, residential, hangar; via construction company, architect, design company, or project owner, or government agency for custom design and material inputs.

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### 3. Pricing Policy

The following factors are taken into consideration.

- Steel capital including currency exchange and interest rates.
- Production procedures, the more procedures required the higher the price.
- Market price is used as reference for Company pricing in order to maintain competitive advantage in the steel industry.

### Business Review and Competition

The continuing Covid 19 pandemic into the early of 2021 has posted severe negative impact on consumer and business sentiment, slowed down global economy, and various disrupted supply chains due to domestic and trade partner manufacturing shutdown.

By the end of 2021 where rate of vaccinated has increased which adversely expanded the economy. The government continuingly injected fund into the economy to support household spending and investing.

Despite the improving covid 19 situation and the government announcement to reopen the country and ease economic activities, the economy and livelihood of the people still uncertain as purchasing power as yet to recover in addition to flood situation and high energy cost.

The Thai economy is expected to grow in 2022 due to the slow recovery of domestic and foreign demand. There has been a negative impact on the economy during the past two years despite the continuing government investment with reduced budget.

It is expected that, in 2022, some domestic and global economic risk factors may impact on steel sheet consumption:

- New wave of COVID -19 outbreak;
- Decline in domestic demand;
- Difficulty for price adjustment;
- Fierce competition of domestic markets;
- Political and economic instabilities;
- Oil price;
- Fluctuation of exchange rate;
- Shortage of raw materials due to national lockdown and halted transportation system;
- Trade policies in foreign countries and impacts of trade protectionist measures between the US and China.

Slow recovery of steel industry could take several years to pick up. The aforementioned factors continue to impact on downstream industries including construction, electrical appliances, and automotive.

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Steel price is expected to vary according to global market. However, the Company may face short terms negative effect on steel supply resulted from the crisis, due to:

- Continuing supply at full extent of demand from the major manufacturers, Nippon Steel Corporation and Nippon Steel Nisshin Co., Ltd., being long term trade partners with the Company.
- NS-Siam United Steel, a joint venture company between Nippon Steel & Sumitomo Metal Corporation and manufacturing companies in Thailand has supplied sufficient volume of cold rolled steel to the Company apart from steel being supplied domestically and imported.
- Steel price sensitivity change based on various factors e.g. steel consumption, currency exchange rate, global economy and trade. The Company's pricing will be in accordance with market sentiment as perceived by manufacturers.

### Summary of Industrial Climate in Relation to Steel Fabrication Products

#### Automotive Industry

Automotive industry has improved since the end of 2020 both domestic and global market resulted from vaccination and distribution of vaccine in the country.

The new wave of Covid 19 pandemic especially in Asia posting negative impact on domestic automobile manufacturing including labor shortage and production halt coupled with the shortage of semi-conductor have forced the manufacturers to reduce their production and export of automobile to Asia market.

The shortage of semi-conductor was due to:

1. Trade war and tech war between the US and China;
2. High demand in electronic goods as a result of Covid 19 crisis;
3. Automotive industry recovery;
4. Supply chain disruption as a result of natural disaster and the new wave of the pandemic.

In the part of electric car, Thailand has been honored as one of the best automotive production bases coupled with the government policy to promote Thailand as production base in ASEAN for pollution free electric vehicles, spare parts, and accessories. Measures for this has been on the agenda whereby government policies and measures are regarded as key attraction for foreign investment and business operation.

Domestic sale volume of electric car may increase with support from the government sector via tax reduction rate, increase charging station, and affordable price.

Factors affecting demand for automotive products include new wave of Covid 19 pandemic, political situation, flooding, and price of agricultural product.

The recovery of the automotive industry is expected to rely mainly on the situation of Covid 19 pandemic improvement and the ease of government lockdown and containment measures. As this would enable the automotive chips and parts production to resume.



### Construction Industry

In 2021, the construction industry was affected from the government enforcement of strict Covid 19 containment measures at the construction site, working has to halt according to official announcement which in turn affected the income and capital flows. Thereafter, the government has eased the measures allowing the construction work to resume under the rules strictly enforcing the operation.

Not only affected from the spreading of Covid 19 but also the high steel price and labor cost coupled with labor shortage have forced the construction sector to rely more on foreign workers.

The construction trend for 2022, government mega projects will continue which is considered as key factor to drive construction industry whereas the private sector construction projects will remain stable due to the slowdown of ongoing construction and new investment

#### SSSC Risk of Construction Materials (SWOT Analysis)

Strengths	Opportunities
<ol style="list-style-type: none"> <li>1. Continuing practices for products improvement and development to meet customers' needs.</li> <li>2. Long and successful selling and installing experiences of metal sheet.</li> <li>3. One stop manufacturing plant and competent teamwork.</li> <li>4. Diversity of products and complete set of installment equipment.</li> </ol>	<ol style="list-style-type: none"> <li>1. Market and target are expandable toward domestic customers.</li> <li>2. Export to other countries is expandable including the CLMV countries and those binding free trade agreement with Thailand.</li> </ol>
Weaknesses	Threats
<ol style="list-style-type: none"> <li>1. Uncontrollable cost of domestic and imported raw materials.</li> <li>2. High investment costs including raw materials, wages and and transportation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Shortage of labor and skilled workers in all construction sectors.</li> <li>2. Delayed foreign investment due to political instability.</li> <li>3. Issue concerning Joint Venture and the major manufacturers possessing more advanced technology and better marketing channels.</li> <li>4. Price competition.</li> </ol>

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### Electrical Appliances and Electronics Industry

Early 2021, electrical appliances manufacturing plant reduced working hours and allowing employees to work from home so as to contain the spreading and infection of Covid 19. By applying this practice, the production could not be operated at full capacity. However, since the operation of strict control and preventive measures along with speeding up vaccination against Covid 19, the situation and the economy activities have improved and gradually picked up.

Sale of electrical appliances improved due to the increasing domestic and foreign purchasing orders as a result of economic recovery.

Exports of some electrical appliances e.g., electric fan, refrigerator, microwave oven, washing machine, air conditioner have been increased due to high demand for the products resulted from the work from home scheme.

The air conditioning industry is encountering trade barriers from some countries decreasing imports from abroad which has affected Thai export. Thai air conditioner manufacturers are directly affected from such measure. However, the government has held dialogues with trade partners concerning the said barriers so as to prevent opportunity loss on exporting as the loss may cause manufacturers to shift their production bases from Thailand to other countries.

It is expected that in 2022, the growth of electrical appliances industry will be benefited from exports to trade partners being recovered coupled with global economic improvement. Domestic growth is expected to be positive according to the increasing consumer purchasing power. Marketing strategy by manufactures and dealers focusing on buying motive by introducing new models of electrical appliances that facilitate users with remote control via internet or appliances focusing more on health. In addition, by increasing online sale channels would attract buyers to access the products easier and faster.

### Furniture Industry

Large and small manufacturers of steel furniture have manufactured goods with identical or similar patterns. Quality and prices of the products varied according to raw materials and technology used in the production process as well as the variety and uniqueness of product designs. As such, consumers are provided more choices to meet their needs. This has caused the market shares for steel market to drop.

Steel furniture industry is expected to continuingly grow slightly as the competition remains fierce due to the products being in the market are not only made from steel but also other materials coupled with slight expansion of real estate sector.

### (3) PRODUCTION AND SERVICE

#### Production

Factory	3	Locations
Capacity	600,000	Tons / Year

#### Types of raw material

1. **Hot Rolled Steel Sheet** is flat shape steel or flat product used in various industries such as structural steel industry, warehouse, automobile, electrical equipment parts, container parts.
2. **Cold Rolled Steel Sheet** is the transformed product of hot rolled steel sheet which mainly used in car, electrical appliances, and furniture industries; and as raw material in coated steel production.
3. **Electro Galvanized Steel** is good for its anti-rust and corrosion resistance as well as for paint spraying work. It is used in electrical appliances industry e.g. washing machine, refrigerator, air conditioner, furniture, architectural decorations; in car industry e.g. body, air filter, gasoline tank; and in making other works e.g. licence plate, traffic sign, and containers.
4. **Hot Dip Galvanized Steel** is anti-rust and corrosion resistance which can be used by itself and not required paint spraying. It is good for producing electrical equipment e.g. furniture, refrigerator, freezer, air conditioner parts, electrical equipment parts, air duct equipment, trough; and for construction industry e.g. roofing, architectural decorations.
5. **Aluminium Coated Steel** is anti-rust, corrosion-heat resistant, and heat reflective. It is generally used to produce heat resistant equipment and parts i.e. exhaust pipe, oven equipment, gas stove, paint baking room, heat pipe. It is also used as floor and roof slabs for factory building and others.
6. **Terne Sheet** is steel sheet coated with an alloy of lead and tin to inhibit corrosion and rust especially around the area attached to chemical substances such as oil, paint, tinner. It is good for paint spraying mostly in car equipment i.e. gas tank, radiator, air filter, oil filter. It is also used to make electrical equipment and parts.
7. **Silicon Steel**, with its low power loss coefficient, it is generally used in the electrical appliance industry e.g. core motor, transformer.
8. **Colored Sheet** is steel submerged in a bath of molten hot zinc to prevent rusting and corrosion. As no paint spraying is required before use, this steel type is best for making floor and roof of the factory building as well as for electrical appliance parts i.e. washing machine, refrigerator.
9. **Stainless Steel** is anti-rust and corrosion resistant which makes it suitable for kitchen tools and other appliances e.g. elevator, pipe, auto parts that make the car aesthetically pleasing. It is also used as raw materials in packaging and spare parts e.g. nuts, screws, connectors production.

### Source of Raw Materials

The Company purchases raw materials domestically and imports. As some customers require good quality product, the Company imports raw materials from the 2 Japanese steel manufacturers: Nippon Steel Corporation, and Nippon Steel Nisshin Co.,Ltd. who produce good quality steel. The importing is made via dealer, the Okaya & Co.,Ltd. The domestic purchasing from the NS-Siam United Steel Co.,Ltd. is made via the Siam Suriya Co.,Ltd.

As for the imports from Japan, due to the steel manufacturer's policy indicating the sale of steel by manufacturer shall be made via steel dealer by which the dealer shall receive benefit in terms of commission from the steel manufacturer. In the case of the Company being joint venture and long time trade partner with the Okaya & Co., Ltd., the purchasing via the company is made from time to time and without any written agreement concerning purchasing orders.

Manufacturer	Dealer
Import purchase:	
1. Nippon Steel Corporation	Okaya & Co., Ltd.
2. Nippon Steel Nisshin Co., Ltd.	Okaya & Co., Ltd.
Domestic purchase:	
NS-Siam United Steel Co.,Ltd.	Siam Suriya Co.,Ltd.

Remarks :

1. Okaya & Co., Ltd., business of Metal, machine, and pipe sales representative , dealer to Nippon Steel Corporation and Nippon Steel Nisshin Co.,Ltd.
2. Nippon Steel Corporation, business of big manufacturer, production high quality steel and selling through agents with Okaya & Co.,Ltd., Nippon Steel Corporation hold shares in Okaya & Co.,Ltd
3. Nippon Steel Nisshin operates as a steel manufactur in Japan

### Purchase of raw materials

	2019	2020	2021
Okaya & Co., Ltd.	34.06%	21.81%	26.12%
Other	-	0.02%	0.02%
<b>Total Import Purchase</b>	<b>34.06%</b>	<b>21.83%</b>	<b>26.14%</b>
Siam Suriya	58.25%	60.20%	61.42%
Okaya (Thailand)	3.24%	12.60%	7.10%
Other	4.45%	5.37%	5.34%
<b>Total Domestic Purchase</b>	<b>65.94%</b>	<b>78.17%</b>	<b>73.86%</b>



#### (4) Assets used in business

The Company's fixed assets which are free from encumbrances as of 31 December 2021.

Type Assets	Book Value (Million Baht)
Land, Factory 1 Samutprakarn	63.98
Land, Factory 2 Samutprakarn	196.28
Land, Factory 3 Rayong	151.83
Factory Building, Samutprakarn	147.79
Factory Building, Rayong	154.26
Machinies	322.84

#### Investment and Management Policy

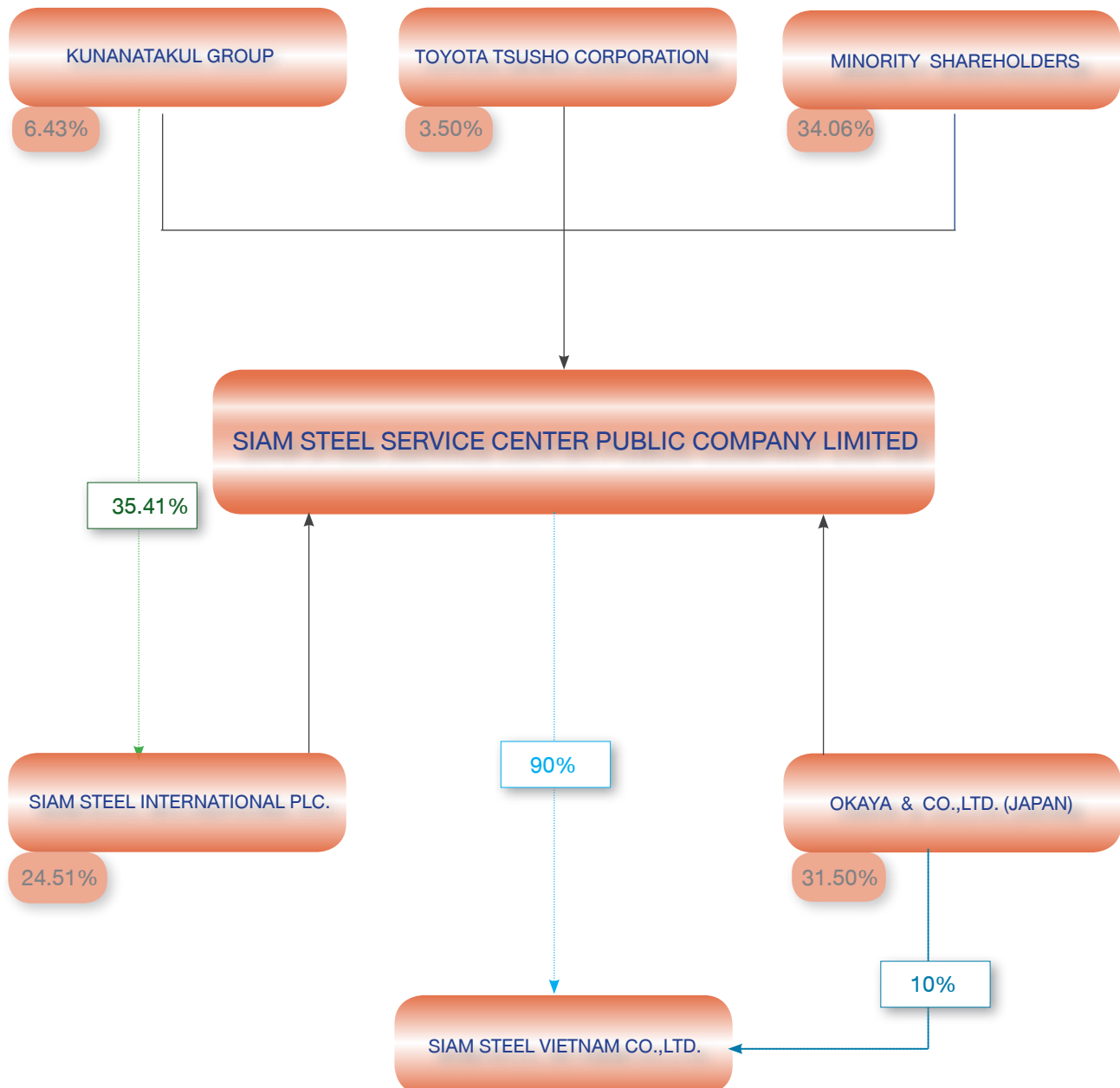
The Company defines the policy on investment and management of its subsidiaries as follows:

- Invests in main businesses or the business connected with the SSSC.
- Well prepares for trade opportunities, risks, and others before making an investment.
- Appoints representatives as authorized committee members to oversee the management of its subsidiaries to ensure the management is in accordance with the Company's policy and plan.
- Regularly receives quaterly report of performances from the subsidiaries.
- Holds joint meeting between the Company and its subsidiaries at every quarter to acknowledge the preformances, issues that required attention, collective planning and goal setting.

#### (5) Undelivered Work

As of 31 December 2021, the Company's work with an approximate value of 439.67 Baht Million has yet to deliver. The undelivered are mainly the products being installed under the construction projects.

### 1.3 Shareholder Structure



### Company Investment

Company	Business	Registered Capital (Million Baht)	(%)
<b>Subsidiary</b>			
Siam Steel Vietnam Co.,Ltd. Phuc Dien Industrial Zone, Socialist Republic of Vietnam	Manufacturing of Blanking, Forming and Bending Steel Parts for Furniture, Electrical Appliance, Electronics, Construction and Automotive Industries.	28.00	90.00
	<b>Other Shareholders:</b> Okaya & Co.,Ltd.		10.00
<b>Related Company</b>			
Nippon Steel Pipe (Thailand) Co.,Ltd. Rayong Province Thailand Tel. 038-891-315	Manufacturing of special steel pipe for Automotive and other Industries.	783.00	0.30
	<b>Other Shareholders:</b> Nippon Steel & Sumikin Pipe Metal One Corporation Okaya & Co.,Ltd. Toyota Tsusho Corporation Mr. Wanchai Kunanantakul Siam Suriya		60.47 12.87 12.36 6.18 4.01 0.50

### The First 10 Group of Major Shareholders as at 31 December 2021

List of Shareholders	Number of holding shares	(%)
1. Okaya & Co.,Ltd. (Japan)	201,600,000	31.50
2. Siam Steel International Plc.*	156,856,000	24.51
3. Kunanantakul		
Mr. Surapol Kunanantakul	12,230,400	1.91
Mr. Wanchai Kunanantakul	8,646,400	1.35
Mr. Sittichai Kunanantakul	6,137,600	0.96
Mrs. Orachorn Kunanantakul	6,048,000	0.95
Mrs. Urai Kunanantakul	4,811,200	0.75
Mr. Anantachai Kunanantakul	3,285,200	0.51
Kunanantakul Group	41,158,800	6.43
4. Toyota Tsusho Corporation	22,400,000	3.50
5. Mr. Peter Eric Dennis	14,130,000	2.20
6. Mr. Suchat Jariyakochakorn	13,462,200	2.10
7. Mr. Vichitr Ratanasirivilai	12,912,760	2.02
8. Thai Nvdr Co.,Ltd.	9,191,230	1.44
9. Mr. Harinder Palsing Naringk	7,295,000	1.14
10. Mr. Chanchai Viboonkijvorakul	6,002,660	0.94

\* Siam Steel International Plc. , Kunanatakul Group holds shares at a ratio of 35.41% shareholders

List of Shareholders	Number of holding shares	(%)
Mr. Wanchai Kunanantakul	101,936,381	17.19
Mr. Surapol Kunanantakul	98,015,033	16.53
Mrs. Orachorn Kunanantakul	4,877,769	0.82
Mr. Anantachai Kunanantakul	1,638,481	0.28
Mrs. Urai Kunanantakul	1,137,472	0.19
Mr. Surasak Kunanantakul	1,110,897	0.19
Mr. Ekasit Kunanantakul	1,086,080	0.18
Miss. Kallaya Kunanantakul	100,000	0.02
Mr. Pisit Kunanantakul	100,000	0.02
<b>Kunanantakul Group</b>	<b>210,002,113</b>	<b>35.41</b>



## 1.4 Registered and Paid up Capital

As 31 December 2021

Registered Capital	639,999,880 Baht	Common share 639,999,880 shares
Paid up Capital	639,997,880 Baht	Common share 639,997,880 shares
Par value	1 Baht	

## 1.5 Issued Securities

-None-

## 1.6 Policy of Dividend

The dividend payable policy has fixed at the minimum 50% of net profit of separate financial statement after tax and reserve fund required by law. The payment shall not cause significant effect to the Company's operations. However, the dividend payment shall also depend upon other factors such as the Company's performances, financial status, cash flow, business expansion, etc., and subject to the approval of the Company's shareholders and/or the Board of Directors.

Divident Payment	For the Fisical Year			
	2018	2019	2020	2021
Earnings per share (Baht)	0.26	0.19	0.12	0.37
Dividend per share (Baht)	0.165	0.165	0.106	0.23
Dividend to net profit (%)	63.46	88.95	89.93	62.62

Dividend payment for the operating results 2021 will be resolved by shareholders' meeting which will be held on April 29, 2022.

## 2. RISK MANAGEMENT

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### 2.1 Risk Management Policy and Plan

#### Risk Management Policy

For effective and efficient risk management, the Company's Board of Directors establishes the Risk Management Committee comprising independent directors, Audit Committee, and executives possessing particular expertise. The committee is responsible for overseeing and reviewing risk appetite so as to fulfill that the organization objectives are foreseen with value added to the Company and its stakeholders. All units with the Company are required to operate as set forth in the policy as follows.

1. It is a responsibility of all employees to recognize any risk incurred within their scope of works or the organization. They shall give high priority to the management of all risks to achieve acceptable level.
2. There shall be organization risk management process following the international accepted standard guidelines. This is to ensure effective management of any risk that might affect operation of the Company as well as to foster risk management practice throughout the organization. Risk management shall be incorporated into decision making, planning and operating toward achieving the Company's goal, objective, vision and mission.
3. Strategies set forth for excellent work practice creating trust among those concerned.
4. There shall be in place, the risk prevention and mitigation guidelines concerning the Company's operations so as to avoid possible loss or damage along with consistent monitoring and assessment of risk management.
5. There shall be state of the art information technology system applied to Company's risk management which is accessible by personnel at all levels. The information shall support management of reporting system for executives, Risk Management Committee, Audit Committee, and Company's Board of Directors.

#### Risk Management Process

To increase the chance of achieving objective and promoting proactive management recognizing the needs for risk identification and solution especially the risks that involve "ESG" or environment, social, and governance or "sustainability risk." The Company applies ISO31000:2009 to the management of risks. The Board meeting on 13 August 2019 resolved for the Company to employ the COSO-ERM 2017 (Enterprise Risk Management - Integrating with Strategy and Performance) to its business operation toward sustainability development goal incorporating 5 key principles and 20 components as shown in the table below:

<b>Governance and Culture</b>	1. Exercises Board Risk Oversight
	2. Establishes Operating Structures
	3. Defines Desired Culture
	4. Demonstrates Commitment to Core Values
	5. Attracts, Develops and Retains Capable Individuals
<b>Strategy and Objective Setting</b>	6. Analyzes Business Context
	7. Defines Risk Appetite
	8. Evaluates Alternative Strategies
	9. Formulates Business Objectives
<b>Performance</b>	10. Identifies Risk
	11. Assesses Severity of Risk
	12. Prioritizes Risks
	13. Implements Risk Responses
	14. Develops Portfolio View
<b>Review and Revision</b>	15. Assesses Substantial Change
	16. Reviews Risk and Performance
	17. Pursues Improvement in Enterprise Risk Management
<b>Information, Communication and Reporting</b>	18. Leverages Information and Technology
	19. Communicates Risk Information
	20. Reports on Risk, Culture and Performance

### Objective, Key Performance Indicator and Target of Risk Management Plan and Internal Control Plan

The Company reviews stakeholder context and process risks in order to set out effective measures applicable to all processes following the Quality Management System Standards.

Trainings are provided for executives and employees of all levels to be able to accommodating the set standards. All units are required to formulate risk operational plan illustrating operational impacts that may obstruct them from achieving the set targets and KPIs. All units shall submit quarterly report of their performances in this regard to the top executives for acknowledgement.

The following annual objectives, indicators and targets of risk management and internal control are identified for the risk management and internal control to be effectively implemented toward achieving the set objectives.

Objectives	Key Performance Indicators	Targets
<b>1. Risk Management Plan</b> 1.1 To attain the Company's strategic goals and objectives  1.2 To have in place the system to monitor risk management performance and to safeguard the possible emerging risks.  1.3 To make known, to raise awareness and understanding of various potential risks and be able to come up with alternatives to manage Company's risk appetite.	1.1 Percentage of success indicators against the operational plan  1.2 Level of success of the risk management  1.3 Percentage of reduced risks	100%  Level 5  100%
<b>2. Internal Control Plan</b> To ensure the performances achieve the set goals	Percentage of work operated according to the set control standards	100%

### Risk Assessment Criteria

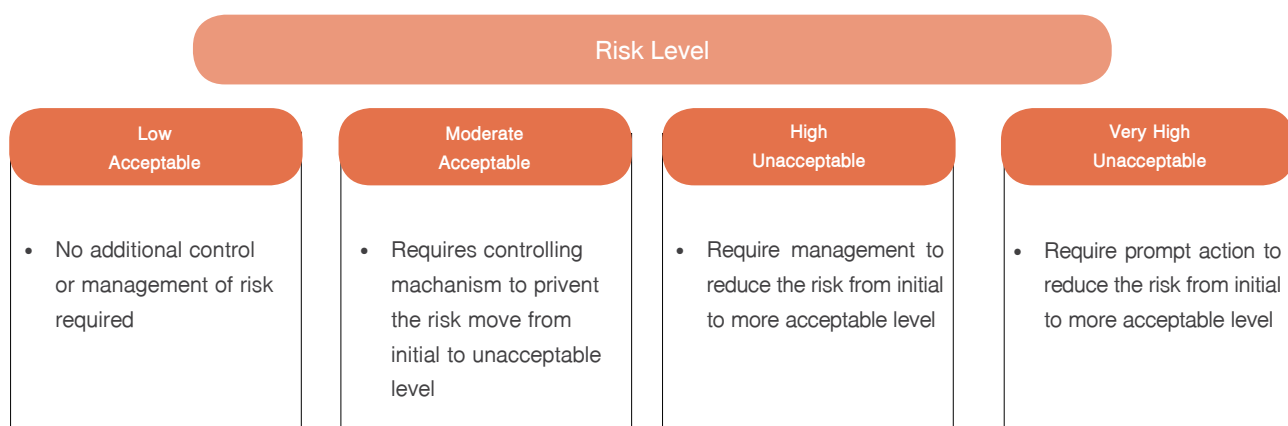
Risk assessment is the process incorporating analyzing, assessing, and prioritizing risks posting impact on the attainment of organization goals. The Company designates personnel of each unit to responsible for identifying and assessing opportunity risks and possible impacts. In connection to this, internal and external environment shall take into consideration for priority setting and implementation to eliminate such risks with report of results presented at the Risk Committee's meeting at least twice a year.

### Risk Ranking

The Company draws up risk profile using risk priority as set forth, likelihood, impact, and risk appetite boundary which enable the Company to come up with quantitative and qualitative criteria for risk assessment.

**Degree of Risk** = (likelihood) X (impact)

Risk profile illustrates 4 levels of risk is shown below:



It is concluded that degree of risk or risk level of each unit remains at moderate level which is acceptable where controlling mechanism is required to prevent the risks move from initial level to unacceptable level.



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## Risk Management

Appropriate risk management plan and activities are set forth to reduce opportunity risk and any potential impact or loss thereof that may affect the Company in achieving its goal. All risks shall be managed to remain in the Company's risk appetite.

The Executive Committee shall consider risk management plan to ensure the appropriateness for subsequent approval and resource allocation needed for implementing the plan. The most appropriate alternatives will be selected taking into account the "risk tolerance" and investment costs compared with investment returns as well as related laws and regulations concerning social responsibility.

## Monitoring and Review

Those concerned shall regularly monitor and review the effectiveness of risk management of their respective units for according improvement.

Secretary of the Risk Management Committee coordinates with Risk Management Unit to report risk status and process on a quarterly basis at the meetings of management team, Risk Management Committee, Audi Committee, and Board of Directors for acknowledgement.

The management shall analyze and monitor internal and external changing environment and according potential risk that needs management review and priority setting which in turn applicable to review the management frameworks of overall risks.

## Compliance Unit

The Legal Department is responsible for monitoring and review the compliance of policy and guidelines as suggested by the Risk Management Committee.

1. Considers recommendation to improve annual risk management handbook.
2. Analyzes and assesses potential risks.

## 2.2 Risk Factor and Management

### Operational Risks

#### 1. Risk involves Change of Raw Materials in Automotive Industry

Among customer in the downstream industry, automotive is the Company's principal customer. Technology change in the automotive industry to replace patrol car with electric one is increasing around the globe. The electric car body shall typically be solid and light in weight.

**Risk Management:** The Company is fully aware of such change. Survey analysis with customers and according operational plan have been carried out to improve and develop effective machine with capacity for custom cut or roll of steel into size and thickness as required. This is to cater for the growing electric car market in the future. However, the change would not post significant impact on the Company's business operation.

## 2. Competitive Risk

There is an increasing domestic competition in the steel sheet and roof construction industry. This is due to the increasing number of entrepreneurs in the industry which might put the Company at risk from purchasing order loss which would affect the Company's income.

**Risk Management:** Being member of Coil Center and have been in business for a long time, the Company always runs its business to ensure customers gain the most benefits with satisfaction on the Company's products and services. The loss of an order from customer either may or may not occur as a result of the aforesaid competition. The Company, however, sets its sights on selling quality products with standard certification, on time delivery, maintaining good relationship with customers, recognizing social responsibility.

## 3. Strategic Risk

Strategic risk is the risk of failing to achieve the organization business goal or objective. The risk arises from inconsistency among policy, plan, implementation, competition, resources and environment.

**Risk Management:** To manage and control strategic risk, the Company formulates an annual strategic plan cascading from the Company's master plan. The cascading involves the Company's Board of Director to review, recommend, and approve the plan. Every procedure of the plan implementation is closely monitored to ensure the compliancy in addition to regular review to ensure the plan is always in consistent with the changing situation.

## 4. Environmental Risk

According to characteristic of the Company's operation, the environmental risk is considered low as the production process is metal fabrication by mean of cutting and transforming with no impact on environment.

### Risk Management

- Institutes the Occupational Health Safety and Environment policy as operational frameworks applied through the entire production and installation design processes.
- Introduces working practices and safety culture.
- Conducts environmental risk assessment activities concerning prevention and mitigation of environmental impact on stakeholders.
- Strictly complies with laws and standards including ISO 14001, ISO 9001, IAF16949, and ISO 45001 and ISO 50001.

The Company manages waste or scrape from steel production process so that there would be no impact on environment as follows:

Waste/Scrape	Management
Scrape from steel cutting	Sells to licensed producers for recycling into other products
Wood scrapes from making wooden crate (crate used to transport or store steel)	Sells to licensed producers for recycling into other products
Expired engine oil and hydraulic oil	Sells to licensed producers for recycling into other products
Oil and chemical contaminated waste	Send to licensed personnel for disposal
Dust particles from making wooden crates	Uses vacuum to store for later use as oil absorber
Effluent	Applies waste water treatment system, water after treatment is used to wash care wheels before entering into the factory area.

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## 5. Climate Change Risk

Global warming crisis is a major cause of climate change with several levels of impacts on natural resources, community livelihoods depending on level and size of the change. The larger and wider the change the more severe impacts.

The greenhouse gases released by people activities into the atmosphere and the severity of the consequences are more than the release by nature. This has caused high temperature on the earth surface which is known as global warming.

**Risk Management:** The Company has launched the Greenhouse Gas Emission Reduction Project to cooperatively reduce global warming. Flood countermeasure action plan is in place incorporating guidelines for every employee to effectively act in response to the disaster as well as to minimize damage to people and property.

## 6. Human Rights Risk

The Company places an importance on human rights for protection, respect, care, fair labor treatment, and anti-corruption which are factors adding business value and productivity. The Company, therefore, runs its business following the governance principles while caring for stakeholders, social, and environment in the manner that is honest, integrable, transparent, and fair.

Human rights risk factors as per the Company's operation include:

- **Labor rights** on occupational health, health during the Covid 19 pandemic, workplace environment, and child labor.
- **Right to access information** including rights to public relation, news, warning sign, activities of the Company.
- **Rights to natural resources and environment** including rights of employees and nearby community members to access clean air and peace without any noise.
- **Right to safety** including rights to road safety, personal information security, and be protected from cyber bullying.

### Risk Management

The 5 steps of Company's management of human rights.

1. Sets forth the human rights policy.
2. Conducts Human Rights Due Diligence - HRD which includes assessment of human rights risk.
3. Assesses impact on human rights with according preventive and solution measures along with the immediate and long-term rehabilitation plan.
4. Monitors and reports on human rights operations.
5. Raises awareness of all stakeholders concerning prevention of potential human rights violation or as shown in the human rights management diagram below.

**Risk Management Measures/Guidelines:** The Company adheres to the risk management measures/guidelines and cooperatively promote freedom and equality recognizing human dignity toward peaceful society. The guidelines include **10 principles incorporating actions of create 4, improve 3, drive 2, and reduce 1.**

The 10 principles are to:

1. Support and respect the protection of internationally proclaimed human rights;
2. Make sure the Company's business is not complicit in human rights abuses;
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Support and promote the elimination of all forms of forced and compulsory labor;
5. Support and promote the effective abolition of child labor;
6. Support and promote the elimination of discrimination in respect of employment and occupation;
7. Support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility;
9. Encourage the development and diffusion of environmentally friendly technologies; and
10. Work against corruption in all its forms, including extortion and bribery.

**The actions of create 4, improve 3, drive 2, and reduce 1 include:**

**Create 4: -**

1. Awareness of respective duties and respect for other people rights;
2. Human rights abuse surveillance system;
3. Respect for human rights culture;
4. Effective networking.

**Improve 3: -**

1. Data base system covering all fields of the Company's business;
2. Attitude adjustment of employees and stakeholders;
3. Rules and regulations in relation to infringement.

**Drive 2: -**

1. Organization toward human rights model and roll out;
2. New cultural dimensions of national human rights plan.

**Reduce 1: -**

1. Human rights violation.

## **7. Corporate Governance Risk**

Having persons in the family holding the positions of President and Vice President of the Company may appear that the Company has not had a balance of power between the Board and the management. Seeing the importance of good corporate governance, the Company, therefore, institutes a charter identifying and segregating clearly the roles and responsibilities of directors and committees so as to balance the power. Besides, the Company appoints 4 independent directors, all of whom are Audit Committee's members, as members of the Company's Board to consider meeting agendas of the Board. This has been in compliance with Corporate Governance Code for Listed Companies 2017.

### **Risk Management**

The risk management and internal control are properly managed through:

- Supervision to ensure risk management and internal control system caters to efficient attainment of the objectives by practicing in compliance with applicable laws and standards;
- Competent audit committee who works effectively and independently;
- Monitoring, supervision and management of potential conflicts of interest among the Company, management, and committees or shareholders; prevention of misuse of Company's asset, information and opportunity as well as any transaction entered with connected persons in an improper manner.
- Policy and guidelines stipulating applicable anti-corruption practices and make known to all levels of internal and to external personnel;
- Mechanisms for receiving and responding to complaints and clues.

## **8. Information Technology Risk**

### **8.1 Digital Transformation Risk**

Digital technology plays a vital role in day-to-day way of life and business such as transportation, marketing, online trading. The transformation could be the risk posing impact on traditional business model and distribution channel to the extent of losing capability to compete as well as opportunity to create new value in business model.

Therefore, the Company has carried out the monitoring and analysis of digital technology trend in order to enhancing digital technology skills and experiences which in turn improve work performance and productivity that serve customers' needs, consume less energy, facilitate cargo handling and transportation, add value to business model and opportunity to compete, etc.

### **8.2 Cybersecurity Risk**

The transform of business model and method depend more on digital technology. Applying industrial automation to increase productivity and the trend of data link in an industrial plant via the internet could put the business at risk from cyberattack. The risks could be theft of product data and development ideas, trade data, and personal data of employees, which could cause financial impact, reputational harm on product brand and credibility.

Cyberattacking can disable system networks including production process, delivery, accounting, personal data, and etc. which can be determined by the loss of the Company, customers, and stakeholders.

### **Risk Management**

- Sets forth the policy and regulation on the use of information technology by employees concerning human resources, and;
- Raises awareness of proper and safety use of technology and be safeguarded from cyberattack.
- Restricts the use of internet.
- Invests in anti-malware program and protective devices against external threats and to monitor internet traffic.
- Establishes system backup center and utilizes safe and remote media to store the backups.



## 9. Corruption Risk

The Company is fully aware that corruption risk could harm organizational reliability, credibility, and opportunity. It could incur unnecessary expenses which significantly affect business operations. The Company, therefore, runs its business with integrity and fairness in every supply chain, and joins the fight against all forms of corruption to insure the transparency, acceptability, and reliability of the Company.

### Risk Management

- Joins the Thai Private Sector Collective Action against Corruption – CAC.
- Reviews and sets forth an anti-corruption and good corporate governance policy.
- Prepares risk management handbook on anti-corruption together with a set of guidelines for practices that might cause corruption risk. The guidelines involve:
  - Transaction with government agency, related transaction between the Company and private entity;
  - Giving gift and entertainment;
  - Charitable donation and financial support;
  - Facilitation payment, political assistance;
  - Hiring government employee/ official;
  - Business relations and procurement with government agency.
- Stipulates measures or activities to prevent, detect, and respond to corruption risk.
- Clearly defines duties and responsibilities of employees in compliance with good practices.
- Communicates and trains personnel of all levels on business ethics and anti-corruption measures.
- Makes agreement with customers, trade partners, and sub-contractors to fight against corruption as well as to join the Private Sector Collective Action against Corruption.
- Provides channels for whistleblowing, complaint, suggestion, or other information with ensuring of confidentiality and protection from any infringement.
- On a yearly basis, conducts self - assessment against anti-corruption measures following the CAC assessment form with subsequent report submitted to the Risk Management Committee and the Company's Board for review to ensure every work process of the Company is free from corruption.
- Utilizes effective information technology system for business to control corruption in relation to procurement management, marketing, production planning, delivery process, after sale service, satisfaction assessment.

## 10. Risk to Safety, Occupational Health and Working Environment; Participation and Support of Community Development

Working in the production plant or commuting to work at a construction site, employees may encounter risks to work safety, driving and roof installing. Unwanted accidents caused by e.g., danger of working at heights and driving may lead to injury, property loss, loss of morale or ability to perform tasks.

The Company is fully aware of an importance of occupational health and safety of employees, sub-contractors working with the Company and others in the supply chains such as customers, trade partners, surrounding societies.

### **Risk Management**

- Sets up risk management systems concerning occupational health and safety ISO 45001, environment ISO 14001, energy ISO 50001; reviews the identification and evaluation of danger that may incur from operational risk. The system set up aim at gaining confident of employees and those come to work at the company.
- Promotes safety activities against KPI whereby every employee is encouraged to carry out the CCCF (Completely Check Completely Find Out) with recommendations for work improvement.
- Conducts safety activities to raise awareness of employees and sub-contractors.
- Conducts training on occupational health and safety, and annual health check-ups.
- Prepares hearing conservation measures for employee exposed to hazardous noise.

Risk management measures concerning participation of community support and development includes:

- Meeting, dialoguing and activity participation with the communities so as to acknowledge community's needs for according activities to promote cooperation;
- Regular participation in community's activities.

## **11. Pandemic Risk**

The Covid-19 pandemic has significant negative impacts on livelihood and economy. As a result, the government and private sectors have to come up with various measures to deal with the situation e.g., travel time and zone restriction, social distancing, temporary business shut down to reduce the spreading. The impacts are:

- Labor shortage and the operation discontinuity in spreading areas;
- Delivery delay due to lockdown measure;
- Refusal to accept the product or cancelation of purchasing order due to health and safety precautions;
- Government rules and regulations to deal with the pandemic which bind the Company to comply with for safety of employees, customers, trade partners, and related persons;
- Inability to supply sufficient and on time raw materials by trade partners due to production and transportation disruption.

### **Risk Management**

- Proactive Covid 19 screening measures for all employees as well as quarantine for people at risk of infection.
- Sanitation and safety measures e.g., frequent cleaning of common area, compulsory face mask wearing, dedicated places for disposing of used masks.
- Screening test of employee, customer, and contact person before entering into office or operational area.
- Work from home for some employees and social distancing practice at every operational area.
- Online meeting.
- Morale and physical supports e.g., free face mask, alcohol sanitizer, food, medical equipment to employee, nearby communities, and other entities.
- Sufficient information concerning protective measures and pandemic risk management made known to customers for them to feel confident on products and services.

## 12. Emerging Risk

A new or unforeseen risk that has not been fully contemplated and informed of its potential impact as yet but might happen in the future due to changing environment. Risks in this regard gradually emerges with low frequency and very challenging to identify. One way to identify is to focus on whether the critical assumptions underlying the strategy are becoming or have become invalid as results of political, legal, social, technological, physical environmental or natural changes. In some cases, impact of the risks may not be identifiable at present e.g., negative effects of nanotechnology or climate change.

### Risk management

- Collects information in relation to risk being emerged and consistently conducts the analysis so as to be able to identify the risk and come up with alternatives to appropriately reduce potential impact on the organization.
- Reviews all work procedures and processes to ensure potential emerging risk has been taken into consideration.
- Prepares emergency and disaster management plans e.g., fire, chemical spills, epidemic risk.
- Prepares business continuity plan: BCP for every unit to implement in response to critical or emergency situations as consequences of natural disaster, accident, or malice against the organization which would affect the organization operations to halt or discontinue the services.

## Production Risk

### 1. Labor Shortage Risk

Having an efficient workforce is an important factor. Consistent long festive holiday, work break, labor migration, resignation of employees may affect productivity and delivery which could be taken into litigation that might harm credibility of the organization, even though a chance of labor shortages to happen may be none.

There are a large number of workers with the Company under an effective workforce management where competent personnel are interchangeable coupled with applicable measures to continuously reduce labor migration. The measures are driven by welfare policy, reasonable and on time wage payment, upskilling/ reskilling, online and AI working systems.

### 2. Steel Price Volatility Risk

The Company produces and distributes primary metal product to various industries whereby steel is the main cost or 80% of total cost. The Company purchases domestic steel and by importing. The steel cost varies according to market sentiment. In 2021, the rise of steel price coupled with ocean freight and exchange rates have affected the Company to bear the increasing steel price.

### Risk Management

- Policy concerning the purchasing of steel at clear and reasonable price.
- Trading agreement made in advance on fix price.
- Appropriate and on schedule management of inventory.
- Close monitoring of steel price.
- Needs analysis of steel demand in each particular period.

## Financial Risk

As at 31 December 2021, the Company had liabilities in US dollar amounting to USD 1.76 Million or approximately THB 59.12 Million (exchange rate USD 33.59 per baht). The Company does not make any currency futures contract to hedge against risks stemming from exchange rates in relation to the said liabilities. Since the liabilities are short-term debts with due payment within a year, as such, making a currency futures contract could be costly.

## Securities Trading Risks

### 1. Risk of Having Holding Company over 25%

The Company's holding companies include the Okaya & Co., Ltd. (Japan) and the Siam Steel International Plc. who hold 31.50 % and 24.51% respectively of the total outstanding shares. The 2 companies acquire majority of voting rights which could be used to oppose or disapprove any AGM's resolution where approval required at least three-fourths of total voting rights presented at the meeting as stipulated by related law and regulation. They can also control any decision making concerning the Company's policy and management.

Nonetheless, the Company ensures shareholders' confidence on the transparency and balance of power of Company's business operations by:

- Management structure by competent personnel with clear scope of duties and power of directors and executives.
- Appointment of 4 external persons as members of the Company's Board and as independent directors for the balance of power in decision making and approval on various matters prior to submitting to the AGM, measures for making transactions with persons who may have conflicts of interest by limiting the voting of those involved.
- Internal audit unit operating independently and report directly to the Audit Committee, the unit is entrusted with the prime duty to oversee if internal control system is operated as specified.

### 2. Risk from Purchasing via Holding Companies

The Company imports Mother Coil mainly from the Nippon Steel Corporation, and the Nippon Steel Nisshin Co., Ltd., the largest steel producers of Japan with capacity to supply sufficient steel and timely service to customers. The purchasing is made via the Okaya & Co., Ltd., the major shareholder holding 31.50% of shares. The Company also purchases Mother Coil from domestic producer, the NS-Siam United Steel Co., Ltd., via the Siam Suriya, the dealer. The purchasing is made occasionally as the said companies and dealers have traded with the Company for a long time.

There still a risk of purchasing steel from the said major producers in the case that they may not be able to supply the product at the amount and time required. In normal circumstances, probability for such risk to happen may be none. This is due to a long-time good relation between the Company, the steel producers, and the dealers which ensure the customers of the Company's reliability.

## Risk Management

- Expansion of raw material purchasing through other reliable dealers as procurement alternatives to gain better choice for price, transportation, management, and costs incurred.
- Backup source for procurement in place to slow down risk incurred from raw material shortage.

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## Compliance Risk

The Company places an importance on the compliance with business related law, rule, regulation, and order so as to ensure of no error occurrence since any incompliant act could affect the business. In this regard, the Legal Department is responsible for keeping the Company updated with new law, rule, regulation, order, and policy of related entities by:

- Creates data warehouse and legal records stored on the internet and updates once a month.
- Improves and amends work practices in compliance with law as well as reviews legal records every 6 months or whenever there is any change or amendment.
- Verifies if transaction is made correctly which is the responsibility of the Legal Department who shall report the result of the verification to the Corporate Governance Committee, Risk Management Committee for acknowledgment at least twice a year except in the case where violation occurred, prompt reporting is required.
- Provides training on law, rule, regulation, and order for the management, employees, and all concerned.

### 3. DRIVING BUSINESS TOWARDS SUSTAINABILITIES

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The Company strongly gears toward sustainable development caring for stakeholders, economy, society and environment with ethical conducts and governance mechanism to assure its honesty, integrity, transparency and fairness recognizing moderation, reasonableness, and self-immunity along with being knowledgeable and ethical. It aims at achieving the socio-economic environmental and cultural balance that strengthens sustainable security and growth as well as ability to take on internal and external changes. This has been suggested by the TIS 9999 frameworks where by the Company has adopted to develop its organization toward sustainable growth responsible for society and environment since 2014.

#### 3.1 Corporate Social Responsibility Policy

The Company establishes the policy concerning organization development for sustainable growth along with social and environment responsibilities. The policy provides operational guidelines responsible for impacts stemming from the Company's business operation. The Corporate Social Responsibility and Environment for Sustainable Development Committee continuously reviews and revises the policy and submits to the Company's Board for consideration and approval. The latest was approved on 14 May 2021.

1. The Company strives to conduct its business recognizing Environmental, Social, Governance (ESG) as well as promoting effective management that is transparent, auditable, against all forms of corruption, respect for human rights, and care for all groups of stakeholders.
2. The Company continuously strives to improve quality of work life; environment management; management of occupational safety, health and environment of the workplace in compliance with relevant laws, rules/regulations and international practices. The Company attaches its business practices to various standard systems including MS-QWL, ISO 14001, ISO 45001, ISO 9001, IATF 16949, ISO 5001 and ISO 56002; related laws and legal requirements or international standards; and the Industrial Standard Following Sufficiency Economy in Industrial Sector (TIS 9999). Such standard systems have been integrated and applied inside and outside the organization toward achieving sustainable development goals (SDGs).
3. Promotes the integration of vision, mission, and goal as well as work practices for sustainable business operation.
4. Ensures the presence of strategies, work practices and operating results are effectively and efficiently responsive to organization challenges.
5. Promotes analytic study of causes, driving forces, risks, and possible opportunities contributing to sustainability.
6. Reviews and assesses sustainable social environmental business development goals and plans, at least once a year.

#### Review of Vision, Mission, and Goal for Corporate Development Sustainability

For corporate sustainable development, the Company's Board of Directors stipulates that there shall be the review of the Company's vision, mission, and goals at least every 5 years. Executives and employees at every level shall perform their duties and responsibilities toward the same direction.

On 12 November 2020, the Company's Board of Directors and the management together reviewed and approved the Company's vision, missions, and business strategies. To sustain Company's CSR management, the review took into determination the then and potential economic situations, risk and capacity assessments under various circumstances and in alignment with TIS 9999 and ISO 56002:2019.



### Corporate Aspiration

**“Employees are happy and enjoy working.”**

The Company fully recognizes **“personnel as an important asset of the organization and full cooperation of such personnel can foster their best performance contributing to benefit the organization.”** For every employee to perform his/her best and create continuous development, the Company has instituted the said corporate aspiration since 2001.

### Vision

“Business operation incorporating good governance with empathy, gaining access, and **continual collaborative innovation** development toward customers’ satisfaction; treating shareholders, customers, business partners, and employees equally; responding to economy, environment, society, and safety; acts collectively against all forms of corruption.”

### Mission

<b>To employees</b>	Creating culture of work safety, environmental care, and service minded; applying technology and continual development of innovation to serve all clients
<b>To stakeholders</b>	Promoting excellent services for governance and satisfaction
<b>To community/society</b>	Caring for societies and environment

### Shared Mission or Core Value

Abbreviated as SSSC which stands for:

- S SAFETY FIRST
- S SATISFACTION
- S SOCIAL CARE
- C CONTINUAL IMPROVEMENT

### Organizational Culture

The Company’s culture is teamworking with volunteer spirit to which every executive and employees adheres to which creates corporate resolution **“Employees are happy and enjoy working.”**

### Sustainable Organization Development Goals

The Company’s sustainability development goal is “to become a balanced, stable, sustainable, and be happy organization.” The Company strives to continuously develop its operation toward sustainable organization following the Sufficiency Economy Philosophy framework. On 25 February 2021, the Company’s Board of Directors approved the sustainability goal and indicators as shown:



The sustainability development framework encompasses 7 steps undertaken by the Company with environmental, social, and corporate governance recognition. The Company is committed to carry out its social responsibility and environment as follows:

#### 1. CSR-in-process

The Company regards its “employees” as key stakeholders being instilled understanding and awareness of social responsibility in alignment with human resources management policy stating **“It is an obligation of the corporation to create happy work life for employees”** focusing on **empathy, accessibility, and participatory development**. This has been set forth for employees facing difficulties to regain happiness at work. The Company is convinced that with such contribution, the corporate success and sustainable business growth are promising.

#### 2. Operation Following the International Standards

To ensure the continual development of social responsibility, throughout 2021, the Company conducted its CSR within the frameworks of Quality Management Standard ISO 9001, IATF 16949, Environmental Management Standard ISO 14001, Safety Standard ISO 45001, Management Standard of Quality of Work Life MS-QWL1:2008, Thai Labor-Standard Certificate of Basic Level (TLS 8001-2546), Energy Management Standard ISO 50001, and Innovation Management System ISO 56002:2019.

In addition, the Company adopts the industrial product standards using the Guidance on Social Responsibility ISO 26000:2010 as framework for practices by adhere to the 7 key principles 1. Accountability, 2. Transparency, 3. Ethical Behavior, 4. Respect for Stakeholder Rights, 5. Respect of the Rule of Law, 6. Respect of the International Norm of Behavior, 7. Respect for Human Rights.

So as to promote social responsibility and sustainability, since 2013, the Company has joined the Flagship Project with Department of Industrial Works, Ministry of Industry. Also enhancing knowledge and understanding on the Corporate Social Responsibility, Department of Industrial Works (CSR-DIW) which in turn contributes to corporate development to become socially responsible organization.

The compliance practice with ISO 26000 and CSR-DIW has enable the Company to identify and analyze the advantage and disadvantage received by stakeholders stemming from the Company's operation. Subsequently, come up with the most suitable collaborative measure to reduce negative effect. Such measure is also in alignment with the principles of sufficiency economy applied by the Company that is **Understanding, Gaining Insight and Access, and Engaging in Development**. As a result, the Company has received honor award of CSR-DIW AWARD for 9 consecutive years (2013-2021).

### 3. The Philosophy of Sufficiency Economy toward Balanced and Sustainable Development

Sustainable corporate business development and responsibility-transparency-fair based management to all stakeholders are interdependent. The Company, therefore, integrates principles of good governance, corporate governance, and corporate social responsibility into its decision-making process for sustainable business management that involves body of knowledge, morality, reasonableness, moderation, and mindful of risk or self-immunity as suggested by the philosophy of sufficiency economy.

The Company sees the integration of philosophy of sufficiency economy into its business decisions leads to corporate success. The philosophy has been translated into **moderation, reasonableness, and self-immunity-based** practices along with be knowledgeable and ethical in pursuing every activity. This is to ensure the achievement of the Company's CSR operation against the set goals and objectives.

The Company has applied the TIS 9999, Volume 1-2556., by promoting knowledge and understanding of Sufficiency Economy Philosophy. Employees are encouraged to be thrifty, patient, perseverant, disciplined, self-reliant, considerable, generous, shareable, honest. The Company promotes the creation of work-life balance of employees and their family members as well as the preparation for life after retirement. Since 2014, the Company has applied the TIS 9999, the Approaches of Sufficiency Economy to the Industrial Sector to promote a development of individual personnel and organization. The standard of industrial sector's Sufficiency Economy Approaches are integrated into the Company's management and operation for balanced economy, society, environment, security, sustainable growth and happiness; being able to take on all changes and uncertainties. Since then, development has been proceeded as planned. As a result, the Company has received **plaque and certificate from the Ministry of Industry in collaboration with Management System Certification Institute (MASCI) and the Thai Industrial Standards Institute (TISI) certifying that the Company has applied the Standard of Sufficiency Economy in Industrial Sector (TIS 9999 volume 1-2556) to its workplace for sustainable growth.**

### 4. Corporate Development toward Sustainable Development Goals (SDGs)

The Company's Board and the CSR and Environment Committee resolved on 12 May 2017 that all activities shall be operated according to the Company's sustainable development goal. The operation shall adopt the 17 Sustainable Development Goals of the United Nation (SDGs) as inputs for the revision of work process in order to eliminate or minimize negative impact both socially and environmentally. Such process is deemed as a new business process corresponding to SDGs

The 17 SDGs consist of:



The 17 SDGs consist of:

categories	determinatives	SDG
1. People	Life quality of human being	1, 2, 3, 4, 5
2. Prosperity	Sustainable economic growth	7, 8, 9, 10, 11
3. Planet	Natural resources and environment	6, 12, 13, 14, 15
4. Peace	Peace, inclusive societies, and just	16
5. Partnership	Partnership for sustainable development	17

### Guidelines for Review and Improvement of Sustainable Policy and Targets

During the previous year, the Company reviewed the internal and external contexts taking into the account the potential issues and uncertainties that may impact the Company's industry as well as socio-economic, technology and political drives.

Force	Possibilities (Trend and Uncertainty)	Effect on Industry
<b>Society</b>	<ul style="list-style-type: none"> <li>World population expanding (+)</li> <li>Birth of new culture. (N/A)</li> <li>Sharp surge in crime. (-)</li> <li>Labor immigration. (-)</li> <li>Terrorist attacks. (-)</li> <li>Rise of aging population and fall of labor force. (-)</li> <li>Restricted employment on people with disabilities (-)</li> </ul>	<ul style="list-style-type: none"> <li>Labor shortage resulted from rising aging population.</li> <li>More immigrant workers employed.</li> <li>Increasing crime rate.</li> <li>Productivity not meeting target.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>"One stop production process". (+)</li> <li>Introduction of new technology to boost productivity. (+)</li> <li>Intake more robot. (+)</li> <li>High efficiency of electrical appliances. (+)</li> <li>IOT (Internet of Thing). (N/A)</li> <li>Digital economy. (N/A)</li> <li>Energy saving. (+)</li> </ul>	<ul style="list-style-type: none"> <li>"One Stop Process." production</li> <li>New technology to boost production efficiency.</li> <li>More robots used.</li> <li>High efficiency electrical appliances products.</li> <li>Energy saving</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>Raw materials shortage in Japan, no imported steel to Thailand. (-)</li> <li>Steel demand in decline due to manufacturing technology. (-)</li> <li>Steel demand in decline due to global recession. (-)</li> <li>Product innovation for competition and corporate survival. (+)</li> <li>Consumption declines due to global recession. (-)</li> <li>Fluctuation in business structure. (-)</li> <li>Major world currency transition from U.S. Dollars to Chinese Yuans. (-)</li> <li>More production demand due to economic expansion. (+)</li> <li>More investment/ Higher production efficiency. (+)</li> <li>More employment (foreign workforce)/ (N/A)</li> <li>Communication technology makes the world smaller. (+)</li> <li>Customers self-manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>Raw materials shortage in Japan affects the shortage of imported steel to Thailand.</li> <li>Steel demand declines due to applying technology to production process.</li> <li>Steel demand declines due to global recession.</li> <li>Product innovation to increase competition and corporate survival.</li> <li>Global recession affects consumption to decline.</li> <li>Business structure faces fluctuation.</li> <li>Economic growth leads to more production.</li> <li>More investment, higher production efficiency.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Greater demand for energy and resources. (-)</li> <li>Environmental degradation from poor waste mismanagement. (-)</li> <li>More alternative energy use. (+)</li> <li>Sharp rise of electronic waste. (N/A)</li> <li>Global warming may cause severe flood.</li> <li>Use of chemicals in production process.</li> </ul>	<ul style="list-style-type: none"> <li>Higher demand of energy and resources</li> <li>Environmental degradation from poor waste mismanagement.</li> <li>More consumption of alternative energy.</li> <li>Production disruption caused by flood.</li> </ul>
<b>Politics</b>	<ul style="list-style-type: none"> <li>East-West dichotomy and trade barriers. (-)</li> <li>Investors' confidence gained from political stability. (+)</li> <li>Economic slowdown as a consequence of coup d'état. (-)</li> <li>Industrial reconstruction caused by political turmoil. (-)</li> <li>Breakup of WTO members as a result of global politics. (-)</li> <li>Separatist violence. (-)</li> <li>Shift of modern great powers. (-)</li> <li>Trade barriers. (-)</li> <li>Change of Foreign Labor Law</li> </ul>	<ul style="list-style-type: none"> <li>Investors have more confidence.</li> <li>Industrial reconstruction effected from political turmoil.</li> <li>Breakup of WTO members as result of global politics</li> <li>Industrial labor shortage</li> </ul>

The results of internal and external review were concluded as challenges, opportunities and treats for organization strategy formulation.

Challenge	Opportunity	Threat
1. Search for new quantity and quality raw materials	<ul style="list-style-type: none"> <li>New source of material supply</li> </ul>	<ul style="list-style-type: none"> <li>material not meeting requirements</li> </ul>
2. New product development to satisfy stakeholders' needs	<ul style="list-style-type: none"> <li>Expand market segments and customer groups</li> <li>Add value to products</li> </ul>	<ul style="list-style-type: none"> <li>Lack of R &amp; D personnel.</li> </ul>
3. Community relations	<ul style="list-style-type: none"> <li>Constant community activities</li> <li>Several communities</li> </ul>	<ul style="list-style-type: none"> <li>Vague communication</li> </ul>
4. Natural resource and ecosystem conservation promotion	<ul style="list-style-type: none"> <li>Local government offices have natural resource conservation strategic plans in place</li> </ul>	<ul style="list-style-type: none"> <li>community lacks awareness on natural resource conservation</li> </ul>
5. Development and support of local culture and tradition conservation	<ul style="list-style-type: none"> <li>Active participation with and give support to local communities concerning cultural conservation</li> <li>Develop local cultural attractions</li> <li>Strengthen community relations</li> </ul>	<ul style="list-style-type: none"> <li>Vague communication</li> </ul>
6. Employees' Quality of Life	<ul style="list-style-type: none"> <li>External body to provide knowledge on life quality development</li> </ul>	<ul style="list-style-type: none"> <li>Illegal business in the Company's neighborhood</li> </ul>
7. Personnel preparation for mega change	<ul style="list-style-type: none"> <li>Recruit competent personnel to strengthen organizational capacity</li> </ul>	<ul style="list-style-type: none"> <li>Competitors offer more attractive incentive</li> </ul>
8. Production toward One Stop Process	<ul style="list-style-type: none"> <li>Reduce production cost</li> <li>Increase production capacity and capability</li> </ul>	<ul style="list-style-type: none"> <li>High capital investment</li> <li>Variety of product sizes</li> <li>Variety of lot sizes</li> <li>Lack of study in every department</li> </ul>
9. Renewable energy exploration and selection, to reduce cost and increase efficiency	<ul style="list-style-type: none"> <li>Long run reducible cost</li> <li>reduce environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>High cost, and time consuming at the initial stage</li> <li>Installation constraint</li> </ul>
10. Steel pallets to substitute wooden pallets	<ul style="list-style-type: none"> <li>Long run reducible cost</li> <li>Trees conservation</li> </ul>	<ul style="list-style-type: none"> <li>Require cooperation from customers</li> <li>Loss of steel pallets</li> </ul>
11. Safety Organization	<ul style="list-style-type: none"> <li>Confidence from customers</li> </ul>	<ul style="list-style-type: none"> <li>Lack of support from sub-contractors</li> </ul>



### Operational Plan: Objectives, Indicators, and Targets

Strategy	Force to Corporate Practice	Objective	*Key Success Factor	Supporting Drive to Success	Key Performance Indicator	Uncertainty/ Risk
<b>Balance, Stability, Sustainability, and Happiness</b>						
Find new supplier	Economy	To reduce importing cost of raw material	<ol style="list-style-type: none"> <li>1. Designate Marketing Department to seek for domestic supplier at price compatible with quality</li> <li>2. Design application to analyze trend of domestic and oversea raw material price movement</li> </ol>	Database of raw materials usage of customers, and tendency of global consumption.	Percentage of raw material from new supplier	Long-distance, higher transportation cost
Participate community activities	Society	importing cost of raw material	<ol style="list-style-type: none"> <li>1. Gain support from community members</li> <li>2. Grant scholarship to students in the community</li> </ol>	Time and resource support from the Company's executives	Number of participations	Community accessibility constraint
Participate in soil, water, and forest conservation and rehabilitation	Environment	To conserve natural resources and eco-system	<ol style="list-style-type: none"> <li>1. Waste water treatment systems is in place.</li> <li>2. regular monitoring, analyzing, reporting and improving quality level of waste, dust, heat, light, and sound to acceptable levels.</li> </ol>	<ol style="list-style-type: none"> <li>1. ISO14001 in place.</li> <li>2. ASPECT environment evaluation</li> </ol>	<ol style="list-style-type: none"> <li>1. Number of NC</li> <li>2. Amount of moderate-high ASPECT risk.</li> </ol>	Lack of water conservation consciousness among employees.
Improve employee quality of life.	Employee	Employees live quality life	<ol style="list-style-type: none"> <li>1. Use a modified WHO questionnaire to assess employee life quality</li> <li>2. Design application to analyze employees' quality of life</li> </ol>	Supportive policy by executives	Percentage of poor quality of life	Employee lack life skills in saving and health care
Replace wooden pallets with steel pallets	Environment	To reduce wood consumption	<ol style="list-style-type: none"> <li>1. Marketing Department seek mutual agreement with clients</li> <li>2. Set up disbursement and recall system</li> </ol>	Natural resource conservation campaign	Percentage of number of steel pallets used.	<ol style="list-style-type: none"> <li>1. Lack of customers' cooperation.</li> <li>2. Uncontrollable loss.</li> </ol>
Safety organization	Society	To provide safety workplace to employees and sub-contractors	<ol style="list-style-type: none"> <li>1. Safety awareness among employees and subcontractors</li> <li>2. Institute safety standards</li> <li>3. Performance evaluation against plan</li> </ol>	Annual workplace safety plan	Number of accidents	<ol style="list-style-type: none"> <li>1. Lack of awareness among employees and sub-contractors</li> <li>2. Lack of work and workplace safety</li> </ol>

### Sustainability Material Issues

In 2021, the CSR and Environment Committee assessed the Company's sustainability performance taking into account the internal and external key success factors affecting its business operation. The GRI's principles: Sustainability Context, Materiality, Completeness were applied to define report contents corresponding to stakeholders' expectation directly and indirectly. The process in this regard includes 4 procedures.

#### 1. Materiality Identification

Internal factors (business plan and targets) and external factors (trends of global change and stakeholder expectation) are determined with possible socio-economic and environmental impacts on corporate sustainability. Including the Sustainable Development Goals: SDGs that may impose socio-economic and environmental sustainable impact on the corporation.

#### 2. Materiality Priority Setting

The prioritized significant sustainability material issues are verified and submitted to the CSR and Environment Committee for consideration and consent prior to seeking approval from the Company's Board.

#### 3. Verifying the Setting

The prioritized significant sustainability material issues are verified and submitted to the CSR and Environment Committee for consideration and consent prior to seeking approval from the Company's Board.

#### 4. Regular Review for Continuing Development

Channels are opened for stakeholders' comments and recommendations concerning the disclosure of the Company's sustainability information. The comments and recommendations are used for improvement.

**Conclusion:** The 3 aspects of assessment results are illustrated as follows:

Economic		Social	Environmental
<b>Corporate Governance</b> <ul style="list-style-type: none"> <li>Disclose of significant information as expected by stakeholders</li> <li>Bottom line practices shall comply with the provision of laws</li> <li>Clear business expansion goals</li> <li>Transparent business operations</li> </ul>	<ul style="list-style-type: none"> <li>Risk and crisis management</li> </ul>	<ul style="list-style-type: none"> <li>Employee care</li> </ul>	<ul style="list-style-type: none"> <li>Environmental management</li> </ul>
	<ul style="list-style-type: none"> <li>Innovation for business and society</li> </ul>	<ul style="list-style-type: none"> <li>Competency development for employees</li> <li>Training and recruitment study</li> </ul>	<ul style="list-style-type: none"> <li>Effective use of resources</li> </ul>
	<ul style="list-style-type: none"> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Fair treatment of labor and human rights</li> </ul>	
	<ul style="list-style-type: none"> <li>Sustainable human resources development</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety in the workplace</li> </ul>	

### Strategic Management for Achievement 2020-2022

The strategies are defined based on the assessment results of sustainability material issues.

Aspect	Materiality	Strategy	Objective	Indicator	stakeholder	Responsible Dpt.
Economic	Sustainable business management development	ntroduce Centralize Purchase System to business groups	To increase sales volume	increasing number of business groups	Customers, partners	Marketing Dpt.
Economic	Risk & Criticality Management	Seek for new supplier	To prevent raw materials shortage	Number of new suppliers	Shareholders, Government sector	Marketing Dpt.
Social	Fair Treatment of Labor & Respect for Human Rights	Corporate safety culture	Safety for employees	Number of accidents	Employee, Community, Government sector	Administrative Dpt.
Social	Employee engagement		Be safety role model	Number of corpuses of knowledge		
Social	Occupational Health and Safety in the Workplace		Be a learning center for safety	Number of delegations paying study visit to the Company		
Economic	Corporate Governance / Good Corporate Governance	Empathy, accessibility, equality	Business transparency	Acquisition of assessment criteria for excellent	Shareholder, Employee, Government sector	Administrative Dpt.
Economic	Social and Business Innovation	Excel on truck safety	Be an excellent service provider	Assessment score from stakeholders	Customer, Partner, Community	Marketing Dpt. Production Dpt.
Social	Human Resources Development	Personnel development, language training	Continuous work improvement for effective communication with foreigners	- Number of Kaizen in the area, - Toeic score	Employee	Marketing Dpt. Production Dpt.
Economic	Management of Supply Chain	Expand customer networks	Keep existing customers and increase sales	5 year sales plan (2022)	Customer, Supplier	Marketing Dpt.
Environment	Environmental Management	SOC , RoHS CFO and green network promotion	Management of environmental impact from product usage	System Implemented by 2017	Customer, Community	Marketing Dpt. Production Dpt.
Environment	Effective use of resources		Effective use of resources	System implemented by 2017		

In addition to the strategic implementation as afore- mentioned, in 2021, the Company reviewed its organization context for according strategies and sustainable organization development goals as follows:

### Strategic Issues

Strategies	Objectives	Indicators
1. Maintain existing customers	To increase sales	5-year sales plan (2024)
2. Increase customer base	To increase sales	5-year sales plan (2024)
3. Expand network of existing customers	To maintain existing customers and increase sales	5-year sales plan (2024)
4. Finding new suppliers	To prevent raw material shortage To prevent price increased from suppliers	Number of new supplies
5. Career Path for new employees	To demonstrate career advancement	Turn Over rate
6. Language training for marketing personnel	To increase communication skills with foreigners	Competency
7. Personnel development	Continuously improve work performance	Number of implemented Kaizen
8. Building safety culture	To become center for safety learning	Accident rate ,Corpus of safety provided
9. Cultivating a service minded attitude	To become excellent service provider for internal and external customers	Evaluation scores by stakeholders
10. Innovation organization	To improve motivation and working conditions	New innovations and added value
11. Supplying air conditioners with EER = 10.6 BTU/Watt	To maximize energy related to air conditioner usage where coolness below as specified by DEDE	Supplied air conditioners with EER not less than the required DEDE

### Strategy and Corporate Culture for Sustainable Development

The Company institutes innovation for management to ensure corporate development and balanced growth, stability, sustainability, and be happy at work covering 4 aspects as follows:

#### 1. Good corporate governance

The “**Empathy, Accessibility, Equality**” innovation emphasizes the disclosure of information that is fair, transparent, auditable, and respect rights and equality of all shareholders.

#### 2. Fair business competition and anti-corruption

“**Merit Driven Business Jointly Fight against All Forms of Corruption**” innovation emphasizes fair and free trade competition, respect property of others, and promotes social responsibilities in business chain.

#### 3. Respect for human rights and fair treatment of labor

The Company recognizes the respect for human rights **to protect, respect, remedy**; and ethical treatment of worker as factors adding value and productivity. Therefore, the Company conducts business in compliance with good governance and care for stakeholder, society, and environment with integrity, transparency, and fairness under its innovation policy stating “**Corporation obligation is to ensure happy work life of employees**”

#### 4. Consumer responsibility

According to the policy statement concerning the quality that is “Customer Satisfaction, Quality Orientated, Continuous Human Resources Development.” The **“Satisfaction Comes First”** become one of the Company’s innovations.

#### 5. Community and Social Collaborative Development

The **“We Grow together with Community and Society”** emphasizes mutual growth among corporate, community, and society.

#### 6. Care for Environment

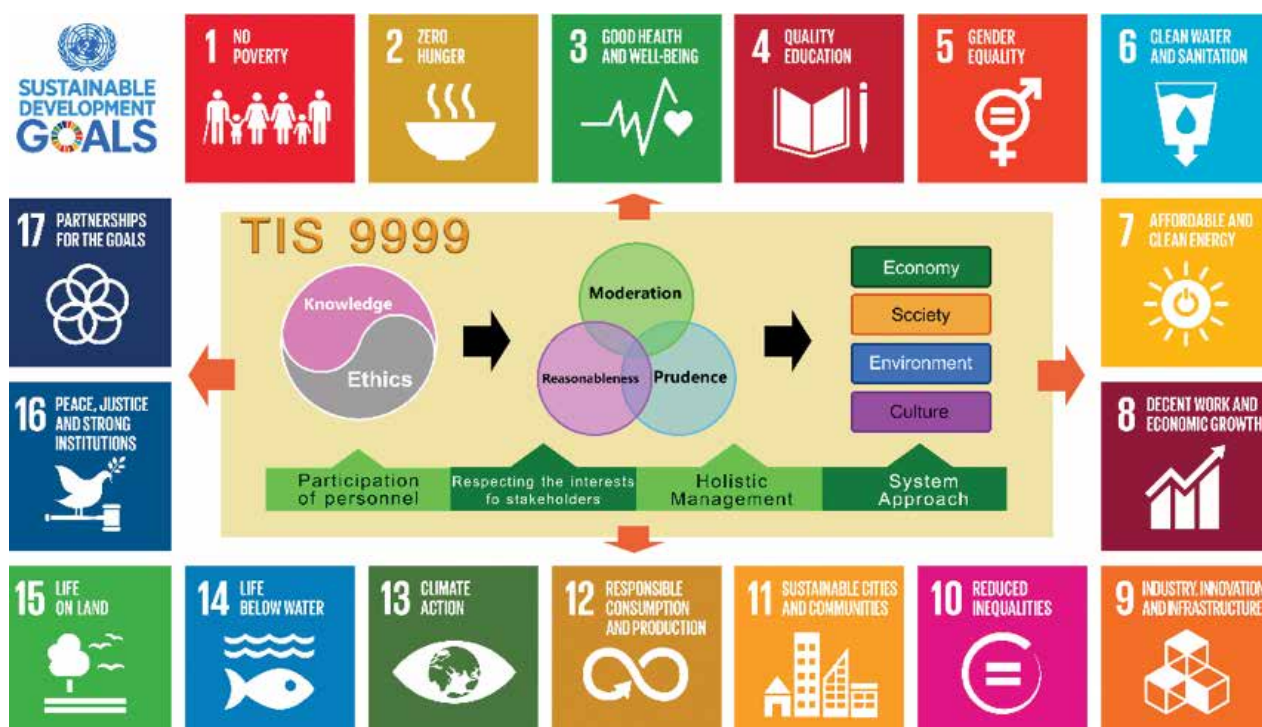
“SSSC for environment conservation and rehabilitation” innovation, the SSSC is spelled out as follows:

- S. Stop Global Warming
- S. Save Green Save Earth
- S. Save Green World
- C. Corporate Social Responsibilities

**Conclusion:** As results of the performance following the sustainability development framework, the Company has been listed in the Thailand Sustainability Investment (THIS) since 2015-2021 (7 consecutive years), and the Highly Commended in Sustainability Award from the SET in 2019. This is to recognize and reflect the Company’s outstanding ESG application covering social and environmental aspects under sustainability management.

Throughout 2019, the Company continue adopted the TIS 9999 as framework for its business decision making aiming at sustainability development as suggested by SDGs.

#### Sufficiency Economy Philosophy for Sustainable Development Goals: SEP for SEGs

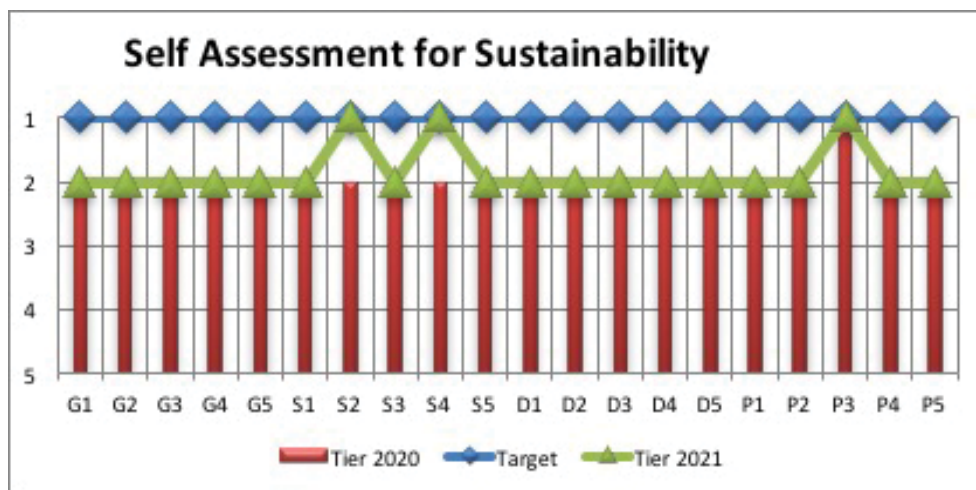


To visualize the goal and roadmap of sustainable growth through assessment following the CERES guidelines which are driving force for sustainable business network creation. In 2016-2017, the Company joined Roadmap for Organizational Sustainability Growth with Ministry of Industry and National Productivity Institute to acknowledge sustainability material issues and guideline to level up the Company toward sustainability while the working group to familiar with the tool for sustainability roadmap and implementation.

In 2021, the Company implemented as planned signifying corporate sustainability in 4 aspects.

4 Aspects of Corporate Sustainability Development Framework	
<b>(1) Sustainability Governance</b> G1. BOARD OVERSIGHT G2. MANAGEMENT ACCOUNTABILITY G3. EXECUTIVE COMPENSATION G4. CORPORATE POLICIES AND MANAGEMENT SYSTEMS G5. PUBLIC POLICY	<b>(2) Stakeholders' engagement</b> S1. MATERIAL ASSESMENT PROCESS S2. SUBSTANTIVE STAKEHOLDER DIALOGUE S3. INVESTOR ENGAGEMENT S4. C-LEVEL ENGAGEMENT S5. STRATEGIC COLLABORATION
<b>(3) Disclosure</b> D1. STANDARD FOR DISCLOSURE D2. DISCLOSURE IN FINANCIAL FILINGS D3. SCOPE AND CONTENT D4. VEHICLES FOR DISCLOSURE D5. VERIFICATION AND ASSURANCE	<b>(4) Performance</b> P1. OPERATIONS P2. SUPPLY CHAIN P3. TRANSPORTATION AND LOGISTICS P4. PRODUCTS AND SERVICES P5. EMPLOYEES

Sustainability Assessment Results of 2021 compared to 2020



(According to the CERES guidelines, driving force for sustainable business network creation)

Tier	Corporate Development
1	Outstanding sustainability process and outcomes
2	Outcomes of clear procedures and continual improvement of the process
3	Clear & applicable roadmap and process for implementation toward sustainability, Process outcomes emerged
4	Inception application of sustainability concept

On 14 May 2021, the Company's Board, as presented by CSR and Environment Committee for Sustainability Development, resolved for the operational plan and targets of corporate sustainability development as follows:

#### Operational Plan for Organizational Development Sustainability 2017 - 2022

Phase	Activity	Objective	Target and Indicator
1.	Workshop on Corporate Sustainability Development Assessment	Cultivate understanding details of the 4 aspects of sustainability frameworks and exercising corporate assessment	Assessment Score and Level of Development
	Required action: The Company is required to do self-assessment and apply the result into action		
2.	Workshop on Self-Assessment and Improvement	Ability to apply self-assessment to draw roadmap and improvement plan toward sustainability	Assessment Score and Level of Development
	Required action: The Company prepares improvement plan for sustainability		
3.	Monitoring workplace improvement plan	To monitor corporate development sustainability	Assessment Score and Level of Development



### Corporate Sustainability Development Goals 2021-2025

No.	Subject Goals	Action Plan			Final Goal
		Y 2021	Y 2022	Y 2023	Y 2024 - 2025
1.	Sustainable Development Goals: SDGs (17 Goals)	<ul style="list-style-type: none"> <li>Resource Efficient Cleaner Production Goal 6, 12, 13,15 ,16 &amp; 17</li> <li>Review and improve:- Goal 3,7,8,9,10, 12, 16 &amp; 17</li> </ul>	Goal 3, 7, 12, 13, 15, 16 & 17	Goal 7, 8, 9, 10, 11	Y.2024: Goal 1, 2, 2 - 13, 16, 17 Y.2025:SDGs at every dimension.
2.	Green Industrial	<ol style="list-style-type: none"> <li>Promote, create &amp; connect environmental activities with stakeholders, (Supply chain, Community &amp; Consumer)</li> <li>Resource Efficient Cleaner Production.</li> <li>Training Sustainable Supply Chain Management</li> </ol>	1. Promoting the supply chain towards green industry	<ol style="list-style-type: none"> <li>Promote community participation. Community development and</li> <li>Work with the community in stimulating awareness and promoting knowledge and understanding on sustainable consumption By giving importance and care to the environment</li> </ol>	Green Industry Level 5: Green Network
3.	CSR for Corporate Sustainability 1. Corporate Governance 2. Human Rights 3. Labor Practices 4. Environment 5. Fair Operating Practices 6. Consumer Services 7. Community Involvement and Development	Integrating CSR, Accordance with SET's guidelines, DIW & SDGs <ul style="list-style-type: none"> <li>Management of Greenhouse Gases</li> <li>Reduce energy consumption &amp; resource use</li> <li>Revise the improvement of the Human Rights framework</li> </ul>	CSR direction towards sustainability <ol style="list-style-type: none"> <li>Delivering shared value to customers</li> <li>Dealing fairly and ethically with suppliers</li> </ol>	<ol style="list-style-type: none"> <li>Supporting the local communities</li> <li>Valuing ESG investors for greater impact</li> <li>Collaborating with local government</li> </ol>	Sustainable CSR
4.	Innovation Organization	<ul style="list-style-type: none"> <li>Set up a team of innovators</li> <li>Develop a standard system for innovation management (ISO 56002)</li> <li>Process Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Social Innovation,</li> </ul>	<ul style="list-style-type: none"> <li>Product Innovation</li> <li>Business Innovation</li> </ul>	Establishing an Innovative Organization to Drive towards the Organizational Excellence

### Performance toward Achieving Sustainable Development Goals

The Company has employed the Industrial Standard following Sufficiency Economy in Industrial Sector TIS 9999 to its business operations toward achieving sustainable goals. The administration and operation recognize moderation, reasonableness, and self-immunity with knowledge and virtue to strengthen the balanced development in economic, social, environmental, and cultural dimensions; secure sustainable growth and happiness; ability to take on all internal and external changes and uncertainties. Performance development toward SDGs is shown hereunder.

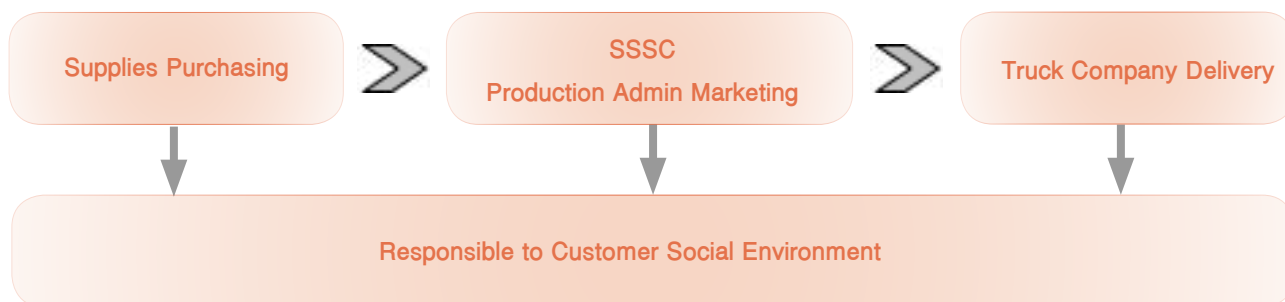
Action Towards Sustainable Development Goals: SDGs(Year 2018 - 2021)	
Development Aspect	Sustainable Development Goals: SDGs
1. Corporate Governance	SDGs 10, 16, 17
2. Health & Safety	SDGs 3, 8, 17
3. Human Rights	SDGs 5, 8, 10, 16
4. Employee Caring and Development	SDGs 3, 8, 9, 10
5. Energy and Climate Change	SDGs 1, 3, 4, 7, 8, 9, 11, 12, 13, 17
6. Water Management	SDGs 1, 2, 3, 4, 6, 9, 12, 14, 17
7. Material Use and Recycling Strategy	SDGs 9, 12, 14
8. Waste Management	SDGs 9, 11, 12, 17
9. Sustainable Products and Services	SDGs 7, 9, 12, 17
10. Sustainable Value toward Customer	SDGs 7, 9
11. Supplier Create Sustainable Value toward	SDGs 9, 10, 12
12. Biodiversity and Ecosystem	SDGs 2, 10, 12
13. Concern for Society and Community	SDGs 1, 2, 3, 4, 6, 7, 8, 11, 13, 14, 17

### 3.2 Value Chain Management of Stakeholder Impact

#### 3.2.1 Value Proposition through Value Chain

##### 1. Process/Procedures

The Company's operation focus on the participation of all departments in the business cycle, which results in cooperation throughout the value chain by engaging in social responsibility and environmentally-friendly management. The Company planning focuses on customer, personnel, information, process, business outcomes while recognizes short-long terms benefits to the organization and common interest.



- The Company's purchasing orders are made for best quality of goods and services. Risk management covering environment, society, and corporate governance is in place for proper management against every level of risks. Minimum requirement according to labor law is taken into determination including child labor, illegal worker, migrant worker, environment, and quality control management system in order to reduce possible risk impact on quality, quantity, goods and service delivery as well as stakeholder's trust on Company's performances. Procurement policy is clearly defined. Partner, customer, and sub-contractor assessments are conducted every year to verify and prevent any violation or breach of the Company's procurement policy or rules or regulations. Screening and checking measures on business partners are stipulated to prevent the violation of human rights.

- The Company's manufacturing processes are continuously controlled and monitored toward sustainability by employing energy-saving technology, using high-performance devices, such as Inverter VSD and energy-saving light bulbs, wastewater treatment, Aspect assessment, resources exploitation.

- The Company's delivery system focuses on processes and concerned parties that responsive to customers, communities, and environment. In order to prevent hazards to customer, community and environment, capacity building for delivery truck sub-contractors is provided including safe drive, drug test, alcohol test, measures of blood pressure and body temperature, truck inspection on safety and pollution.

Integrative supply chain management is one of significant strategic factors for business sustainability. The Company places an importance and conducts its business with responsibility adhering to good governance principles recognizing social and environmental impacts to drive corporate sustainability development.

Business value chain of the Company consists of 2 types of value chain activities.

1. **Primary activities** consist of 5 interconnected activities according to the Company's business context

- (1) Procurement management
- (2) Operation and production
- (3) Product distribution
- (4) Marketing and sale
- (5) After sale service

Procurement Management	Operation & Production	Product Distribution	Marketing & Sale	After Sale Service
1. Seek for raw material to meet customers' needs 2. Compare quality and price of each supplier for appropriate pricing to customers 3. Raw material control and management following FIFO for effective use of raw materials	1. Control system to avoid mistaking of raw materials for production 2. Production plan to ensure quality outputs with minimum waste and damage 3. Regular training to enhance working skills of employees and to cultivate awareness of compliancy	1. Transport planning to ensure timely delivery 2. Establish chain stores to reduce transportation cost and concentration of distribution areas	1. Provision of raw material specification and related information for customer prior to making purchasing order 2. Provision of information to customer on similar raw material at less price or better quality	1. Responsible unit to receive complaint of product usage and to cooperate with concerned unit for further action 2. Conduct customer satisfaction survey every 6 months

## 2. Support activities

The activities are carried out to drive the primary activities to proceed continuously and effectively. The support activities consist of:

**2.1 Infrastructure:** The Company oversees and updates its key operation systems to facilitate management within the Company and be able to provide fast and accurate customer services. Teamwork is established to handle legal barrier or restriction affecting the procurement of Company's main raw material.

**2.2 Human Resources Management:** The Company press the utmost importance on human resources covering recruitment of competent personnel, provision of attractive welfare, well-being and benefits, training and development, career advancement to ensure employees' loyalty which is believe contributing to effective customer services.

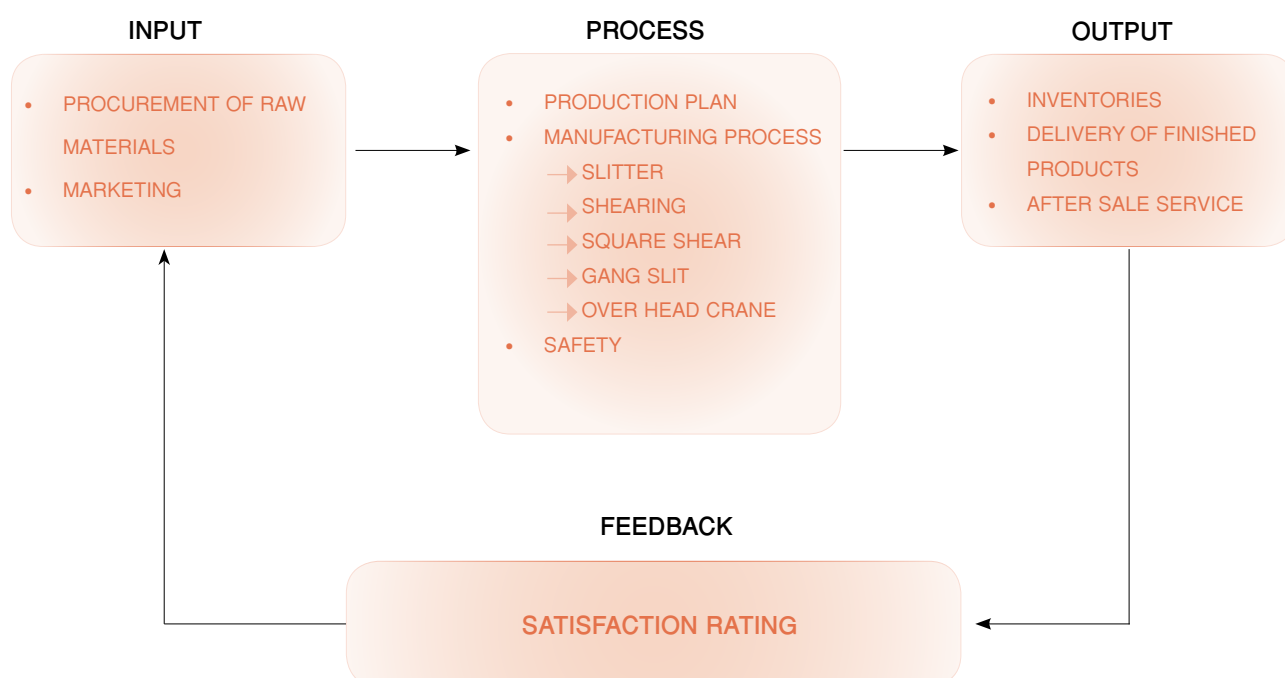
**2.3 Procurement:** Provides state of the art machinery and equipment to facilitate work performance that is transparent and fair to customers. The Company is committed to trade with partners who support anti-corruption policy by which the Company strongly adheres to.

**2.4 Technology Development:** Improves production and delivery processes by employing modern technology to ensure timely customer services and enhance capacity enabling the Company to take on changing business circumstances. The Company adjusts the application software developed by its partners to suit the needs of the Company and its partners.

## 2. Operation

The Company efficiently applies information technology for procurement, marketing, planning/ production, delivery, after-sale service, and satisfaction rating.

### OPERATION DIAGRAM



## INFORMATION TECHNOLOGY SYSTEM

➔ 1. Marketing	➔	1.1 Forecast system support Kanban order
	➔	1.2 Customer satisfaction assessment
	➔	1.3 QR code for TIS
➔ 2. Inventory	➔	2.1 Material receive by barcode
	➔	2.2 Stock location by barcode
	➔	2.3 Product uploaded on truck by barcode
	➔	2.4 Physical check by barcode
	➔	2.5 Business Intelligence for inventory
➔ 3. Planning	➔	3.1 Auto cutting order schedule plan
➔ 4. Production	➔	4.1 Check coil match to cutting order by barcode
	➔	4.2 Tool life system
	➔	4.3 Work site control
	➔	4.4 Steel pallet control
	➔	4.5 Equipment control
➔ 5. Quality control	➔	5.1 Claim data record and monitoring
➔ 6. Delivery	➔	6.1 Checking product on truck by barcode
	➔	6.2 Auto delivery planning system
	➔	6.3 Truck queuing
	➔	6.4 Transport inquiry via web
➔ 7. Safety	➔	7.1 Safety operation procedure
➔ 8. Purchase	➔	8.1 Online purchase order system
➔ 9. Human resource	➔	9.1 Stationary control

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### 3. Participative Management of Customers, Partners and Stakeholders

#### Customers

The Company contacts its customers in person for mutual benefits. The contact helps the Company gaining better understanding of customers' needs and information concerning products and services as well as complaints (if any). What the Company has done includes:

- Setting fair and reasonable prices for its products and services;
- Providing accurate and complete information about its products and services;
- Managing customer relations both before and after sale to maximize customer satisfaction with its products/services.

#### Partners

- The Company participates with partners through transparent process in compliance with procurement regulations and procedures set forth and disclosed to the Company's personnel to strictly adhere to. Such process is honestly and equally communicated to partners with competitive opportunity provided as appropriate based on fairness and confidentiality.
- The Company supports activities associated with its business in order to achieve joint market development.
- Risk management assessment for business partner is conducted realizing environmental, social, corporate governance impacts. Analyzing partners' business and encourage them to participate in capacity building activity for their sustainable business operations and growth as well as running business with the Company in a long run.

#### Competitors

- Competition must be subject to legal framework, ethics and business code of conduct.
- Be able to jointly carry out activities that yield social benefits.

#### Delivery

- Selection of shippers applying strict, fair and standard investigation measures; equal job distribution to shippers; safe driving training for truck drivers; measures for drug and alcohol tests and primary health checkup before commencing the work to prevent accidents during transportation.

#### Outcomes

- The entrepreneurs earn incomes and stability; personnel improve expertise.
- The organization has drivers equipped with work capacity and awareness, less accidents during freight transport which in turn reduce negative impacts on environment.

#### Subcontractors

- Capacity based selection of subcontractors.
- Training and development for subcontractors.
- Drug tests for subcontractors.

**Mutual benefits**

- Work capacity of subcontractor improved.

**Suppliers of raw materials and consumable materials**

- Joint meeting with suppliers for mutual development.
- Assessment of supplier delivery time.

**Community**

- Dialogue held with local community to identify community needs for continuous cooperation in community development implementation and follow up as mentioned in the “Participative Community and Social Development” section

**Society**

- Support of social activities such as education, job promotion, and disadvantaged persons.

**Shareholders**

- Fair and consistent benefit sharing.
- Transparent and auditable management.
- Support of social activities for social and organizational benefits.

**Executives and Employees**

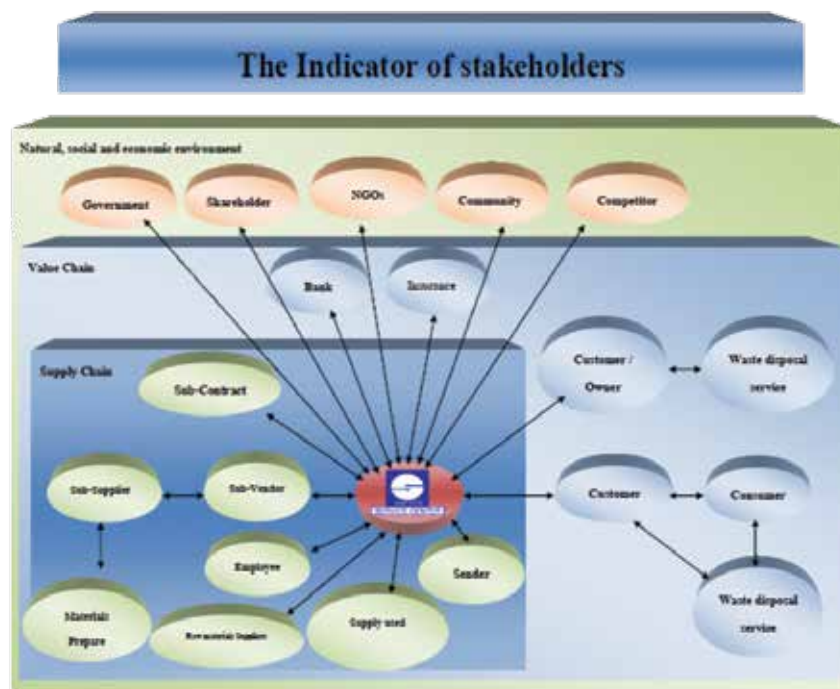
- Treats executives and employees as family members.
- Promotes quality of life for executives and employees.
- Encourages the effective use of resources.
- Promotes personal financial management, such as savings, household accounts, and financial planning.
- Promotes sports and recreation.
- Encourages executives and employees to actively and cooperatively engage in social activities.
- Promotes social activities arrangement with care, circumspect, and reasoning.

**3.2.2 Analysis of Stakeholders in Value Chain****Stakeholders/ Analysis of Stakeholders**

Stakeholder engagement is regarded as key component in Company’s sustainability strategy to ensure existing and potential risks and opportunities are identified with according prioritization to facilitate policy development.

The Company organizes dialogues within the organization to review stakeholder register and to assess relevant benefits and impacts for subsequent stakeholder priority setting consisting of shareholder, employee, customer, partner, competitor, shipper, raw material supplier, subcontractor, community, society, creditor, consumer and government sector.





The Company sets goals and formulates comprehensive operational plans responsible for stakeholder toward sustainability development. Analysis of stakeholder expectation and related issues in business value chain is conducted aiming at quality and safe product development. Also, to support the use of social responsibility products, promote physical and mental health and safety of every employee focusing on Zero Accident; ensures employees' happiness and enjoyment at work as well as international quality standard product delivery.

### Stakeholder Expectation Analysis and Management

Stakeholder	Expectation	Management
Customer	Quality products at reasonable price, timely delivery	Product quality control according to standards, minimize production loss.
Partner	Accurate and effective procurement systems with fair and equal treatment to all partners	<ul style="list-style-type: none"> <li>Development for effective procurement systems</li> <li>Adhering to fair and equal treatment to all partners, business contract with partners shall reach mutual benefits</li> </ul>
Competitor	Honest and ethical competition	Treats competitor according to the laws and ethical trade code of conduct
Creditor	Receive payment in full and on time	<ul style="list-style-type: none"> <li>Comply with terms of agreement made with creditor</li> </ul>
Employee	Work safety, job security, and career advancement	Adheres to human rights, labor law, and promotes training and development
Shareholder	Good returns of investment	Dividend
Society, community and environment	Make contribution for the betterment of society, production process not affect environment	<ul style="list-style-type: none"> <li>Conducts social and community activities as see appropriate</li> <li>Comply with environmental laws and management standards</li> </ul>

### 3.3 Management of Environmental Sustainability



#### 3.3.1 Environmental Policy and Guidelines

The Company's operational procedures and impacts on environment are as shown:

PROCESS FLOW CHART		
INPUT	PROCESS	OUTPUT
Fuel truck, crane, mother coil	Receiving ↓	Fuel dripping from truck. Wheel dust, truck exhaust fumes, noise
Crane, mother coil, electricity	Casing ↓	Scrap, paper/plastic scrap, steel strap
Electricity, mother coil, machinery, anti-rust oil	Cutting/Slitting ↓	Engine oil sludge, scrap, steel products, noise, oil mist, machine wiping cloth
Electricity, packing paper, wooden/steel pallet, anti-rust oil, steel/plastic strap,	Packing ↓	Wood scrap, oil mist, paper scrap, paper spool
Crane, forklift products, fuel	Storage ↓	Falling steel, fuel usage, oil dripping, wheel dust, exhaust fumes
Truck, fuel	Delivery	Exhaust fumes, wheel dust, oil dripping/leaking

#### Environmental Management

"SSSC for environmental conservation and rehabilitation" innovation known as SSSC as follows

- S. Stop Global Warming
- S. Save Green Save Earth
- S. Save Green World
- C. Corporate Social Responsibilities

#### Environmental Management Policy

As part of the society and community, and to give back to society and community, the Company is fully committed to continuously improve Environmental Management System (ISO 14001:2015). The Company cooperates with environmental concerned organizations running campaign to reduce global warming, raise forest conservation awareness, save the world, create green world, improve quality of life and environment. These have been operated according to the environmental policy which was reviewed and revised on 1 October 2021.

1. Performs in appropriation with context, goal, characteristic, size, and impact on environment stemming from products and services of the Company
2. Commits to protect environment, prevent and control pollution resulted from the Company operation.
3. Commits to comply with obligation and terms concerning environmental management.

4. Strives to promote employee participation in pollution reduction, to cultivate awareness of conservation of resources and environment.
5. Develops and improves production recognizing impact on environment at every procedure.
6. Continuously conducts environmental evaluation and review against the set objectives and targets.

The Company has applied, to its business operation, the Sufficiency Economy for Industrial Sector Guidelines (TIS 9999 volume 1-2556 B.E.) for the balance, stability, sustainability and happiness. In 2021, the Company performed environmental maintenance following the Sufficiency Economy for Industrial Sector Guidelines as follows:

- (1) Maximizing resources from acquiring to using of raw materials, waste management, and impacts on next generations.
- (2) Being aware of and identifying the impacts stemming from corporate operation on environment while seeking alternatives to best eliminate and reduce the impacts.
- (3) Gearing toward development of environmentally friendly products and production process, avoiding any production without pollution management or protection.
- (4) Using energy and renewable energy for corporate operation effectively and efficiently.
- (5) Instituting guidelines for systematic water management covering management, storage, control, treatment, and drainage without damaging natural water source while maintaining the benefits of the community and society where the Company operates.
- (6) Participating in the conservation, development and rehabilitation of soil, water and forest regarded as foundation of life of the community and society.

Through regular communication and training, the Company instills knowledge and understanding in employees concerning the essence of environmental conservation and rehabilitation both in the workplace and household. In connection to this, policy guidelines have been drawn for continuous and effective implementation in alignment with ISO14001. Accordingly, the Company has been certified ISO14001 since 2004. Particularly, in 2016, the Company was certified the new version of ISO14001:2015.

### **Energy Conservation**

The Company attaches an importance on efficient energy usage in production process, the Company, therefore, promotes continuous participation among employees on sustainable energy management. The key objective is to promote employees' awareness of effective and efficient use of energy as well as to constantly and sustainably lower energy costs. The Company improves its energy management system by:

- Appointing the energy management working group comprising representatives from various units within the organization;
- Preliminary review of energy management;
- Defining energy conservation policy;
- Potential assessment on energy conservation;
- Setting targets and action plan for energy conservation, training plan and activities to promote energy conservation;
- Implementing energy conservation plan, reviewing and analyzing operation against the set targets and plan;
- Monitoring and assessing energy management;
- Reviewing, analyzing and revising energy management plan and targets.

In 2017, the Company strived for international standard under the program on Development of the Thai Energy Management toward International Energy Management Standards ISO 50001. Accordingly, the Company has been certified ISO 50001 resulted from the Energy Conservation Policy implementation which was reviewed and revised and effective on 1 October 2021.

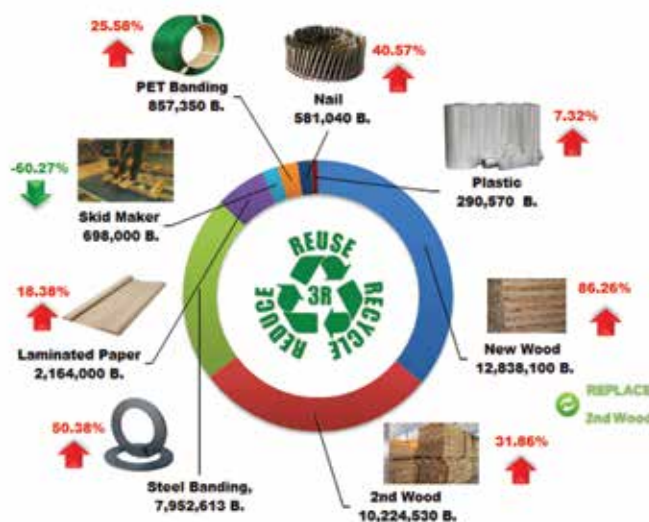
- (1) The Company shall determine energy conservation as part of its operation through development for suitable energy management system in line with related laws and regulations.
- (2) The annual energy conservation plan and targets shall be formulated and made known to every employee for common understanding and actions.
- (3) The Company shall support the purchase of energy saving products and services designed for energy capacity improvement.
- (4) The Company shall continuously improve technology and energy consumption for effective and proper use in the business.
- (5) The Company shall regard energy conservation as duty and obligation of executives and employees to cooperate and comply with the stipulated measures.
- (6) The Company shall promote and provide resources as needed including personnel, budget, work hours, training, awareness instillation, idea sharing of employees for efficient development of energy related work.
- (7) The energy conservation plan and targets are revised every year by executives and the Working Group.

### Sustainable Use of Resources

Apart from implementing Industrial Standard Following Sufficiency Economy in Industrial Sector TIS 9999, the Company adopts the “3Rs” Principles consisting of R1- Reduce, R2 - Reuse, R3 - Recycle. The adopted 3Rs is implemented to continuously develop and improve productivity focusing on effective use of raw material by reducing or reusing waste to remain at the least amount. The produced waste is properly managed in accordance with the provision of law including waste storage, reuse, and treatment.

In addition, the Company has implemented the “Knock Down Steel Pallet as Substitute for Wooden Pallet Program” since 2016 by encouraging customers to replace wooden pallet with steel pallet. **In 2021, 64% of 164 total customers using pallet joined the program (62% in 2020) whereby the planned target of steel pallet usage is 70%.**

### Summary of 2021 Sustainable Use of Resources Applying 3Rs



### 3.3.2 Environmental Performances

The Company stipulates that there shall be an indication, measurement, record, and report of electricity consumption, fuel, and other significant resources. Accordingly, the environmental quality measurement report is prepared and submitted to the committee and working group in charge of environmental issues for planning.

#### 1. Water Management

##### Effective Water Usage

##### Measures to increase effectiveness of water and wastewater management

The Company regulates the control of electricity and water uses as well as water-saving campaign as follows:

- (1) Prompt fixing of broken faucets;
- (2) Modifying water-saving devices
- (3) Water-saving campaign
- (4) Reusing treated water

#### Requirement 1

Prepares water inventory illustrating amount of water used as well as amount of wastewater, water balance.

##### Performance

Water inventory has been prepared illustrating water activities and amount used as well as wastewater, water balance, even through Company's plant does not use water in the production process. As such, water use only in toilet and kitchen.

#### Requirement 2

Defines objectives and targets, formulates action plan, implements and enhances water and wastewater measures.

##### Performance

Performance reaches target by 100% as shown.

Out put	2021 M <sup>3</sup> /day	2020 M <sup>3</sup> /day	2019 M <sup>3</sup> /day
% of water reuse	40 ( 100 % )	40 (100%)	40 ( 100 % )

#### Requirement 3

Effective water and wastewater management according to measures provided.

##### Performance

Assessment results of water use intensity and wastewater intensity has shown the continuous improvement as water consumption/person/year reduced by 1 % yearly during the past 3 years.

Year	Water use intensity (L <sup>3</sup> /person/year)	Decrease By %
2021	23.94	9.18
2020	26.36	3.86
2019	27.42	1.72

## 2. Energy Management

Implementation of effective use of resources measures to reduce energy consumption and consumption of other resources by determining indicators of good practice against other sources as results shown:

Year	quantity (kilowatt - hr.)	cost (baht)	Amount to KgCO <sub>2</sub> e
2021	2,103,000	8,398,511	1,179,780
2020	1,753,100	7,306,269	983,433
2019	2,120,000	7,319,692	1,189,320

### Environmental protection and rehabilitation

The Company is well aware of the global warming and climate change impacts. The Company's commitment has been extended to integrating environment friendly into its operational plan for employees to be aware of management concerning environment, occupational health and safety, effective use of energy. Work process is continuously improved for pollution prevention, reduce impact on environment as well as conservation of natural resources.

### Reduction of greenhouse gas emission

In 2021, the Company conducted Carbon Footprint for Organization assessment for the preparation of management directives concerning effective reduction of greenhouse gas emission. Accordingly, the Company's policy on greenhouse gas emission reduction has been stipulated as follows:

- (1) Formulates the greenhouse gas emission reduction plan and measures and made known to all employees for cooperation and compliance;
- (2) It is an obligation of all executives and employees to take the greenhouse gas emission reduction as their responsibilities and compliancy with the specified measures. They shall also monitor and report to the greenhouse gas emission reduction committee;
- (3) Promotes and supports as necessary and appropriate, the human resources, training budget, employee participation concerning idea for development of greenhouse gas emission reduction;
- (4) Extends environmentally friendly idea to suppliers, defines operational guidelines for non-renewable energy consumption reduction in the supply chain;
- (5) Reviews and evaluates yearly by executives and the greenhouse gas emission reduction committee; the greenhouse gas emission reduction policy, plan, and targets.

### Environmental protection and rehabilitation practices

- On a yearly basis, operates reforestation caravan to fight against drug, and reduce global warming.
- Conducts training on energy conservation for community and school for them to be able to apply in their actual situations.
- Continuously takes care of employee good health and work safety from which the Company had been awarded the National Occupational Health and Safety for 12 consecutive years (2006-2017), and being certified ISO 14001 and ISO 45001.

### 3. Waste and Pollution Management

#### Protection and reduction of pollution

- Checking and recording of important environmental issues, reporting results of reduction of pollution and waste to Environment Committee.
- Installing wastewater treatment and control system whereby wastewater is treated before discharged even though the Company's factory does not use water in the manufacturing process.
- Installing precipitator for air pollution control and release, providing tire and wheel cleaning pit for vehicle before entering the factory.
- Facilitating request for permission to discharge waste or used materials from the factory as required by law.
- Developing and promoting the use of environmentally friendly products and services. Subcontractor's transports and equipment are required regular checking before operation at least once a day using the form as specified by the Company. On a regular basis and before driving, random sampling for body checkup of the drivers including drug and alcohol test.

#### Impact on Environment

The Company manages waste from production process to avoid any impact on internal and external work environment.

#### Requirement 1

Prepares waste inventory, waste profile, and waste flow diagram.

#### Performance

Factory waste profile is in place, transportation waste flow diagram sent to the Department of Industrial Works

#### Requirement 2

Sets objectives and targets, formulates action plan, and implement according to the waste management measures.

#### Performance

Implemented the 3Rs e.g., recycle used wooden pallet which reduced the use of new wooden pallet by no less than 65% of total wooden pallet purchasing order.



Waste	Management
Scrape from steel cutting	Sells to licensed producers for recycling into other products
Wood scrapes from making wooden crate (crate used to transport or store steel)	Sells to licensed producers for recycling into other products
Expired engine oil and hydraulic oil	Sells to licensed producers for recycling into other products
Oil and chemical contaminated waste	Send to licensed personnel for disposal
Dust particles from making wooden crates	Uses vacuum to store for later use as oil absorber

#### 4. Reduction of Greenhouse Gas Emission

In 2021, the Company conducted Carbon Footprint for Organization assessment for the preparation of management directives concerning effective greenhouse gas emission. The Company stipulates policy on greenhouse gas emission reduction as follows :

- (1) The Company shall formulate the greenhouse gas emission reduction plan and measures and made known to all employees for according cooperation;
- (2) It is an obligation of all executives and employees to take the greenhouse gas emission reduction as their responsibilities and compliance to the specified measures. They shall also monitor and report to the Greenhouse Gas Emission Reduction Committee;
- (3) The Company shall promote and support as necessary and appropriate, the human resources, training budget, employees participation concerning idea for development of greenhouse gas emission reduction;
- (4) The Company shall extend environmentally friendly idea to suppliers for manufacturing process application, and to define operational guidelines for non-renewable energy consumption reduction in the supply chain;
- (5) Executives and the Greenhouse Gas Emission Reduction Committee shall review and evaluate yearly, the greenhouse gas emission reduction policy, plan, and targets.

Performance	2021	2020	2019
1. Direct greenhouse gas emission: Scope 1 (ton CO <sub>2</sub> e) combustion of fossil fuels (LPG, Diesel)	-	-	-
2. Indirect greenhouse gas emission : Scope 2 (ton CO <sub>2</sub> e) electricity consumption not include solar cell	1,179,780	983,433	1,189,320

As a consequence of consistently raising awareness of its employees on environmental conservation under the “SSSC for environmental conservation and rehabilitation,” the Company has gained full participation from all employees implementing environmental friendly activities as corporate culture practice. As such, the Company was accredited Green Industry Level 4: Green Culture, from the Ministry of Industry in 2019.

Since 2020, the Company has reviewed its environmental management system and created corporate culture as specified by the Green Industry Level 4. The Company promotes environmental activities with its stakeholders in the supply chain, community, and consumer for collective development on network expansion toward Green Industry Level 5 as planned.

### 3.4 Social Sustainability Management



#### 3.4.1 Social Policy Guidelines

The Company is fully committed to organization development for sustainable growth with ethical care and under good corporate governance for stakeholder, economy, society, and environment. The Company is aware of corporate, social and environmental impacts, therefore, conducts its business with social responsibility toward balance, stability, sustainability, and happiness according to the Guidance on Sufficiency Economy for Industries (TIS 9999).

The Company establishes the corporate development policy for sustainable growth with social and environmental responsibilities as operational guidelines recognising corporate impact on various bodies. The Social Responsibility Committee reviewed and revised the said policy and submitted to the Company's Board for approval on 17 May 2021 as follows:

- (1) The Company shall conduct its business under good governance, ethical conduct, and good corporate governance as well as ethical care for stakeholder, economy, society, and environment with respect for human rights;
- (2) The Company shall strive to develop and improve management of quality of life, environmental management, occupational health and safety following MS-QWL, ISO14001, ISO45000, ISO9001, IATF16949, and ISO50001;
- (3) The Company shall integrate vision, mission, corporate goal, and guidelines on business sustainability;
- (4) The Company shall formulate strategy and performance guidelines as well as effective and efficient responsive results to the organisation;
- (5) The Company shall conduct analysis of the cause, driving force, risk, and opportunity for sustainability;
- (6) The Company shall review and evaluate targets and business sustainability development plan together with social and environment.

For the continuity of effective CSR and environment implementation to be more responsive to environment, society, and corporate governance as well as to foster the balanced, stable, sustainable development and happiness as stipulated by the said vision and mission; on 16 May 2021; the Board resolved for the new **Social and Environmental Responsibility for Sustainability Committee** to be established and chaired by Assoc.Prof. Dr. Sucharit Koontanakulvong, Independent Director/Audit Committee Member/ Nomination & Remuneration Committee Chairperson, and Risk Management Committee Member. Members of the committee and working groups include senior executives, and representatives from all departments. This aims for CSR collective action of all concerns as mentioned in 9.2 - Sub-committee. There are 7 working groups working on different CSR focuses.

1. Corporate Governance
2. Human Rights
3. Labor Practices
4. Environment
5. Fair Operating Practices
6. Consumer Services
7. Community Engagement and Development

The scope of duties and responsibilities of the Social and Environmental Responsibility for Sustainability Committee and working groups are clearly defined to ensure effective implementation of social and environmental responsibility which can be measured and assessed against sustainable development in 3 dimensions: economic, social, and environmental toward sustainability development.

#### Social and Environmental Responsibility Operational Guidelines

For the balanced, stability, and sustainable growth with happiness along with better systematic social responsibility development performances, and in addition to the Organization Sustainability Development, the Company has drawn frameworks for social responsibility and adopted the ISO26000 since 2012 by adhering to 7 key principles as follows:

1. **Accountability:** the Company's performance shall be auditable by external unit.
2. **Transparency:** clear and accessible information is disclosed to stakeholders and all concerned.
3. **Ethical Behavior:** standard ethical practices are stipulated that all actions shall be conducted with honesty, impartiality, fairness, care for environment and stakeholders.
4. **Respect for Stakeholders' Interests:** the Company recognizes stakeholders' interests, in this regard, views and recommendations on corporate business management are welcome concerning e.g., political, proposal, decisional impacts on stakeholders.
5. **Respect of the Rule of Law:** the Company's business is conducted in compliance with related laws and regulations.
6. **Respect of the International Norm of Behavior:** inclusive of international treaty, order, notification, agreement, resolution, and recommendation as endorsed by concerned international organizations.
7. **Respect for Human Rights:** the Company's implements its policies and operation aligned with declaration of human rights

In order to promote social responsibility and sustainability, since 2013, the Company has joined the Flagship Project with Department of Industrial Works, Ministry of Industry.

The Company promotes knowledge for better understanding among employees on Corporate Social Responsibility, Department of Industrial Works (CSR-DIW) Standard for them to be able to act collectively to promote the Company to become socially responsible organization.

In 2021, the Company carried out social and environmental responsibility related activities following 8 principles.

- 1 Fair business practices
- 2 Anti-corruption
- 3 Respect for Human Rights
- 4 Fair treatment of Labor
- 5 Consumer Responsibility
- 6 Environmental Care
- 7 Community/Society Involvement and Development
- 8 Be Responsible Innovative Organization for Society, Environment and Stakeholders

The above 8 principles encompassing impacts in 3 dimensions social, economic, and environmental.

In addition, the Company conducted training during 2021 for employees in various matters including 5S, Kaizen, Energy Management Standards, safety, corporate sustainability development which regarded as key factors leading to achieve business sustainable growth and best interest to shareholders.

Besides adopting ISO26000 and CSR-DIW, the Company also organizes CSR activities applying Guidance of Sufficiency Economy Philosophy for its continuing sustainable development.

#### **Monitoring and Review of CSR and Environment for Sustainable Development**

The CSR Committee monitors and reviews CSR and environment for sustainable development performance applying Guidance of Sufficiency Economy Philosophy for submission to the Company's Board for acknowledgment and approval of annual plan and strategy.

In conclusion, the sustainable development performance in 2021 has no impact on social and environment. No case on public news that might affect business operation, reputation or credibility of the Company and its subsidiaries as well as no violation of laws and/or complaint from all group of stakeholders.

#### **CSR Strategy for Sustainability**

The CSR Committee with consent from the Company's Board defines an intergrate corporate social responsibility strategy into the Company's master plan where problems and solutions for effective and efficient corporate CSR operation are identified. The 3-year (2020-2022) CSR strategic plan, which is social, economic, and environmental result based, is revised in alignment with the Industrial Standard Following Sufficiency Economy in Industrial Sector (TIS 9999 volume 1-2556 B.E) as shown:

Year	Implementation	Targets
2020	Integrating CSR and SDGs	<ul style="list-style-type: none"> <li>Integration of CSR and SDGs into all units</li> </ul>
2021	Reexamining the internal and external CSR and sustainable development contexts	<ul style="list-style-type: none"> <li>Defining significant standards of CSR and SDGs for appropriate corporate development</li> </ul>
2022	Development of quality and social responsibility and sustainability development to be rolled out across business chain	<ul style="list-style-type: none"> <li>Defining CSR and quality development guidelines</li> <li>Short and long terms action plan and guidelines in place</li> </ul>

Since 2020, **social and environmental responsibility has integrated into work process of every department** through training, workshop, and improvement of standard systems in accordance with the new versions of Quality Standard System ISO 9001:2015, IATF 16949:2016; Environmental Management System ISO 14001:2015; Energy Management System ISO 50001:2001; and Occupational Health and Safety Management System ISO 45001. **Corporate context survey and review have been carried out to standardize measures for social and environmental responsibility toward sustainable development** and corporate innovation management in accordance with the Innovation Management System ISO 56002:2019. This ensures all employees realize that every activity implemented shall recognize social and environmental responsibility toward organization development that balance, stabilize and sustain growth with happiness. This has helped improving effectiveness and organization capacity concerning creative ideas and social responsibility through innovation process e.g., community networking, product development from local wisdom. Consequently, the Company has passed the Innovation Management System (ISO 56002:2019) test conducted by the Management System Certification Institute (Thailand) under the competitiveness capacity improvement through innovation program.

On 28 February 2021, the Board's Meeting resolved for the review of Business Ethics and Work Performance Guidelines Handbook specifying performance standards of business operation for all group of stakeholders. The Handbook is disseminated via various channels e.g., Email, intranet, and Company's website at [www.sssc.th.com](http://www.sssc.th.com) covering various matters including continuously trains and monitors the compliance practices of employees and the newly recruits with the Handbook. **As for the year 2021, no action violating the ethical and work practices was found.**

#### **Implementation of CSR Strategy for Sustainability**

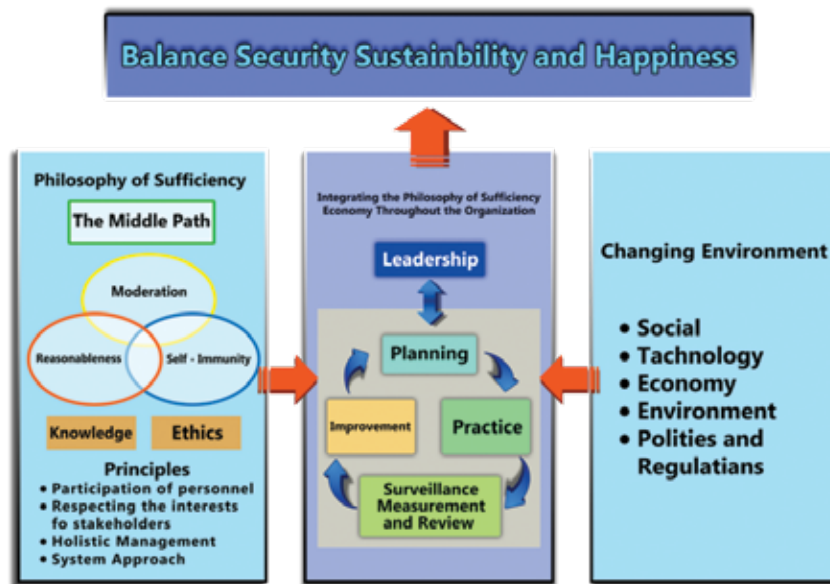
To meet the TIS 9999 standards, the Company establishes the Industrial Standard Following Sufficiency Economy in Industrial Sector (TIS 9999 volume 1-2556 B.E.) working group comprising vice president, senior executives, and representatives from departments/units for cooperation.

The revised CSR policy as mentioned in Attachment 5: "Roles and Responsibilities of Stakeholders" as guidelines for implementations responsible for any impact stemming from the Company's operation.

The Company stipulates for the adoption of **"The Sufficiency Economy Policy for Industrial Sector"** (TIS. 9999) to its corporation. Various factors are taken into management and operation including moderation, reasonableness, self-immunity, as well as knowledge and virtue. This aims to achieve a balanced development in economic, social, environmental, and cultural dimensions that sustains stability and growth as well as brings about happiness and readiness of being able to take on internal and external environmental changes and uncertainties. Accordingly, the Company sets forth its operational guidelines as follows:

1. Promotes personnel engagement by boosting the consciousness, knowledge and virtue of the employees, with the aim of equipping them with the philosophies of self-sufficiency, well-roundedness, prudence, integrity, diligence, patience, unity and sharing;
2. Appropriately and fairly respects and cares for the stakeholder interest as well as legal rights.
3. Develops a holistic and systematic management structure, in terms of leadership, planning, implementation, monitoring, improvement and information technology, with the goal of creating efficient and effective business outcomes.
4. Encourages personnel to learn about, and gain a better understanding of, the benefits of natural resources and ecosystems, which include land, water, forest and biodiversity, all of which play a vital role in fostering human minds, livelihood, and interdependency.

Framework for Industrial Standard Following Sufficiency Economy in Industrial Sector (TIS 9999 volume 1-2556 B.E.) as applied by the Company since 2014-2021 is illustrated as shown:



Sufficiency Economy Philosophy.....toward Balanced and Sustainable Development

#### TIS. 9999 - The Guidance on Sufficiency Economy for Industries

Throughout 2020 - 2021, the Philosophy of Sufficiency Economy based on the Guidance on Sufficiency Economy for Industries (TIS. 9999) as shown above, had been applied, both internally and externally toward achieving sustainable development as follows:

#### Framework 1. 3 Rings, 2 Conditions, and 4 Principles Strategies

**Ring 1. Moderation** - Sufficiency for needs and appropriateness for one's status, society, the environment, and the culture of each locality, at a level of not being too much or too little so that it causes suffering to oneself. This concept consists of:

- (1) Conducting social activities that one is interested in and prepared to do;
- (2) Planning social activities in a systematic fashion and gradually expanding step-by-step, without precipitation or anticipation of quick results;
- (3) Allocating budget monies to properly carry out social activities, at a level which does not exceed one's capacity to be responsible for, and does not create burden or trouble for, oneself and others;
- (4) Using resources economically at the best value; and
- (5) Promoting the production and management of community products in line with market needs.

**Ring 2: Reasonableness** - Reasonable decision-making about implementation based on academic, legal, and cultural principles, by thoroughly taking into account relevant factors, circumspectly forecasting outcomes, selecting something good and appropriate to apply, and treating stakeholders in a reasonable fashion. The stakeholders consist of:

##### 2.1 Shareholders

- Sharing benefits on a fair and regular basis.
- Managing with transparency and be auditable.
- Providing support for social activities that benefit society as a whole, as well as the organization.

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**2.2 Executives and employees**

- Treating executives and employees as family members.
- Promoting executives and employees' quality of life.
- Encouraging executives and employees to use resources with the best value.
- Promoting employees' personal financial management, such as savings, household accounting, and financial planning.
- Promoting sports and recreation for executives and employees.
- Encouraging executives and employees to participate in social activities in a serious, concrete manner with cooperation at all levels.
- Supporting social activities to be carried out in a circumspect and reasonable fashion.

**2.3 Customers**

- Treating customers as family members e.g., by being friendly to them.
- Pricing goods and services on a fair and reasonable basis.
- Providing products/services and management that meet national and international standards.
- Providing accurate, complete information about products and services.
- Managing customer relations before and after sale to ensure customers' maximum satisfaction with products/services.
- Jointly carrying out socially-beneficial activities.

**2.4 Partners**

- Treating partners as family members, such as providing cooperation, opportunities, and support.
- Supporting business related activities in order to jointly develop the market.
- Jointly carrying out socially-beneficial activities.

**2.5 Competitors**

- The competition must comply with the legal, ethical and code of conduct frameworks.
- Jointly carrying out socially-beneficial activities.

**2.6 Communities**

- Governance that shall not create problems on community so as to achieve common benefits, e.g., conducting volunteer activities for community development.

**2.7 Society**

- Supporting social activities in different areas, such as education, occupational promotion, and assistance for the disadvantaged.

**2.8 Environment**

- Conserving natural resources and environment for sustainability, both inside and outside the organization.
- Promoting and supporting projects relating to natural resource and environmental conservation, such as providing educational programs for employees and community members, as well as organizing projects to improve or rehabilitate the environment.



**Ring 3: Good immunity** - Preparation of personnel and the organization to respond to domestic and international changes and impacts including social, technological, economic, environmental, and political, by taking into account the possibility of potential situations in the near and distant future. Personnel shall be able to adapt, seek opportunity, respond in a timely manner, and possess competitiveness.

- 3.1 Providing assistance to local community/society toward sustainable self- reliance.
- 3.2 Providing cooperation network that creates synergy for carrying out collective work.
- 3.3 Appointing personnel responsible for managing social activities to ensure continuity of such activities.
- 3.4 Promoting the use of wisdom of the organization's personnel or local wisdom/local scholars in order to develop social activities respond to community needs and the concept of creative economy.
- 3.5 Providing systems for systematic monitoring and evaluation both within and outside the organization.
- 3.6 Encouraging personnel to realize the importance of continually being initiative.
- 3.7 Promoting the laying of a strong foundation for marketing by gradually expanding markets from the local level to the regional, national and international levels, reducing risk through market diversification.
- 3.8 Providing knowledge of copyrights, trademarks, patents, designs, invention, etc. to protect Thai intellectual property both inside and outside the country.

**Condition 1: Knowledge**

- 1.1 Creating knowledge within the organization.
- 1.2 Transferring knowledge, skills, experiences, and expertise to personnel in the organization as well as to people outside, as necessary and appropriate.
- 1.3 Providing on the job training to employees, and promoting the application of knowledge and skills gained during training to their actual works as well as to benefit others.
- 1.4 Promoting and providing opportunities for employees to participate in the operational process beneficial to the organization, such as management activities and social activities.
- 1.5 Encouraging employees to independently give comments that are beneficial to the operation of work and activity, problem-solving, organizational development, or other matters.
- 1.6 Developing the organization to become educational or learning center for sufficiency economy of society.
- 1.7 Creating an organizational culture based on sufficiency society.

**Condition 2: Virtues**

- 2.1 Integrity
  - Operating business and social activities with integrity, such as transparent and auditable bookkeeping.
  - Extolling good people to serve as a role model for personnel in the organization and society.
  - Raising employees'/general public's consciousness of doing good without expecting anything in return.
- 2.2 Patience
  - Encouraging employees to work with diligence and patience. Providing diligent allowance, bonuses, benefits, and rewards as appropriate.
  - Supporting doing good activity by employees/the general public, such as social activity.
- 2.3 Sharing
  - Encouraging employees/the general public to have a love for, a bond with, and a gratitude towards themselves and their family, co-workers, the organization, community, society as a whole, and the nation.
  - Encouraging social activity that creates love and harmony to repay the land's beneficence.

The principles of TIS 9999 as adopted by the Company for personnel and organizational behavioral changes that creates balanced development are elaborated as follows:

**Principle 1. Involvement of people**

The Company promotes personnel collaboration in the improvement of corporate efficiency and effectiveness. This is being done under the principle that personnel at all levels are assets of the organization, with collaboration their knowledge and skills are maximized to fully benefit the organization.

**Principle 2. Respect for stakeholders' interests**

The Company accepts and focuses on stakeholders' interests and legal rights, and responds to their concerns in an appropriate and fair manner.

**Principle 3. Holistic management**

The Company considers matters in a systematic and comprehensive fashion, including leadership, planning, customer focus, personnel, information, process, and business outcomes. Moreover, the Company takes into account organizational interests in the short and long run which are determined as factors supporting the development of clear vision toward desired directions.

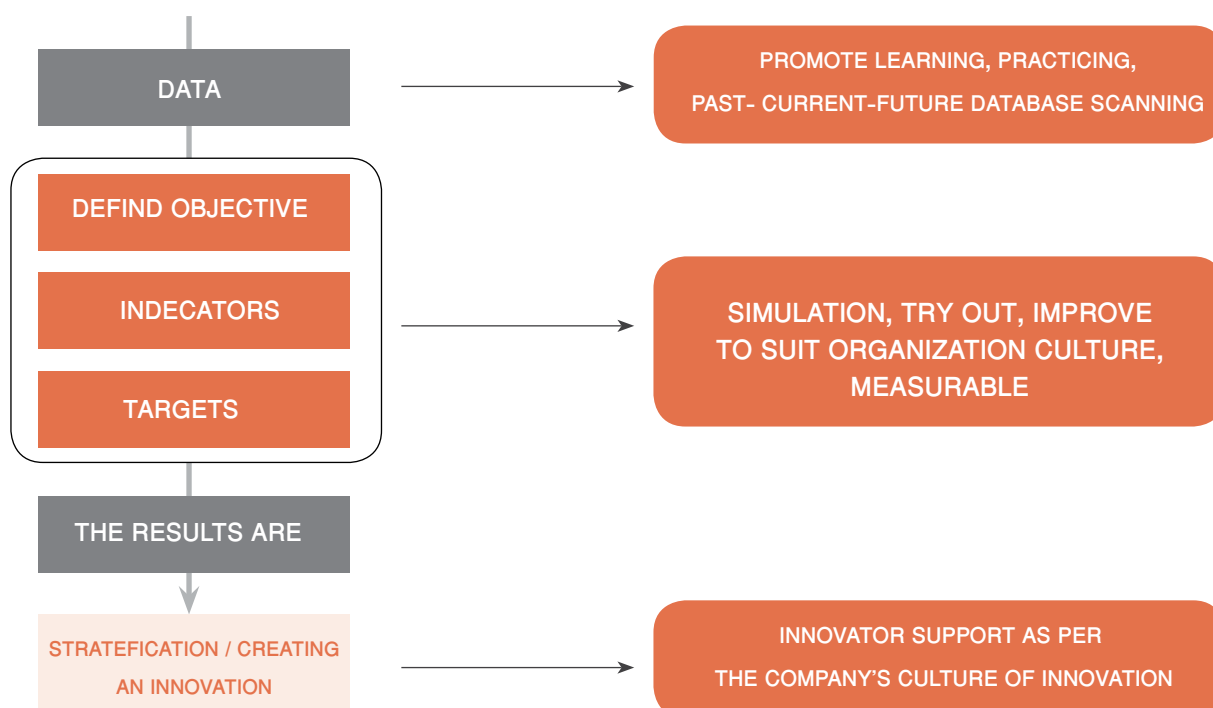
**Principle 4. Systematic approach to management**

The Company systematically identifies, manages, and facilitates understanding of related processes, in terms of input, process, outcome, feedback, and the environment. The said factors are taken into planning, organization structuring, governance and control processes for efficient and effective achievement of the corporate objectives.

**Process Innovation and Sustainable Development**

**Innovations for Business and Society**

**Process for Corporate Innovation Promotion**



The Company is committed to continually develop its CSR activities. More importantly, the Company launches various activities as well as improved processes to enhance creative thinking of employees. In 2019, the Company promoted innovative thinking resulted in the existing innovations including innovations for employee, business and society as details shown.

### Innovation for Employees

To ensure employees are “Happy at Work” according to the operational guidance of giving consultancy; creating happiness; supporting problem solving; developing EQ, enhancing volunteer spirit, and increasing life skills through the following innovations:

Innovation	Objective
Keep Sorrows in Jar-Open the Jar to Face Problems	To give empathy for employees to be able to solve their problems and find way to happiness, the chat on LINE application is used in this regard.
Merit Saving	To promote happiness and EQ development
Lawyer to Be	To provide legal advice on financial issue
Happy Smile Pha pah	To promote the sharing of happiness and smile to society
SSSC. Health Care	To facilitate sick employees by introducing medical specialist and accompany them to the doctor.
SSSC. Fixit	To provide electrical appliance repair service for employees, free of charge, by technicians of the Engineering Unit

### Innovation for Business

To reduce waste in the production process and to increase agility that responds more quickly to customers' needs, the FIT & FAST strategy implemented in 2021 is as follows:

1. **Reduce Top - End** : to reduce waste as a result of degradation products from first grade to second grade to meet customers' requirements
2. **Width Control** : to control the width of steel coil so as to reduce waste which promotes effective use of steel.
3. **Thickness Control** : each steel manufacturer has different steel thickness control, as such, purchasing methods for the same order of thickness of raw steel has been applied for suitable thickness and to reduce excessive steel weight.

### Such practices create the following innovations

Innovation	Objective	Output
Fit - Fast - Smart Production	Develop online program for purchasing, manufacturing, and delivery.	<ol style="list-style-type: none"> <li>1. Reduction of human error</li> <li>2. Cost saving</li> <li>3. Developed IT by SSSC</li> <li>4. Response to customers' needs</li> <li>5. 96.94% customers' satisfaction, increased by 1.68%</li> </ol>
Truck Queue (continuing development)	Develop logistic application for product delivery	<ol style="list-style-type: none"> <li>1. Sub-contractors received fair treatment</li> <li>2. Reduction of traffic jam</li> <li>3. Reduction of waiting time</li> <li>4. Real-time mobile queuing application available</li> </ol>
Barcode for Steel Pallet (continuing development)	Develop real-time tracking program for Steel Pallet.	<ol style="list-style-type: none"> <li>1. Reduction of storage errors</li> <li>2. Exact number remain in the plant known</li> <li>3. More effective of management</li> <li>4. Reduction of loss</li> <li>5. Reduction cost</li> <li>6. Effective stock optimization</li> </ol>
Receiving Mother Coil (continuing development)	Develop barcode reader program applying on domestic and foreign vendors	<ol style="list-style-type: none"> <li>1. Reduction of defects of Receiving Mother Coil</li> <li>2. Reduction time consuming</li> <li>3. Application of barcode reader to all suppliers</li> </ol>

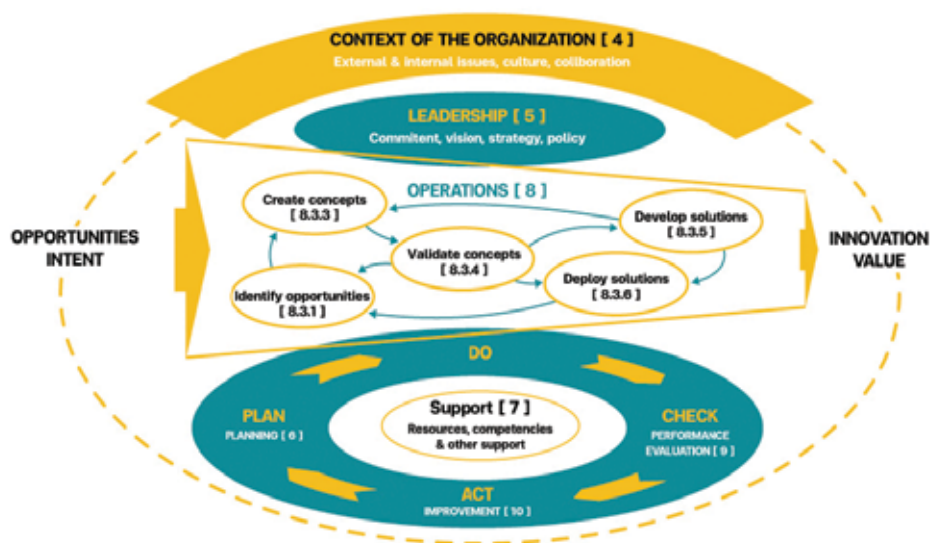
### Innovation for Society

Innovation	Objective	Output
Safety Learning Center	To promote corpus of knowledge and to set up center for safety, 5s, CCCF and Kaizen learning	<ol style="list-style-type: none"> <li>1. Established learning center for occupational safety, health and environment of workplace</li> <li>2. Learning equipment and tools for Ministry of Labor's safety learning center</li> </ol>
Learning Center for Drug Prevention and Resolution	To debrief the practical prevention and solution to drugs for subsequent roll out.	<ul style="list-style-type: none"> <li>- Center for lesson learned on prevention and solution to drugs according to the TO BE NUMBER ONE project</li> <li>Center for lesson learned on standard on prevention and solution to drugs in an establishment (SDE)</li> </ul>

\*\*\* Despite Covid-19 situation, the Company continuously develops, disseminates knowledge, organizes activities with firm adherence to Covid-19 protective measures\*\*\*

The internal process development and improvement for innovation creation throughout the years 2020 - 2021, the Company conducted training and gave advice on Increase Productivity by Lean & IE Techniques aiming at reducing loss in production process and increasing flexibility responding to customers' needs more quickly.

### Key Elements of ISO 56002:2019 Innovation Management System



### Key Elements of ISO 56002:2019 Innovation Management System

Since 2019, the Company has joined the Process Innovation Coaching Program with the Stock Exchange of Thailand and the National Productivity Institute. The purposes are to develop and uplift the Company's internal process toward innovation creation, thinking development, be open minded for business know - how. Subsequently, be able to apply acquired knowledge and skills to existing and state of the art technologies responding to customers' needs and satisfactions. In 2020, the Company participated in the workshop on ISO 56002:2019 Innovation Management System held by the Office of Industrial Economics and the Management System Certification Institute (Thailand). The workshop aims at strengthening competitive capacity to meet international standards for innovation management and networking. Thus, participants are able to apply to their management of the Company's innovations in conformity with international standards so as to achieve the followings:

1. The increase of new markets, business growth opportunities and income;
2. Cost saving and reduction of innovation risks;
3. Higher effectiveness and capacity in relation to innovation creation; and
4. Social responsibility cultivated through innovation processes e.g., community networking, product development from local wisdom.

The Company has been honored by the Management System Certification Institute (Thailand) for its application of ISO 56002 Innovation Management System to the organization.

### Innovation Organization

The Company places great importance on establishing an innovation organization driving toward being an excellent organization through 4 aspects of innovation development as set forth for the years 2021- 2025.

**Goals for 2021 - 2025** To become excellent innovation organization through development of innovation in 4 aspects

- |             |  |
|-------------|--|
| 2021 - 2022 | <ol style="list-style-type: none"> <li>1. Innovation for Societies</li> <li>2. Operational Innovation</li> </ol> |
| 2022 - 2025 | <ol style="list-style-type: none"> <li>3. Product Innovation</li> <li>4. Business Innovation</li> </ol>          |

### 3.4.2. Social Performance

#### 1. Occupational Health and Safety

The implementation of occupational safety, health and environment of the workplace for employee, contractor, sub-contractor, community, and stakeholder under the SSSC core value **“Safety First, Customer Satisfaction, Social Care, Continual Mobilizing for Development”** in compliance with ISO 45001.

#### **Policy on Occupational Safety, Health and Environment of the Workplace**

The implementation of occupational safety, health and environment of the workplace is regarded as duties and responsibilities of every executive and employee. **It is considered important that whenever accident occurs to the transport truck on which the names of the Company and customer are attached, as consequent damage is not only to the truck and goods being transported, but also to the environment.**

The Company, therefore, implements its Occupational Safety, Health and Environment of the Workplace Policy and has been certified ISO45001 accordingly. The policy stipulates that:

- (1) The Company shall be committed to creating safe and pleasant work environment so as to protect employees from work related injuries and illness. Workplace environment is created taking into account purpose, size and context of the organization as well as potential risks;
- (2) The Company shall comply with legal requirements and stakeholders' needs;
- (3) The Company shall be committed to eliminating and reducing occupational health and safety risks;
- (4) The Company shall be committed to continuously improving management of occupational safety, health and environment of the workplace;
- (5) The Company shall be committed to providing advices and ensuring the participation of workers through various processes;
- (6) The Company welcomes delegations paying study visit to observe safety, occupational health, and working environment as well as disseminates related information in this regard to public and concerned parties;

Risk assessment shall be carried out regularly with according improvement to meet required standards so as to prevent workplace and other related accidents. Key performance indicators (KPI) shall be identified to assess each employee's performance applying CCCF (Completely Check Completely Find out) to achieve the required zero accident through observation and identification of any possible harm that may occur while working (CCCF for factory = 2 items/person/year, for office = 1 item/person/year). KPI of each unit shall be at zero.

To facilitate the management framework of health, safety, and wellbeing, the Company adopts the 7 Golden Rules to implement VISION ZERO strategy for zero accidents and healthy work. The implementation aims to develop safety management system leading to safety culture in the organization.

The 7 VISION ZERO golden rules consist of 1) take leadership, 2) identify hazards, 3) define targets, 4) ensure a safe and healthy system, 5) ensure safety and health in machines, equipment and workplaces, 6) improve qualifications, and 7) invest in people.

Accident statistics or leave rate or sick leave during the year 2021

	2021	2020	2019
Injury Frequency Rate (I.F.R.) Time/Million Hours	0.85	0	2.49
Occupational Related Diseases Rate (ODR)(no./Million Hours)	0	0	0.83
Injury Severity Rate (I.S.R.) Day/Million Hours	1.14	0	8.29
Leave Rate from Work Related Injuries (AR)(no./Million Hours)	1.59	1.73	4.13
Occupational Fatality Rate (person)	0	0	0

The Company has continuously implemented “Safe Drive for Truck Sub-contractor” in alignment with the SDG 13 “Climate Action” and SDG 17 “Partnerships for the Goals” since 2016. Transportation of goods to customers via contractor/sub-contractor who shall have medical checkup before starting, and whose transport truck and equipment shall be also checked for safety. This is to prevent and lessen pollution impact from the accident. The Company also implements “Truck Queue Program” in alignment with SDG 16 “Peace, Justice and Strong Institutions” by developing logistic application software for transportation of goods whereby after the said medical checkup and truck and equipment safety check are done, truck queue can be obtained via the application installable on mobile phone. This has created fairness for sub-contractor while lessened traffic congestion and waiting time.

All truck sub-contractors have been trained to instill safety consciousness.

As outcomes of the aforesaid implementations and training, in 2020 and 2021, there were 8 accidents each year compared to 12 accidents in 2019 whereby all are minor accident e.g., sudden stop, broken package.

The Company received National Honorary Award for Outstanding Establishment (platinum level) on Occupational Health, Safety, and Environment in the Workplace in 2021 which the Company received such award for 13<sup>th</sup> time.

## 2. Respect for Human Rights and Fair Treatment of Labor

The Company recognizes the respect for human rights to **protect, respect, remedy**; and ethical treatment for labor as factors creating added value and production growth. Therefore, **fair and impartial treatment of labor as well as the provision of learning opportunity are emphasized**. The guidelines for practice in this regard are as follows:

- Gives supports and respects the protection of human rights e.g., acts against labor exploitation and child labor.
- Establishes working system emphasizing health and safety in the workplace.
- Provides fair terms of employment, and competency-based wage payment.
- Provides appropriate welfare as necessary, support the development of quality of work life.

The Company is committed to conduct its business under good governance principles together with ethical care for stakeholder, society, and environment under the innovation policy stating “the Organization shall ensure employees’ wellbeing and enjoyment at work.”

Every director, executive, and employee shall strictly comply with the said policy as well as Company's rules and regulations. They shall also act in compliance with laws and principles of human rights related to the Company's business. In connection to this, the Board and the Corporate Governance Committee stipulate the following code of conduct.

- (1) The Company adheres to the principle of human rights and respects for dignity and privacy of director, executive, and employee. Equal employment opportunity is open for all without discrimination against nationality, race, family status, gender, age, religion, believe, and social status.
- (2) Executives and employees have equal opportunity to receive training and development concerning knowledge and capacity enhancement suitable to their respective career positions
- (3) Personnel of the Company shall comprehend laws related to their duties and responsibilities and strictly comply with accordingly. If in doubt, they shall seek advice from the Legal Department, action without advice in this regard is prohibited.
- (4) Director, executive, and employee must perform their duties with integrity recognizing ethical advantages of the Company.
- (5) Director, executive, and employee shall behave politely, equally and impartially to others regardless of nationality, race, family status, gender, age, religion, believe, and social status.
- (6) Director, executive, and employee shall respect the good culture and tradition of Thailand and other countries where the Company doing business with, and in the manner suitable to the socio-economic situation of respective countries. This is to ensure business operation does not contradict culture and tradition of country of destination.
- (7) Director, executive, and employee must pay equal respect to stakeholder rights and not violate privacy, treat them with respect and dignity regardless of educational background, rank, race, nationality, religion, and gender.
- (8) The Company must adhere firmly to human rights principles, provide knowledge and understanding concerning human rights principles to its employees for them to be able to transfer their actual works; not support any activity violating human rights principles.
- (9) Whenever irregularity is detected that may affect workplace safety, executive and employee shall report to personnel in charge for prompt action.

#### **Guidelines for Business Operation with Respect for and Support of Children's Rights**

The Company continually places great importance on respecting for and supporting of children's rights. In connection to this, policy is instituted stating clearly that there shall be absolutely no employment of illegal child labor, human trafficking, forced labor or slave labor or forced overtime labor, labor under the age of 18, and the underage; unless provided by laws and regulation concerning age, working hour, payment, health, and safety.

In 2015, the senior executives of the Company declared the intention to promote Children's Rights and Business Principles. For all levels of employees to obtain knowledge and better understanding concerning respect for children's rights, since 2016, the Company has joined the Thaipat Institute in collaboration with the UNICEF applying the following 10 principles of "Children's Rights and Business Principles - CRBP to its business operation with respect for and support of children's rights.

- (1) Respects for children's rights and be committed to supporting human rights of children.
- (2) Supports the elimination of child labor in all business activities and business relationships.



- 
- (3) Provides decent work for young workers, parents and caregivers.
  - (4) Ensures the protection and safety of children in the workplace and all business activities.
  - (5) Ensures that products and services are safe, and seek to support children's rights through them.
  - (6) Uses marketing and advertising that respects for and supports of children's rights.
  - (7) Respects and supports children's rights in relation to the environment and to land acquisition and use.
  - (8) Recognizes children's rights in security arrangements.
  - (9) Helps protecting children affected by emergencies or disaster.
  - (10) Reinforces community and government efforts to protect and fulfill children's rights.

### **Age-Friendly Business**

Since 2016, the Company has become partner of the Age-Friendly Business Network with the Thaipat Institute and the Department of Elder Affairs, Ministry of Social Development and Human Security; in preparation for the aging society of the organization and of the country. In this regard, the Company set forth the policy or "Business Guidance on Older Persons" for application to business activities in relation to the elderly.

### **Preparation**

- (1) Gives pledge and be responsible for personnel entering old age.
- (2) Ensures the age friendly products and services are designed and developed.

### **Protection**

- (1) Respects for and promotes elderly rights in making business transaction and transaction in business chain.
- (2) Ensures that the elderly is provided with welfare, health and safety in the workplace and business activity.

### **Participation**

- (1) Provides valuable work and working environment flexible for the elderly as well as opportunity to cooperate and invest in the business.
- (2) Provides knowledge management system where knowledge, experiences and wisdom of the retiring personnel is shared to others.
- (3) Advocates government roles and civil society concerning the protection of welfare of the elderly.

### **Business and Human Rights Action Plan 2019 - 2022**

The Company strongly commits to run its business with responsibility to respect for human rights, avoid abuse or negative impact on human rights. The Company has adopted the National Action Plan on Business and Human Rights phase 1 (2019 - 2022) as the Company's Action Plan 2019 -2022 encompassing 4 priority areas: 1) Labor; 2) Community, Land, Natural Resource and Environment; 3) Human Rights Defenders; and 4) Cross Border Investment and Multinational Enterprises.

### The Company's Human Rights Performances of 2021

- (1) Reviewed business ethical policy in relation to human rights to ensure all employees receive equal treatment without discrimination against race, religion, and physical appearance. Increased living expense for employee with disability as all employees are regarded as valuable asset.
- (2) Made mutual agreements with trade partners, particularly with the contractor through business value chain, to implement policy and operational guidelines combating the violation of human rights and not involve in any fraud. Trainings concerning measures combating violation of human rights and fraud were conducted to enhance understanding and participation of suppliers providing freight service to the Company.
- (3) Promoted equality in race for every individual employee by putting up notice board and signboard in 4 languages: Thai; Japanese; Khmer; and Burmese to facilitate foreigners working with as well as those visiting the Company.
- (4) Adopted the 10 principles of Children's Rights and Business Principles under the cooperation with the UNICEF, and carried out according continuing training to ensure all business activities place great importance on children's rights.
- (5) Reviewed the age-friendly business policy or business performance guideline in preparation, protection, and cooperation for aging society of the employees and country.
- (6) Set forth policy and guidelines in respect for law and international human rights binding directors, executives, and employees to attach to. It is the responsibility of the Legal Department as a compliance unit to monitor, audit, and assess the compliancy in this regard and report to the Company's Board for acknowledgement.
- (7) Implemented stringent auditing and monitoring to ensure the conformity with relevant environmental law that there shall be no environmental human rights violations, published risk management handbook, and continuously carried out human rights risk assessment.

### Summary of 2021 Monitoring

- The Company, customer, partner, contractor, and stakeholder in business chain act completely in compliance with labor law, policy and guidelines. No illegal act in relation to labor law, violation of human rights and human trafficking was committed.
- The Company received Exemplary Organization for Human Rights (honorable mention award for large enterprise) for 3 consecutive years (2019 and 2021) from the Rights and Liberties Protection Department, Ministry of Justice.

### 3. Care for and Development of Employees' Potential

Besides, recognizing basic rights, occupational rights, freedom to join trade union or other activities, employment, employment relation, working condition, health, and work safety; the Company also introduces an innovation under the policy stating **"the Organization shall ensure employees' wellbeing and enjoyment at work."**

In addition to the aforementioned innovations and policies, the Company has stipulated policies for employees' wellbeing and enjoyment at work such as:

- Prevention and solution on sexual harassment in the workplace;
- Management and solution for AIDS and tuberculosis in the workplace;
- Completely Check Completely Find-out (CCCCF)

The Company entrusts core leader with health promotion, committee with 5s inspection, and working group with KIZEN activity on non-formal vocational education. The Company's non-formal educational program has been recognized as a model for Best Practice of the Samutprakarn Province

#### Results of Employee Care through Innovation

Employees are proud of being part of the organization where they can rely on in every matter even family matters as most of employees migrate from upcountry. This has been in alignment with the Company's resolution or human resources management policy stating:

**“Organization shall ensure employees’ wellbeing and enjoyment at work.”**

Operational Data	Unit	year		
		2019	2020	2021
Total employee	person			
• permanent	person	463	415	440
• temporary	person	0	0	0
Number of employees by gender	person			
• Male	person	353	309	334
• Female	person	110	106	221
Number of employees by level	person			
• Operation	person	319	226	242
• Supervisor and technician	person	120	167	175
• Manager	person	24	22	23
Percentage of retirement age				
• Within 5 years (age 55-60)	%	8.62	13.2	14.38
• Within 10 years (age 55-60)	%	25.64	31.7	31.74
<b>Turn Over Rate</b>	<b>%</b>	<b>1.15</b>	<b>0.90</b>	<b>7.63</b>
Returning rate after maternity leave	%	100	100	100
Child-care quitting rate	%	0	0	0
Number of employees being member of Safety Committee				
• Employer representative	person	8	8	7
• Employee representative	person	7	7	6
Average training hours	Hr/person/year	11.42	6.00	5.40
Percentage of received performance assessment and career advancement plan	%	-	-	-

Operational Data	Unit	year		
		2019	2020	2021
Employee earnings ratio - female to male	* total female earned/total no. of female to total male earned/total no. of male			
• Operation		1:02	1:04	1:07
• Supervisor and technician		1:11	1:16	1:14
• Manager		0:79	0:73	0:68
Percentage of priority delivery person, contractor, business partner having been screened for human rights	%	100	100	100
Percentage of processes in which human rights impacts are assessed	%	100	100	100
Percentage of employees who have undergone policy training and anti-corruption practices	%	100	100	100
Number of written social impact complaints and formal corrective action	time	0	0	0
Customer satisfaction survey results	%	93.50	94.81	95.05

#### 4. Social and Community Responsibility

The Company fully recognizes community and society as stakeholders in its business chain who could impose impact on the Company and vice versa. As such, business operation is responsible for community and society covering environmental impact management; health and safety; participative community development; shared values creation in various fields so as to secure community's confidence in the Company; foster coexistence, trust, and mutual benefits.

To sustain community and social development of the Company, in 2021, the Company continued adhering to royal development principles of His Majesty King Bhumibol Adulyadej the Great: **Understanding, Gaining Insight and Access, and Engaging in Development** which are regarded as 3 steps to success.

**Understanding:** When doing anything, one needs to understand the problems, the ways to solve the problems, the process to tackle the problems while enhancing the mutual understanding between development providers and recipients.

**Gaining Insight and Access:** Once both parties thoroughly understand each other, actions should be taken with the cooperation among related parties. Equipment and materials must be accessible. All parties should join hands to work together.

**Engaging in Development:** When each party understands each other and unites, the development effort will then continue and sustain without affecting economic, social, environmental and political systems. On the other hand, it will lead to balance, stability and sustainability.

These three steps lead to the development of community with sense of belonging, and sustainability.

#### Company's business impact on community and society

In 2021, the survey and dialogue with all stakeholders, especially the representatives from various communities and all sectors/parties, has shown that neither direct nor indirect impact or damage stemming from the Company business operations on local communities and societies.

However, the Company utilized the outputs from the survey and dialogue to prepare continuing projects to support community and society. Projects and activities implemented in this regard by the Company in 2021 were as follows:

1. Project	Improving Quality of Work Life
Objectives	<ol style="list-style-type: none"> <li>1. Employees are able to work without stress or anxious about Covid-19 outbreak in the workplace.</li> <li>2. To boost morale and job security for employee to overcome economic disruption from Covid-19</li> </ol>
Targets	<ol style="list-style-type: none"> <li>1. Issues at least 1 proactive surveillance measure for safety in workplace</li> <li>2. Develop at least 1 criteria of job security for employee</li> </ol>
Outputs	<ol style="list-style-type: none"> <li>1. Issued 1 proactive surveillance measure to prevent the spreading of Covid-19 in the workplace</li> <li>2. Conducted Covid-19 testing for 471 employees and no infected found</li> <li>3. Increased deposit rate, contribution to provident fund, and extra payment to employees.</li> </ol>
Outcome	Employees are motivated with happiness at work

Result of the implementation of the project leads to the drawn-up framework for sustainable development of work life of employees 2021-2022.



2. Project	Disease-free Community
<b>Objectives</b>	1. To leverage the prevention and control of Covid-19 in the community 2. To gain confidence among community members concerning prevention and control of Covid-19
<b>Targets</b>	1. Issues at least 1 proactive surveillance measure to prevent the spreading of Covid-19 2. Defines at least 1 method to specify area and mean to protect community members from Covid-19
<b>Outputs</b>	1. Site visit with Department of Disease Control and local hospital providing knowledge of Covid-19 prevention and distributed face masks and alcohol 2. Put out sign board for specified area
<b>Outcome</b>	Cooperation from community members concerning Covid-19 prevention, spreading of Covid-19 decreased.

### 1. Development of Community and Society Activities

- Public participative crime prevention networking in sub-district
- Dialogue on CSR - DIW Continuous Award 2021
- Community donation: recycling plastic bottles into monk robes
- Site visit for community sustainable development alternatives

### 2. Social Activities

- Supported soft drink for public health official and government bodies
- Blood donation
- Site visit with Department of Disease Control and local hospital providing knowledge of Covid-19 prevention and distributed face masks and alcohol
- Supported food for medical personnel
- Supported consumer products to construction workers
- Supported Metal Sheet for roofing
- Cooperated with trade partner donating Vaccine Cold Box to hospital, medical institute, and Provincial Public Health Office
- Support blood pressure monitor to medical institute

### 3. Knowledge Dissemination

- Seminar for lesson learned on “Uplifting Quality of Life”
- Seminar on “10 Days Breast Feeding”
- Knowledge sharing on Green Industry

#### Learning Center for Safety

- Safe drive training for truck drivers
- Received delegations paying study visit to the center

#### Learning Center for Drug Prevention

- Exchange learning on TO BE NUMBER ONE club management with private and government sectors

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**4. Labor Relations and Welfare**

- SSSC. Zero Accident
- Gifts for the newborns of employees
- Supported rewards at the AGM and sport equipment to labor union
- Activity to preserve Thai tradition
- Dialogue on CSR - DIW Continuous Award
- Supported scholarship for children of employees
- Organized ATK testing for every employee
- Support of consumer products for employees under quarantine
- Activity on stay away from drugs
- Election of welfare committee in the workplace

**5. Personnel Development**

- In collaboration with medical institute, organized research project on occupational health
- Conducted training on FIT 4DEE and prevention of hearing impairment caused by noise
- Leading Team Program training
- Training under organizational development toward green industry level 5 program
- Conducted training on energy related laws and machinery
- Provided knowledge on fire evacuation

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

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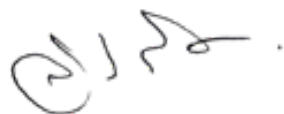
### REPORT OF THE BOARD'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the consolidated financial statements of the Siam Steel Service Center Plc., and its subsidiaries as well as the separate financial statements of the Company. The statements were prepared taking into consistent consideration and discretion the appropriate accounting policies and practices in accordance with financial reporting standards and principles of reasonable estimation. The disclosure of important information in the notes to financial statements is adequate and transparent for the benefits of shareholders and general investors. The auditor of the Grant Thornton Limited has reviewed the statements and given opinions in the report of the auditor shown in the Company's annual report. The Company had provided information and documents for the auditor to review and make comments according to the auditing standards.

The Board ensures accounting data entry is complete and accurate under good corporate governance, risk management, and internal control. Significant and factual data is demonstrated adequately and timely to safeguard Company's assets as well as prevent fraud/corruption or any significant irregularity.

The Board establishes the Audit Committee in which all committee members are independent directors to review the reliability and accuracy of the financial statements, oversee the compliance of anti-corruption measures, and assess internal control and internal audit to ensure effectiveness of the systems. The Audit Committee is responsible for selecting, nominating and terminating external auditor; reviewing accounting policy to ensure the quality of financial statements; reviewing corruption measures, internal control, internal audit, risk management systems, and risk assessment; giving advice to the Board concerning action to reduce corruption risk; considering if the disclosure of connected transaction information is complete, adequate and appropriate. The auditor's opinions in this regard are provided in the report of the auditor as shown in the Company's annual report.

The Board, hereby, has an opinion that the Company's internal control and internal audit systems are reliable. The consolidated and separate financial statements for the year ended 31 December 2021 are completely and appropriately demonstrated the financial status, performances, and cash flow in accordance with the accounting standards and applicable laws and regulations as audited by the auditor with opinions shown in the report of the auditor.



**(Mr. Wanchai Kunanantakul)**

Chairman



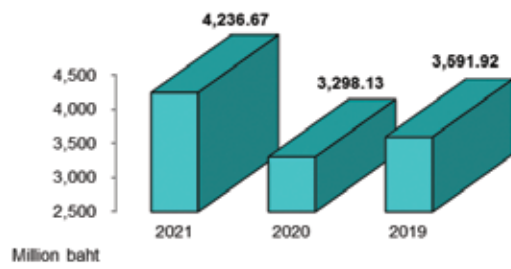
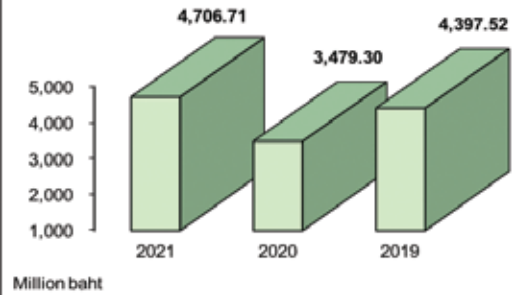
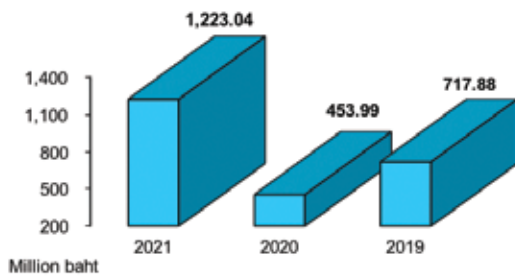
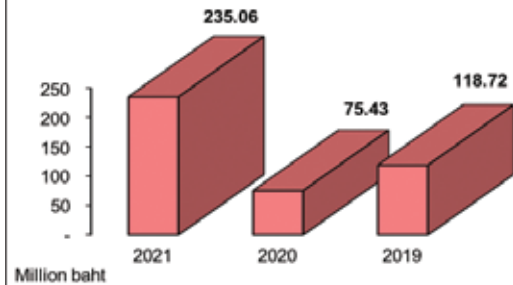
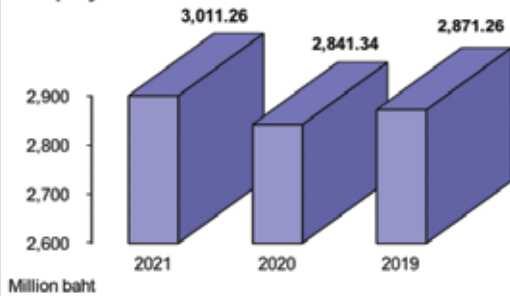
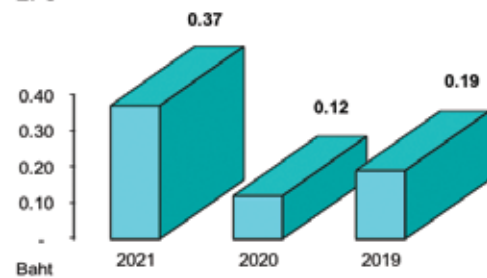
**(Mr. Surasak Kunanantakul)**

President



## 4.1 Performance

Consolidated F/S	Unit: Thousand Baht			
	2021	2020	Increased (Decreased)	%
<b>Revenues</b>				
Sales & installation	4,324,493	3,171,475	1,153,018	36.36
Services	303,641	237,998	65,643	27.58
Transportation	60,212	49,361	10,851	21.98
<b>Total Revenues from Sales and Services</b>	<b>4,688,346</b>	<b>3,458,834</b>	<b>1,229,512</b>	<b>35.55</b>
<b>Costs and Expenses</b>				
Costs of sales and services	4,060,129	3,079,264	980,865	31.85
Gross profit	628,217	379,570	248,647	65.51
Gain (Loss) on exchange rate	(569)	(296)	(273)	92.23
Others	18,360	20,760	2,400	11.56
<b>Income before Expenses</b>	<b>646,008</b>	<b>400,034</b>	<b>245,974</b>	<b>61.49</b>
<b>Expenses</b>				
Selling expense	(211,218)	(173,066)	(38,152)	22.04
Administrative expense	(132,711)	(127,035)	(5,676)	4.47
<b>Total expense</b>	<b>(343,929)</b>	<b>(300,101)</b>	<b>(43,828)</b>	<b>14.60</b>
<b>Income before financial costs and income tax</b>	<b>302,079</b>	<b>99,933</b>	<b>202,146</b>	<b>202.28</b>
Financial cost	(8,701)	(6,258)	(2,443)	39.04
Income tax expense	(58,797)	(18,254)	(40,543)	222.10
<b>Net Profit</b>	<b>234,581</b>	<b>75,421</b>	<b>159,160</b>	<b>211.03</b>
<b>Attributable Profit</b>				
Company's shareholders	235,057	75,433	159,624	211.61
Non-controlling interests	(476)	(12)	(464)	3,866.67
Earnings per share (Baht)	0.37	0.12	0.25	208.33
<b>Financial Position</b>				
Total assets	4,236,670	3,298,132	938,538	28.46
Total liabilities	1,223,042	453,994	769,048	169.40
Shareholders' equity	3,011,258	2,841,336	169,922	5.98
Non-controlling interests	2,370	2,802	(432)	(15.42)
Total shareholders' equity	3,013,628	2,844,138	169,490	5.96

**Assets****Revenue****Liabilities****Net Profit****Equity****EPS**

## Revenues

Revenue generated from sales and installation increased by Baht 1,153.02 Million or 36.36% and from steel cutting services increased by Baht 65.64 Million or 27.58%, due mainly from the increase of steel price. The improved Covid 19 situation seen from the increase of vaccinated rate coupled with the government's relaxation of the lockdown measures and continuing infusion of money into the economy has boosted confidence of business sector and expanded the economy. Automotive and electrical appliance industries were improved. Construction industry, on the other hand, was slowing down.

## Cost of Sales and Services by Revenues

	<u>Million Baht</u>
Cost of sales and services for sales and installation	3,784
Cost of sales and services for service revenue	261
Cost of sales and services for other revenues	17
Cost of sales and services for eliminated	(2)
<b>Total cost of sales</b>	<b><u>4,060</u></b>

Cost of sales and services increased by Baht 980.87 Million or 31.85%, due to the increasing amount and cost of raw material as well as production cost including the overtime, packaging, electricity, and consumables. The decreasing cost includes salary, sub-contractor wages, spare parts, tools rental, transportation charge, and miscellaneous expenses.

## Gross Profit

The Company's gross profit of 2021 compared to 2020 increased by Baht 248.65 Million or 65.51% due to the increase in total revenue.

	<u>Million Baht</u>
Gross profit from sales and installation	542
Gross profit from service revenue	43
Gross profit from other revenues	<u>43</u>
<b>Total</b>	<b><u>628</u></b>

## Expenses

Expenses increased by Baht 43.83 Million or 14.60% including:

- Cost of sales increased by Baht 38.15 Million or 22.04% e.g., salary, welfare, and transportation charge.
- Administrative cost increased by Baht 5.68 Million or 4.47% mainly on welfare and employee benefit obligation.
- Financial cost increased by Baht 2.44 Million or 39.04% due to the increase of loans, and the lowering interest rate.
- The corporate income tax increased by Baht 40.54 Million or 222.10%, due to the increase in net profit.

## Net Profit

As a result of the said performances, net profit earned by the Company increased by Baht 159.62 Million or 211.61%.

## Financial Position

### Assets

As of 31 December 2021, the Company's total assets was Baht 4,237 Million increased from the preceding year by Baht 939 Million or 28.46% due mainly to the increases in trade accounts receivable, unbilled accrued income, retentions receivable and inventories.

Profile of the total assets as of 31 December 2021 includes 73.14% current assets as shown.

• Trade Accounts Receivable	30.38%
• Inventories	36.97%
• Other current assets	5.79%

The rest 26.86% was non-current assets including net land property, plant and equipment 25.48%; and other non-current assets 1.38%.

Whereas the profile of total assets of the preceding year includes 64.34% current assets divided as follows:

• Trade Accounts Receivable	26.35%
• Inventories	21.68%
• Other current assets	16.31%

The non-current assets of 35.66% which 34.01% were net land property, plant and equipment; and 1.65% were other non-current assets.

The inventory increased by Baht 851.50 Million or 119.10% compared to the preceding year, whereas inventory turnover analysis of 2021 compared to 2020 has shown as follows:

	<u>2021</u>	<u>2020</u>
Inventories Turnover (time)	3.56	3.33
Day Sale Outstanding (day)	101	108

Demand for raw materials in 2021 in various industries e.g., automotive and electrical appliances increased as a consequence of the improved economic situation after the production slowdown in 2020. In connection to this, the Company had more purchased raw materials to meet the needs of its customers coupled with the increasing steel price causing the inventories to increase.

Trade accounts receivable increased by Baht 417.78 Million or 48.08% as compared to the preceding year, the result of analytic tread accounts receivable ratio of 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Account Receivable Turnover (time)	3.90	3.33
Account Receivable Turnover (day)	92	108

The analytic tread account receivable ratio has concluded for 2021 that:

- Day sale outstanding and account receivable turnover (day) were shortened.
- The inventory and accounts receivable liquidity remain good.

#### **Total Liabilities**

As of 31 December 2021, the Company's total liabilities was Baht 1,223 Million, increased by Baht 769 Million or 169.40% mainly from the increase of current liabilities especially bank overdraft and short-term loans, accounts payable and accrued corporate income tax which adversely resulted from the increase in inventories and trade accounts receivable.

#### **Shareholders' Equity**

As of 31 December 2021, shareholders' equity was Baht 3,011 Million increased by 5.98% from the preceding year due to the Company's increased net profit in 2021 coupled with the dividend paid according to the 2020 performances amounting to Baht 67.84 Million

In 2021, the Company purchased 7 machines for steel cutting including new machines, crane and air compressor at the cost of Baht 11.46 Million so as to increase efficiency and production capacity that caters for business expansion.

#### **Key Financial Ratios**

In conclusion, overall cash flow, inventory and trade accounts receivable liquidity were better than the preceding year.

The 2021 overall profitability ratio and efficiency ratio increased as compared to the preceding year including the increases of debt to equity ratio. The interest coverage and ability to pay obligations ratios were decreased resulted from the increasing inventories, trade accounts receivable and sale volume.

#### **Credit Limit and Credit Policy**

The Company trades with various industries, as such credit limit and credit term are vary depending on factors includings:

- Profile of trade partner
- Performance (financial statement)
- Payment history
- Terms of trade

#### **Establishment of SSSC's Credit Term**

Account Receivable		Account Payable	
Credit Term	30, 60, 90 Days	Credit Term	30 Days
Accounts Receivable Turnover	92 Days	Payable Turnover	21 Days

**The establishment varies according to:**

- Credit term starts after the delivery month
- The COVID-19 pandemic has slowed down the domestic and foreign economies, decreased operating results and working capital. However, in the case of the Company, debt payment for goods by customers is more than 90% with few overdue payments which is regarded as normal.
- The Company is able to manage its debt payment in time.

**Liquidity Management Measures**

- Effectively manages trade receivables to avoid bad debt; constantly follows up late payment, and controls the sales of goods according to credit limit set forth by the Company.
- Appropriate management inventory.
- Prompt repayment of overdrafts and short-term loans to the financial institutions, even before due date, once the cash flow is sufficient so as to avoid unnecessary financial costs.

**4.2 Factors Affecting Future Performance****1) Relocating the production base of the customers**

As steel supplier to various downstream industries in which automotive and electric appliances are main customers supplying products in country and overseas, the Company's business could be affected if these customers move their production bases to other countries due to trade policy, tax, or lower production cost.

**2) Production innovation change**

Technology development creates innovations to increase productivity. Material substitution has been one of the toughest challenges facing the steel industry. However, innovative steel alternatives still take time to develop so as to acquire similar properties as steel and be accepted by user industries.

**3) Outbreak of pandemic**

The spread of Covid-19 virus has caused damages to business around the world and as yet to end the pandemic and mutations. Current vaccines are not sufficient and just don't provide enough protection against infection.

### 4.3 Key Financial Information

#### Consolidated statements of financial position of SSSC and its subsidiaries.

	As of 31 December					
	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Cash and cash equivalents	115,247,345	2.72	396,615,710	12.03	133,074,692	3.70
Trade account receivable	1,286,767,318	30.38	868,988,000	26.35	904,910,006	25.19
Amount due from related companies	82,334	0.00	108,484	0.00	53,164	0.00
Unbilled accrued income	105,511,295	2.49	112,601,417	3.41	158,828,132	4.42
Inventories	1,566,441,330	36.97	714,940,602	21.68	1,132,688,393	31.53
Other current assets	24,460,052	0.58	28,884,937	0.87	42,211,527	1.17
<b>Total current assets</b>	<b>3,098,509,674</b>	<b>73.14</b>	<b>2,122,139,150</b>	<b>64.34</b>	<b>2,371,765,914</b>	<b>66.03</b>
Long term investment	2,628,237	0.06	2,628,237	0.08	2,628,237	0.07
Investment properties	31,355,328	0.74	31,355,328	0.95	31,355,328	0.87
Property, plant and equipment	1,079,585,088	25.48	1,121,700,524	34.01	1,171,067,972	32.60
Other non-current assets	24,591,917	0.58	20,308,551	0.62	15,106,513	0.42
<b>Total non-current assets</b>	<b>1,138,160,570</b>	<b>26.86</b>	<b>1,175,992,640</b>	<b>35.66</b>	<b>1,220,158,050</b>	<b>33.97</b>
<b>TOTAL ASSETS</b>	<b>4,236,670,244</b>	<b>100.00</b>	<b>3,298,131,790</b>	<b>100.00</b>	<b>3,591,923,964</b>	<b>100.00</b>
Bank overdrafts and short-term loans	750,728,496	17.72	21,588,173	0.66	244,202,926	6.80
Trade account and note payable	204,865,535	4.84	155,974,693	4.73	181,648,431	5.06
Current portion of employee benefits obligation	7,365,455	0.17	5,608,163	0.17	3,993,753	0.11
Accrued cost of installation services	27,997,369	0.66	28,708,367	0.87	22,884,332	0.64
Advanced from customers	3,927,762	0.09	58,273,947	1.77	73,783,007	2.05
Other current liabilities	128,761,778	3.04	83,584,699	2.53	93,512,469	2.61
<b>Total current liabilities</b>	<b>1,123,646,395</b>	<b>26.52</b>	<b>353,738,042</b>	<b>10.73</b>	<b>620,024,918</b>	<b>17.27</b>
Employee benefit obligation	99,396,123	2.35	100,191,015	3.04	97,792,345	2.72
Non-current liabilities	-	-	65,000	0.00	65,000	0.00
<b>Total non-current liabilities</b>	<b>99,396,123</b>	<b>2.35</b>	<b>100,256,015</b>	<b>3.04</b>	<b>97,857,345</b>	<b>2.72</b>
<b>TOTAL LIABILITIES</b>	<b>1,223,042,518</b>	<b>28.87</b>	<b>453,994,057</b>	<b>13.77</b>	<b>717,882,263</b>	<b>19.99</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,013,627,726</b>	<b>71.13</b>	<b>2,844,137,733</b>	<b>86.23</b>	<b>2,874,041,701</b>	<b>80.01</b>

**Consolidated statements of income of SSSC and its subsidiaries.**

	For the year ended 31 December					
	2021		2020		2019	
	Baht	%	Baht	%	Baht	%
Sales and installation income	4,324,493,460	92.24	3,171,474,796	91.69	3,977,614,155	90.98
Steel cutting services income	303,640,746	6.48	237,997,677	6.88	325,994,696	7.46
Transportation income	60,211,924	1.28	49,361,492	1.43	68,217,948	1.56
<b>TOTAL REVENUE</b>	<b>4,688,346,130</b>	<b>100.00</b>	<b>3,458,833,965</b>	<b>100.00</b>	<b>4,371,826,799</b>	<b>100.00</b>
Costs of sales and services	(4,060,129,114)	(86.60)	(3,079,263,994)	(89.03)	(3,880,972,649)	(88.77)
Gain (loss) on exchange rate	(569,439)	(0.01)	(295,544)	(0.01)	6,735,192	0.15
Other income	18,360,026	0.39	20,760,261	0.60	18,955,363	0.43
Profit before expenses	646,007,603	13.78	400,034,688	11.57	516,544,705	11.82
Selling expenses	(211,217,927)	(4.51)	(173,065,918)	(5.00)	(214,028,917)	(4.90)
Administrative expenses	(132,711,272)	(2.83)	(127,034,797)	(3.67)	(138,667,853)	(3.17)
Finance cost	(8,701,290)	(0.19)	(6,258,796)	(0.18)	(16,235,171)	(0.37)
Income tax	(58,796,238)	(1.25)	(18,254,180)	(0.53)	(28,945,899)	(0.66)
<b>PROFIT FOR THE YEAR</b>	<b>234,580,876</b>	<b>5.00</b>	<b>75,420,997</b>	<b>2.18</b>	<b>118,666,865</b>	<b>2.71</b>
Portion of non-controlling interests in subsidiary	(475,691)	(0.01)	(11,631)	(0.00)	(54,698)	(0.00)
<b>Portion of the Company's shareholders</b>	<b>235,056,567</b>	<b>5.01</b>	<b>75,432,628</b>	<b>2.18</b>	<b>118,721,563</b>	<b>2.72</b>
Portion of the Company's shareholders (Baht/share)	0.37		0.12		0.19	
Attribution of comprehensive income (loss) for the year:						
Portion of the Company's shareholders	237,760,760	5.07	75,679,845	2.19	118,784,877	2.72
Portion of non-controlling interest in subsidiary	(431,310)	(0.01)	15,837	0.00	(123)	(0.00)
<b>TOTAL</b>	<b>237,329,450</b>	<b>5.06</b>	<b>75,695,682</b>	<b>2.19</b>	<b>118,784,754</b>	<b>2.72</b>

**Consolidated statements of cash flows of SSSC and its subsidiaries**

	For the year ended 31 December		
	2021	2020	2019
	Baht	Baht	Baht
Net cash provided from operating activities	(909,351,587)	620,936,049	442,806,162
Net cash used in investing activities	(31,988,429)	(29,613,315)	(44,120,361)
Net cash used in financing activities	659,527,838	(328,056,401)	(364,964,444)
Exchange differences on conversion of subsidiary's-foreign currency financial statements	443,813	274,685	545,754
Net increase (decrease) in cash and cash equivalents	(281,368,365)	263,541,018	34,267,111
Cash and cash equivalents at beginning of year	396,615,710	133,074,692	98,807,581
Cash and cash equivalents at end of year	115,247,345	396,615,710	133,074,692



### Financial Ratios

Ratios		Consolidated F/S		
		2021	2020	2019
<b><u>Liquidity Ratios</u></b>				
Current ratio	(time)	2.76	6.00	3.83
Quick ratio	(time)	1.34	3.90	1.93
Cashflow ratio	(time)	(1.23)	1.28	0.55
Account receivable turnover	(time)	3.90	3.33	3.74
Account receivable turnover	(day)	92	108	96
Inventories turnover	(time)	3.56	3.33	3.19
Day sale outstanding	(day)	101	108	113
Payable turnover	(time)	17.11	13.25	11.75
Payment	(day)	21	27	31
Cash Cycle	(day)	172	189	178
<b><u>Profitability Ratios</u></b>				
Gross profit margin	(%)	13.40	10.97	11.23
Operating profit margin	(%)	6.06	2.30	3.16
Other margin	(%)	0.38	0.59	0.58
Cash to profit ratio	(%)	(319.87)	781.35	320.51
Net profit margin	(%)	4.99	2.17	2.70
Return on equity	(%)	8.03	2.64	4.14
<b><u>Efficiency Ratios</u></b>				
Return on assets	(%)	6.24	2.19	3.16
Return on fixed assets	(%)	28.24	13.47	16.48
Asset turnover	(time)	1.25	1.01	1.17
<b><u>Financial Policy Ratios</u></b>				
Debt to equity ratio	(time)	0.41	0.16	0.25
Interest coverage ratio	(time)	(99.40)	102.51	30.37
Ability to pay obligations ratio	(time)	(1.10)	1.74	1.08
Dividend payout ratio	(%)	62.62	89.93	88.95

## 5. GENERAL INFORMATION

<b>Company name</b>	Siam Steel Service Center Plc. "SSSC"
<b>Registered date</b>	30 September 1985
<b>Business</b>	Manufacturing metal components for use in such industries as the construction, automobile, electrical appliance, furniture and etc.
<b>Head office</b>	51/3 Moo 2, Poochaosamingprai Road, Bangyaparak District, Amphur Phrapradang, Samutprakarn 10130, Thailand Telephone: 0-385-9251-2, 0-2385-9254-66, 0-2385-9277, 0-2394-4630, 0-2754-5845-7 0-2754-5986, 0-2755-9694 Fax. 0-2385-9241, 0-2385-9253, 0-2385-9240, 0-2385-9274 0-2754-5747-8
<b>Factory 2</b>	51/11 Moo 3, Poochaosamingprai Road, Bangyaparak District, Amphur Phrapradang, Samutprakarn 10130, Thailand Telephone 0-2394-7845-9
<b>Factory 3</b>	60/6 Moo 3, Mabyangporn District, Amphur Pluakdang, Rayong 21140, Thailand Telephone (038) 891-175-8, 891-751-4 Fax (038) 891-179
<b>Registration</b>	0107537002052
<b>Website</b>	www.ssscth.com and www.luckyroof.com

### JURISTIC PERSON WHICH THE COMPANY HOLDS AT LEAST 10 PERCENT INTEREST

<b>Company name</b>	Siam Steel Vietnam Co., Ltd.
<b>Registered Date</b>	30 June 2006
<b>Business</b>	<ol style="list-style-type: none"> <li>1. Manufacturing of slitting steel coils and cutting steel sheets,</li> <li>2. Manufacturing of blanking, forming and bending steel parts for furniture, electrical appliance, construction and automotive industries,</li> <li>3. Manufacturing of steel roofing, siding, ceiling, flooring, steel panel and accessory parts.</li> </ol>
<b>Location</b>	PhucDien Industrial Zone, Cam Giang District, Hai Duong Province, Socialist Republic of Vietnam The Company leases a land plot to build a factory of 5,000 square meters for 46 years. Leases contract commenced in 2 August 2006 will be ended in 15 September 2052.
<b>Investment capital</b>	USD 1,200,000 or equivalent to Baht 48,000,000 consists of: <ul style="list-style-type: none"> <li>• Registered capital USD 700,000 or equivalent to Baht 28,000,000 and</li> <li>• A loan from Ban in the Socialist of Vietnam for approximately USD 500,000 or equivalent to Baht 20,000,000.</li> </ul>
<b>Profile of investment</b>	Siam Steel Service Center Plc.      USD 630,000 or 90% Okaya & Co., Ltd (Japan)      USD 70,000 or 10%

- Investment incentive**
1. Annual Corporate Income Tax is 15% for the period of 12 years from the date of operation and 25% for the remaining period.
  2. Other taxes subject to the current law at the time of paying tax annually.
  3. The enterprise shall exempted from Corporate Income Tax (CIT) for 3 years counting from the time of generating taxable income and shall have 50% CIT reduction for 7 consecutive years.

## REGISTRAR

**Head office** Thailand Securities Depository Co., Ltd.  
93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Thailand  
Telephone 0 2009-9000

**Auditors**

Mr. Somckid	Tiatragul	C.P.A. (Thailand) Register no. 2785 and/or
Ms. Kanyanat	Sriratchatcahval	C.P.A. (Thailand) Register no. 6549 and/or
Mr. Narin	Churamongkol	C.P.A. (Thailand) Register no. 8593 and/or
Ms. Saranya	Akharamahaphanit	C.P.A. (Thailand) Register no. 9919 and/or
Ms. Amornjid	Baolorpet	C.P.A. (Thailand) Register no. 10853

**Head office** GRANT THORNTON LIMITED  
Capital Tower All Season Place, 18th Floor,  
87/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10330  
Telephone 0 2654-3330 Fax. 0 2654-3339  
Auditing Service Baht 1,490,000  
Other services -None-

**Legal Advisory** Mr. Hirun Komolhirun  
51/3 Moo2, Poochao Road, Bangyaprak District, Amphur Phrapradang, Samutprakarn  
Telephone 0 2394-2897  
E-mail: hiran@ssscsth.com

**Issuance and offering of debt securities to the public** -None-

## LEGAL DISPUTE

So far, the Company has no legal dispute or any (black) case that may affect the Company's assets and financial status.

## 6. CORPORATE GOVERNANCE POLICY

### 6.1 Policy overview and Corporate Governance

The Company's Board of Directors realizes the significant of the administrative principles and good corporate governance. The Company adheres to the principle of good corporate governance practices for listed companies to ensure the Company's sustainable growth and promote trust among stakeholders i.e. shareholders, investors, customers, business partners, creditors, employees, and general public. The Board, therefore, institutes the Company's governance mechanism and entrust the Corporate Governance Committee whose responsibilities are to oversee the compliance of the administrative principles and business operations of the Company with good corporate governance policy and the principles of good corporate governance set forth by the Organization for Economic Co-operation and Development (OECD), and within the framework of SET's regulations. The social and environmental issues are integrated in the business process including setting direction, vision, mission, strategies, operation process; assessment and reporting. Accordingly, the committee members utilize the said integrative process as frameworks to ensure the Company's operations are responsive to social and environment while creating sustainable value to its business.

The Company realizes an importance of acquiring stakeholders' confidence in its existing good corporate governance principles that is transparent, just, fair, efficient, and auditable leading to business growth that accountable for Environment, Social, and Governance (ESG). The Company regards this as a solid foundation for capacity enhancement and business strengthening to attain sustainable growth as well as long term good returns to investors.

On 11 August 2017, the Company's Board resolved for the Company to adopt the new Corporate Governance Code for Listed Companies 2017 (CG Code) set forth by the Securities and Exchange Commission. In connection to this, the Company's Corporate Governance Committee has been entrusted with overseeing the application of CG Code, as seen suitable within the Company's business context, and reporting the results to the Company's Board at least once a year so as to ensure the following governance outcomes:

1. Ability to compete, good returns, recognizing long term impact;
2. Ethical business conduct with respect and responsible for the rights of shareholders and stakeholders
3. Social benefit and development or reduction of environmental impacts
4. Adaptability to change

#### Corporate Governance Operational Plan (2020-2024)

As resolved by the Company's Board Meeting, the Board shall attach to the 8 principles of practice of CG Code's and accordingly apply as seen suitable to the Company's business context.

- |                    |   |
|--------------------|---|
| <b>Principle 1</b> | Establish Clear Leadership Role and Responsibilities of the Board |
| <b>Principle 2</b> | Define Objectives that Promote Sustainable Value Creation         |
| <b>Principle 3</b> | Strengthen Board Effectiveness                                    |
| <b>Principle 4</b> | Ensure Effective CEO and People Management                        |
| <b>Principle 5</b> | Nurture Innovation and Responsible Business                       |
| <b>Principle 6</b> | Strengthen Effective Risk Management and Internal Control         |
| <b>Principle 7</b> | Ensure Disclosure and Financial Integrity                         |
| <b>Principle 8</b> | Ensure Engagement and Communication with Shareholders             |

The Corporate Governance Committee presents the 8 principles to the Company's Board yearly. For the previous year, the Board and the Committee collectively agreed that the Company has applied all principles as provided by the Organization for Economic Co-operation and Development (OECD) which also in compliance with the new CG Code.

### Corporate Governance Policy

The Company's Board has established the policy on corporate governance, business ethics, and work performance practices. The policy is reviewed and revised annually or as seen appropriate so as to keep up with current situations and business environment while conforms with guidelines set forth by the SET, SEC, and relevant governance agencies. In so doing is to uplift the Company's corporate governance (CG) practices to meet international standards, to better create long-term good returns; be able to take on all changes, create value, and responsive to shareholders, stakeholders, and society.

To ensure effective implementation of the Company's corporate governance plan, and to achieve the set goals, **the 1/2021 Board's Meeting held on 25 February 2021** resolved for the review and revision of the corporate governance policy in alignment with the Corporate Governance Code (CG Code) for Listed Companies 2017 for sustainable value creation. This aims at building up confidences of shareholders and stakeholders seen as essence for long - term business value and returns to shareholders. The Company's Board, as top leader of the organization strives to perform its duties attaching.

The Company continuously conducts activities and trainings on the said rules and regulations including code of business ethics and work performance guidelines to ensure all employees' understanding and commitment. Prior to training, pretesting is carried out to facilitate the effectiveness of the training. The pretesting result is defined as KPI for annual performance assessment of employees.

In addition, the Board ensures the roll out of good corporate governance as well as business ethics and work performance guidelines are well perceived and applied by all personnel. Business Ethics and Work Performance Guidelines Handbook is disseminated through various channels e.g., E-mail, intranet, Company's website

Throughout the year 2021, trainings on introduction to Corporate Governance were provided for all employees including the new recruits for them to be able to transfer to their actual works in a manner that is responsible, transparent, honest, deliberate, and ethical for their own selves, organization, shareholders, and stakeholders. The Board also supports the events organized to promote work related knowledge and virtues under good corporate governance policy, business ethics, and work performance guidelines.

#### 6.1.1 Policy overview and Scope of President's Authority

##### Nomination of Directors and Chief Executives (Attachment 5)

##### 1) Nomination of Directors

Pursuant to the Company's articles of association specifying the number of directors of the Company's Board shall not less than 5, and no less than half of the total number of directors shall reside in the Kingdom. The maximum number of the Board of Directors can be of any number but no less than 5.

Election of the Board of Directors is held at the shareholders' meeting applying the following criteria and methods.

(1) One share for one vote.

(2) Each shareholder may exercise all his/her votes provided in (1), for the election of one or a group of directors but the votes cannot be split into different candidates.

(3) The nominee receiving the highest votes is ranked in descending order and is appointed as directors in that order until all of the director positions are filled.

In the case where the number of nominees gaining equal votes exceeds the number of seats available, then the chairman shall have the casting vote.

As the terms of service of the director as yet not specified, therefore, at each Annual General Meeting, one-third of the directors, or if the number is not a multiple of three, then the number of the closest to one-third, must retire from office. The method of drawing lots is to be applied to the case where the director is to retire from office in the first and second years after the Company was listed. At shareholders' meeting, re-election of the retiring director is possible.

Besides the expiration of the terms under the said conditions, the director vacates office upon:

- (1) Death;
- (2) Resignation by which the director submits the letter of resignation to the Company. The resignation shall take effect on the date the letter reaches the Company;
- (3) Being disqualified or being under prohibition according to the Company's articles of association stating that the director must be natural person and reach his/her legal age; and not be bankrupt, incompetent, quasi-incompetent, being imprisoned by a final judgment against wrongful act concerning property and not receiving a penalty of firing or dismissing from the government service or government agency for malfeasance in office;
- (4) Being removed by the resolutions of the shareholders' meeting as enforced by the articles of association of the Company. At least three-fourths of the shareholders attending the meeting and have voting rights who hold shares altogether no less than half of the total shares held by shareholders attending the meeting and have voting rights, may resolve for the director to vacate the office before the expiration of the director's term of office;
- (5) Being removed from the office by court's order.

In the case where director position is vacated otherwise than by expiration of term of service, the Board shall select a person, holding qualifications as required and has no prohibited characteristics, to replace the remaining period of the vacating director's term except that the remaining period is less than 2 months. The resolution of the Board of Directors to such effect shall be adopted by the affirmative votes of at least three-fourths of the remaining directors. Any person replacing vacating director shall retain in the position as the vacating director is entitled to retain the same. In the case where the number of vacancies in the Board of Directors is such that the number of remaining directors does not constitute a quorum, the remaining directors may act on behalf of the Board of Directors only to summon a General Meeting solely for the purpose of electing replacing directors. The said General Meeting must be held within 1 month from the date on which the number of vacancies resulted in the number of remaining directors being less than a quorum.

The replacing director shall retain in the position as the vacating director is entitled to retain the same.

- The director can be either the Company's shareholder or non-shareholder.
- There must be at least half of the total directors to constitute the quorum of the meeting of the Board.
- The final decision of the meeting is adopted by the majority of the votes.
- One director for one vote except for the director being stakeholder in any particular agenda shall not exercise his/her vote as such. In the case of equal votes, the chairman shall have the casting vote.
- Authority of the Board of Directors or other committees performing duties on behalf of the Board of Directors, there is no Company's rule provided as such.

## 2) Independent Directors

As for the election of independent director, the Nomination and Remuneration Committee is in charge of selecting qualified persons. The nominees are selected from those holding qualifications of independent director as specified by the Company's Board of Directors according to guidelines of the SET and Office of the SEC. Approval for appointment shall be obtained from the shareholders' meeting.

Each independent director shall have the following qualifications.

- (a) Not holding shares in excess of one percent of the total voting shares of the Company, parent companies, subsidiary companies, associate companies, major shareholders or shareholders having power to control the Company; which shall be inclusive of shares held by connected person of the independent director.
- (b) Neither being nor having been executive director<sup>2</sup>; employee; staff member; adviser receiving regular salary; or person having power to control the Company, parent companies, subsidiary companies, associate companies, same-ranked subsidiary companies<sup>3</sup>, major shareholder or person holding shares of the person having power to control the Company. The said characteristics are not applicable to the case where such person has retired from the aforesaid characteristics no less than 2 years before the date submitting application for permission to the Office. Such prohibited characteristics are exclusive of the case where the independent director used to be a government service or adviser to government agency being a major shareholder or person having power to control the Company.
- (c) Having neither blood nor legitimate relationship as parent, spout, brotherhood, and child which shall be inclusive of spout of a child of executive, major shareholder, person having power to control the Company, or person potentially be nominated as executive or given power to control the Company or its subsidiaries.
- (d) Not having business relationship with the Company, parent companies, subsidiary companies, associate companies, major shareholder or person having power to control the Company in the manner that might compromise the independent director's ability to express an independent opinion; not being a major shareholder or person who had been a significant shareholder or a person having power to control other company which has business relationship with the Company, parent companies, subsidiary companies, associate companies, major shareholder or person having power to control the Company, except that such independent director has retired from the said position no less than 2 years.

The business relationship in para. one is inclusive of trade transactions carried out in a usual manner for business operations, lease and rental of real estate, transaction concerning assets or services, or give/receive financial support either by loan or grant, guarantee, collateral, and the like which would burden the Company or its partners an obligation to pay debt at least either three percent of the Company's net assets or Baht 20 million whichever is the lesser.

For the calculation of the said debt, the methods as provided by SEC notification on guidelines for connected transaction shall be applied mutatis mutandis. However, the determination of the said debt shall be inclusive of the debt incurred during 1 year before the date of having business relationship with the same person.

- 
- (e) Not being or having been an auditor of the Company, parent companies, subsidiary companies, associate companies, major shareholder or person having power to control the Company, significant shareholder and having power over or being partner of Audit Office where the auditor of the Company, parent companies, subsidiary companies, associate companies, major shareholder or person having power to control the Company is with, except that the independent director has retired from the said characteristics for no less than 2 years.
  - (f) Not being or having been a provider providing any professional services including legal adviser or financial adviser receiving regular salary more than two million Baht per year from the Company, parent companies, subsidiary companies, associate companies, major shareholder or person having power to control the Company, significant shareholder having power to control or being a partner of such professional provider, except that the independent director has retired from the said characteristics no less than 2 years.
  - (g) Not being a committee member appointed to represent the Company's committee member, major shareholder, or shareholder being a connected person of major shareholder.
  - (h) Not operate other business of the same industry which competes significantly with the Company or subsidiary companies. Not being a significant partner in the partnership, or being management team member, employee, staff member, adviser receiving regular salary or holding shares in excess of one percent of the total voting shares of other companies operating business of the same industry which compete significantly with the Company or its subsidiaries.
  - (i) Not possess any other characteristics that might compromise the director's ability to express independent opinion concerning the Company's operations.

Having been appointed as independent director under para.one (a) to (i), an independent director may be designated by the Board of Directors to make collective decision concerning the operations of the Company, parent companies, subsidiary companies, associate companies, same-ranked subsidiary companies, major shareholder or person having power to control the Company.

In the case where a person appointed as independent director is a person having or used to have business relationship or provide professional services with value in excess as indicated in para.one (d) or (f) above. Such conditions may be omitted, if the Board of Directors has approved that the appointment of the said person does not have any impact on performance and ability to express independent opinion of such independent director. The Company also discloses the following information in the invitation letter to shareholder meeting under the agenda item for consideration on appointment of the Independent Director.

- (1) Business relationship or provision of professional services that disqualify the said person.
- (2) Rational indicating the needs to retain or appoint such person as independent director.
- (3) Opinion of the Board of Directors proposing for appointment of such person as independent director.

Remarks

- (1) Connected person means a person under Section 258 of the Securities and Exchange Act.



- (2) Director takes part in management means director who also serves as executive, director who performs duties as executive, and director with authority to sign and bind the Company; except for the signing to bind the transaction which has been approved by the resolution of the Board and is jointly signed by other director.
- (3) Same - ranked subsidiary means subsidiaries at least two companies under the same parent company.
- (4) Significant shareholder means shareholder holding shares of any business in excess of ten percent of the total voting shares of such business, such holdings are inclusive of shares held by connected person.
- (5) Partner means a person entrusted by the Audit Office or a person providing professional services to sign an audit report or report on professional service (as the case may be) on behalf of such juristic person.

### **3) Holding Director Position in another Listed Company**

The Company's Board of Directors institutes the policy that each director shall retain in the director position in the Company and other listed companies all together no less than 5. This is to ensure the full and effective dedication of such director to the Company. The said director shall not be director in any other listed company inducing possible conflict of interest to the Company and the ability to operate director functions. **หมายเหตุ**

### **4) Holding Chief Executive Position**

The Company defines the policy that approval from the Company's Board is required for The Company's President to hold director position in other company. The policy also provides that the President shall hold, not more than 5, the presidential positions in other listed companies and the subsidiary of such listed companies. For the sake of independency of the Company's sub-committees, the President shall not be member of any sub-committees.

The Company has no rules, for director/committee member to hold position in other firm as long as the holding does not affect the Company and full dedication to the Company is demonstrated. Regarding the impact on the Company, approval for such holding shall be obtained from the Nomination and Remuneration Committee, and the Company's Board of Directors. In so doing is to ensure the holding would not affect the Company, and such director/committee member is able to set up policy, give advices to resolve any difficulties concerning business operations under the scope of authority of the Board, satisfactorily attend the Company's board meeting and sub-committees' meetings as well as facilitate the meetings to proceed effectively.

### **5) Corporate Governance of the Subsidiary Company**

The Siam Steel Vietnam Ltd. is the Company's subsidiary in the Socialist Republic of Vietnam in which the Company holds 90% shares. The personnel being director and executive of the said subsidiary company are selected among personnel possess required qualifications according to the nomination criteria; specific knowledge, skills, experiences, and work profiles. The selected persons are in charge of overseeing the management of the subsidiary company according to the Company's policy, and to carry out transactions in conformity with laws and criteria governing securities and exchange, and regulations of stock exchange.

The President of the subsidiary company in Vietnam is required to report business performances to the Company's Board of Directors quarterly for acknowledgement. So that, the Company's Board is assured of the Company's best interest and returns. However, the Company's Board shall oversee and ensure the subsidiary companies release the financial statements in time.

## 6) Segregation of Duties and Independency of the Board

The Company's Board of Directors articulates power and duties of the committees and the management to facilitate the supervision, inspection, and performance assessment by:

- Instituting management structures segregating clearly the roles and duties of the Company's Board of Directors and every managerial functions to ensure the efficiency of business operations. For check and balance, transparency, and fairness to connected parties; consent from the Board is required for deliberation and decision made on any important matters;
- Instituting written policy governing its corporate business and policy implementation;
- Independently determining, investigating, expressing views, voting, and neither be under pressure of any interest nor conflict of interest dealing with matter that would affect independency and impartiality of the said actions, placing high precautions to any potential conflict, and stipulating that director lacking of independency must not involve in any decision making on matter relating to his/her interest so as to maintain the interest of the Company and of the stakeholders;
- Establishing systems controlling the operations, financial reporting, and policy implementation, establishing an independent unit to examine the systems;
- Taking responsibilities on Company's financial statements and financial information illustrated in an annual report making according to the standards generally accepted, disclosing adequate important information as remarks of the financial statements;
- Putting in place the reliable accounting system and financial report as well as the effective and efficient assessment processes of internal control and auditing.

## 7) Self-assessment of the Company's Board of Directors

The Company conducts, at least once a year, performance assessment for review and improvement, the adequacy of the corporate governance and operations as performed by the President, the Board, and all committees. The assessment form is modified from the SET's Self-Assessment Form. The assessment results are presented at the Board meeting for further actions and improvement by the management.

In 2021, the assessment form was modified from the SET's form to suit the Company's business operations and conformed with the charter for performance at work. The assessment rating scale is shown below.

<u>Score</u>	<u>Rating</u>
5	Excellent
4-4.99	Good
3-3.99	Standard
2-2.99	Fair
1-1.99	Poor

### The President's Performance Assessment

The following performance factors are taken into assessment of the President by the Company's Board.

- 1) Leadership
- 2) Strategy Formulation
- 3) Strategy Implementation
- 4) Financial Planning and Performances
- 5) Relationship with the Board

- 6) Relationship with External Parties
- 7) Execution and Relationship with Employees
- 8) Knowledge of Products and Services
- 9) Personal Characteristics
- 10) Managerial knowledge and skills of organizational sustainable development in economic social and environmental aspects following the principles of good governance.

The performance assessment of the President for accounting periods of 2021 gained average score 4.84 out of full score of 5 or rated as Good Performance.

#### The Board's Performance Assessment

The Company's carries out performance assessment on individual director by means of self-assessment and assessment of performance of the Board.

Director's Individual Performance Assessment	The Board's Performance Assessment
Assessment Factors (1) Qualifications of Director (2) Roles and Responsibilities (3) Operation of Director Functions (4) Relationship with the Management (5) Self- development and Managerial Development (6) Knowledge and skills in planning and supervision on environment, social, and Governance (ESG)	Assessment Factors (1) Profile and Qualification of the Board (2) Roles and Responsibilities (3) Board Meeting (4) Operation of Director Functions (5) Relationship with the Management (6) Self-development and Managerial Development
Directors received average individual performance assessment score 4.92 out of full score of 5 or rated Good Performance	The Board received average performance assessment score 4.91 out of full score of 5 or rated Good Performance

Performance Assessment of 4 Committees are carried out by mean of self-assessment taking into assessment the following factors:

- 1) Profiles and Qualifications
- 2) Roles, Duties, and Responsibilities
- 3) Meeting Attendance
- 4) Performance of duties
- 5) Relationship with the Management
- 6) Self-Development

## Performance assessment results of the 4 committees for accounting periods of 2021

Committee	Conclusion of Self-assessment
(1) Audit Committee	Received average score 4.98 out of full score of 5 or rates as good performance
(2) Nomination and Remuneration Committee	Received average score 4.96 out of full score of 5 or rates as good performance
(3) Corporate Governance Committee	Received average score 4.97 out of full score of 5 or rates as good performance
(4) Risk Management Committee	Received average score 4.96 out of full score of 5 or rates as good performance

**6.1.2 Policy and Guidelines of Shareholders and Stakeholders**

The Board is fully committed to work for the betterment of the Company's good corporate governance. It is believed that in doing so would promote sustainable business growth as well as to uplift the Company's good corporate governance standard and practice.

Throughout the year 2021, the Board and the Corporate Governance Committee stipulated the policy encompassing principles of the Corporate Governance for Listed Companies 2017: CG Code as issued by the SEC. The Company has applied the said principles, the criteria of the Survey Program on Corporate Governance of the Thai Listed Companies set forth by the Thai Institute of Directors, and the ASEAN Corporate Governance Scorecard (ASEAN CG scorecard). The application is regarded as guidelines for business development and improvement covering the aforesaid 5 sections which is hereunder concluded.

- 1) Rights of shareholders
- 2) Fair and Equal Treatment of Shareholders
- 3) Role of Stakeholders
- 4) Disclosure of Information and Transparency
- 5) Accountability of Directors



Please see details in attachment 5

**Guidelines of Shareholders****(1) Shareholders**

1) The Company strongly recognizes shareholder rights by safeguarding and encouraging the exercise of shareholder rights.

- As owner dictating the Company through the election of directors to manage the Company on behalf of shareholders.
- To make decision concerning significant impacts on the Company.
- Be provided with opportunity to propose meeting agenda and to authorize representative to attend meeting.
- Be provided with opportunity to pose question both in advance and during the meeting.
- In due cause and before the meeting date, be provided with adequate documents containing detailed and supporting information for decision making against each agenda item.

- Be informed, in due cause, of the meeting rules and procedures.
- The Company shall encourage the exercise of shareholder rights and not abuse or deprive the rights of shareholders e.g., basic rights; rights to adequate and timely information, rights to fully participating in voting and expressing opinion. The Company shall institute good corporate governance policy in accordance with the SET.

2) The Company also realizes the rights of every shareholder. The Company, therefore, promotes the exercise of shareholders' rights and equities.

- The Company sent notice of the meeting enclosing necessary and adequate information, including meeting date and agenda items, to all shareholders in advance by post. The information had been available on the Company's website at [www.ssscth.com](http://www.ssscth.com) since 8 March 2021 or 53 days prior to the meeting date (the meeting was held on 30 April 2021).
- The notice of the meeting incorporated agenda items and opinions of the Board concerning matters being proposed on each item, the meeting date and time, venue, rules and procedures as well as supplementary documents for registering meeting attendance.
- To facilitate shareholders' meeting, the Company encouraged shareholders to pose question that needs clarification from the Company, in advance via e-mail: [boonchai@ssscth.com](mailto:boonchai@ssscth.com) or [hiran@ssscth.com](mailto:hiran@ssscth.com) or facsimile at 02-754-5747-48

Shareholders had also been informed of the clear rules and procedures via the SET and the Company's website at [www.ssscth.com](http://www.ssscth.com) since 8 March 2021.

At the 2021 AGM, due to the spreading of Covid-19, the Company took into the selection of meeting venue not only convenience to shareholders but also providing occupational health and safety. The size of the meeting room was sufficiently catered for all attendees with distancing layout and in compliance with the Covid-19 protection and prevention policy and measures.

The shareholders' meeting was proceeded according to the agenda items illustrated in the notice of the meeting sent to all shareholders earlier. There was no additional agenda item or change of significant information without notification made known to shareholders in advance. Opportunities were open for shareholders to express opinions and inquire on matters relating to the agenda item being deliberated. All questions were responded by executives and directors presenting at the meeting. Details of the meeting were recorded in the minute of the shareholders' meeting.

3) Prior to the commencement of the meeting, Chairman explained clearly the casting of votes and the rights of shareholders.

- One share for one vote for any agenda seeking majority votes as consensus of approval. No consensus is required for agenda proposed for acknowledgement. Agenda for the increase and decrease of registered capital, amendment of Company's memorandum and article of association, require consensus for passing by majority votes no less than three-fourths of the votes casted from all shareholders attending and exercising voting rights. Agenda for constructing compensation of the Board requires two-thirds of the votes casted from all shareholders attending and exercising voting rights.

- The vote casted for election of director, each shareholder shall exercise all of his/her voting rights for election of either one or more directors. Voting rights cannot be split on different candidates.
- Once the power of proxy of the shareholder is delegated and exercised; the votes casted would be stored in computer and checked by the Company's legal advisor and the Internal Audit Unit (as an independent unit) to exhibit transparency, and comply with applicable laws and regulations. The assignee of proxy participating in the meeting has no right to vote.

In the case of disagreement or no vote, the ballots are provided to shareholders attending the meeting. The shareholder equal rights and opportunities are illustrated by allowing shareholders, presenting at the meeting after the commencement started, the right to vote only for the agenda item being deliberated and yet not reaches conclusion. Subsequently and promptly, the result of the vote on each agenda item is declared at the shareholders' meeting.

The Company delivers minute of the meeting to the SET within 14 days as from the date of the meeting. Shareholders need not to wait until the next meeting in order to review and comment on the minute as it is also made available on the Company's website.

Shareholders are provided with the right to consider and approve remuneration package for directors as proposed yearly for approval by the Company. The package includes salary, meeting allowance, bonus/reward, and other benefits. For last year, the Company paid the directors, executives in the forms of salary, bonus, meeting allowance, and provident fund, no other benefit was paid thereof.

## **(2) Entering into Connected Transaction**

The Board realizes the importance of transparent business operations and be stakeholder oriented. The Board, therefore, set up the Company's good corporate governance policy stipulating that undertaking any connected transaction of the Company shall receive at least consent from the management of the Company. In the case where the decision to enter into any connected transaction which is deemed as a transaction being stipulated in the Regulations of the SET on Disclosure of Information and Act of Listed Companies Concerning the Acquisition and Disposition of Assets, the Company complies with what is stated in such terms that consent and/or approval shall be granted from the management and/or the Board's Meeting and/or Shareholders' Meeting as the case may be. In this regard, connected person has no right to vote.

To prevent conflict of interests, the transaction with possible conflict of interests is carefully taken care of by the Board. The approval of connected transaction policy and procedures is stated in the regulation governing approval power and implementation and/or seeking approval from shareholders as required by the SET. In this regard, price and conditions shall be as same as transaction undertaken with third party (Arm's Length Basis). The Audit Committee shall regularly submit any transaction with possible conflict of interest to the Board.

The Company has no policy to enter into any connected transaction except in the case where the Company would receive best returns under the generally accepted conditions of price and trade. In this regard, consent is required from the management and/or Shareholders' Meeting as the case may be.

In respect of the disclosure of information of directors, executives, and connected parties, according to the resolution of the 4/2009 Board Meeting on 13 August 2009 defining criteria, methods, and forms to enforce directors and executives to submit the report of stakeholders' involvement of themselves, or of any persons related to them who might benefit from their administration relating to the business of the Company or its subsidiaries. On 11 November 2021, the Board resolved for the review and improvement of the aforesaid criteria, methods, and forms.

The reports serve the Company as information for its operations concerning the execution of connected transaction that may cause conflict of interest and led to siphoning of interest of the Company and its subsidiaries. They also serve as information for monitoring the interest of the Company's Board and executives. The reports must be made and submitted once every calendar year and within 30 days as from the end date of December. Resubmitting is required whenever changes incurred which portrayed differences from the report previously submitted.

In the case where the Board's meeting agenda is to consider the interest of a particular director, such director is not allowed to present at the meeting for the sake of transparency and fairness to all.

In 2021, no action of violation or negligence of the SET and SEC regulations was reported neither trading securities using internal information to undertake connected transaction nor trading assets. There was no connected transaction with any related company possibly induce any significant conflicts of interest, and no transaction providing financial assistance to any non-subsidiary of the Company.

### **(3) Guidance for Anti-fraud or Anti-Corruption Practices 2021**

The goal for 2019-2021 geared toward urging business partners in the business value chain to implement the anti-corruption policy and practices.

In 2021, besides providing training for all employees including the new recruits to better understand the Code of Business Ethics and the Anti-corruption Measures, the Company also urged its business partners in the business chain to implement the Anti-corruption policy and practices, jointly signed the agreement, and conducted training for all suppliers providing 151 service trucks to the Company. Trade partners, customers, and sub-contractors are invited to cooperate in declaring their intentions for Collective Action Coalition Against Corruption: CAC, and applying for certified membership whereby the Company acts as advisor.

#### **Complaints and Clues**

The Company gives high priority to exchanging information from and acknowledging comments and advices with stakeholders. Collective actions are undertaken for mutual prosperity, financial stability, and business sustainability. Communication channels are opened, for customers to lodge complaints concerning corporate governance, via Marketing Department. The Company does not establish the investor relations unit, as there are not as yet many activities dealing with investment institutes, shareholders, securities analysts, and other organizations. However, the Senior General Manager for Accounting, Finance and Administration has been assigned to respond to the matters

Mr. Boonchai Chiencharoenthanakij, Senior General Manager of the Accounting, Finance and Administration Department is available for contact at Tel. 0-2385-9242 or E-mail: boonchai@ssscth.com, should any information be required by investors and stakeholders.

### Channels for Lodging Complaints and Clues

- Independent Director, E-mail: id@ssscth.com
- Mr. Boonchai Chiencharoenthanakij, Senior General Manager, Accounting, Finance and Administration Department, E-mail: boonchai@ssscth.com
- Mr. Hirun Komolhirun, Manager Legal Department, and the Company Secretary, E-mail: hiran@ssscth.com
- By post to Legal Department, Siam Steel Service Center Plc., 51/3 Moo2, Poochao Road, Bangyaprak District, Amphur Phrapradang, Samutprakarn 10130.

### Process after Receiving Complaints

Channels and freedom for lodging complaints and giving comments are provided paving a way to development and sustainability of the organization.

- Personnel receiving complaints gathers and compiles facts relating to the violation or misconduct.
- Personnel receiving complaints reports all facts to the Corporate Governance Committee in charge of fact finding and investigation for consideration. Contents of the report shall be categorized into sections such as management administration, knowledge development, investigation for fact findings, and etc.
- Personnel receiving complaints submits investigation results to the Corporate Governance Committee for measures to suppress the violation and negligence.
- Personnel receiving complaints is required to report the investigation outcome to the complainant for acknowledgement. In vital cases where the complainants reveal themselves, the recipient shall report to Chairman of the Board and/or the Board for acknowledgement.

### Duration

Investigation is commenced immediately taking into caution the severity of allegation/ complaint as well as impact on quality of the investigation. It is required that initial inspection and conclusion of the inquiries with recommendations shall be done and submitted to Independent/ Audit/ Corporate Governance Committees within 2 weeks.

### Measures to Protect Complainants

The Company stipulates the protective measures for complainants based on the following criteria

- If the complainants feel unsafe to reveal themselves, in such case the revelation is optional. However, revelation is considered helpful as the Company would be able to inform the complainants of the progress and fact findings.
- The recipient shall keep all information as confidential and well safeguarded. The protection measure is set up to safeguard employee lodging complaint and/or providing information and/or cooperating in an investigation process. They are protected from possible unfair treatments including being transferred, rotated, changed of workplace, suspended, intimidated, harassed, and terminated.
- According to the policy, the Company will not impose relegation, penalty, or any threat on employees who dissent over corruption which would affect the Company to lose business opportunity. Dissemination and campaigning are conducted continuously through various activities.



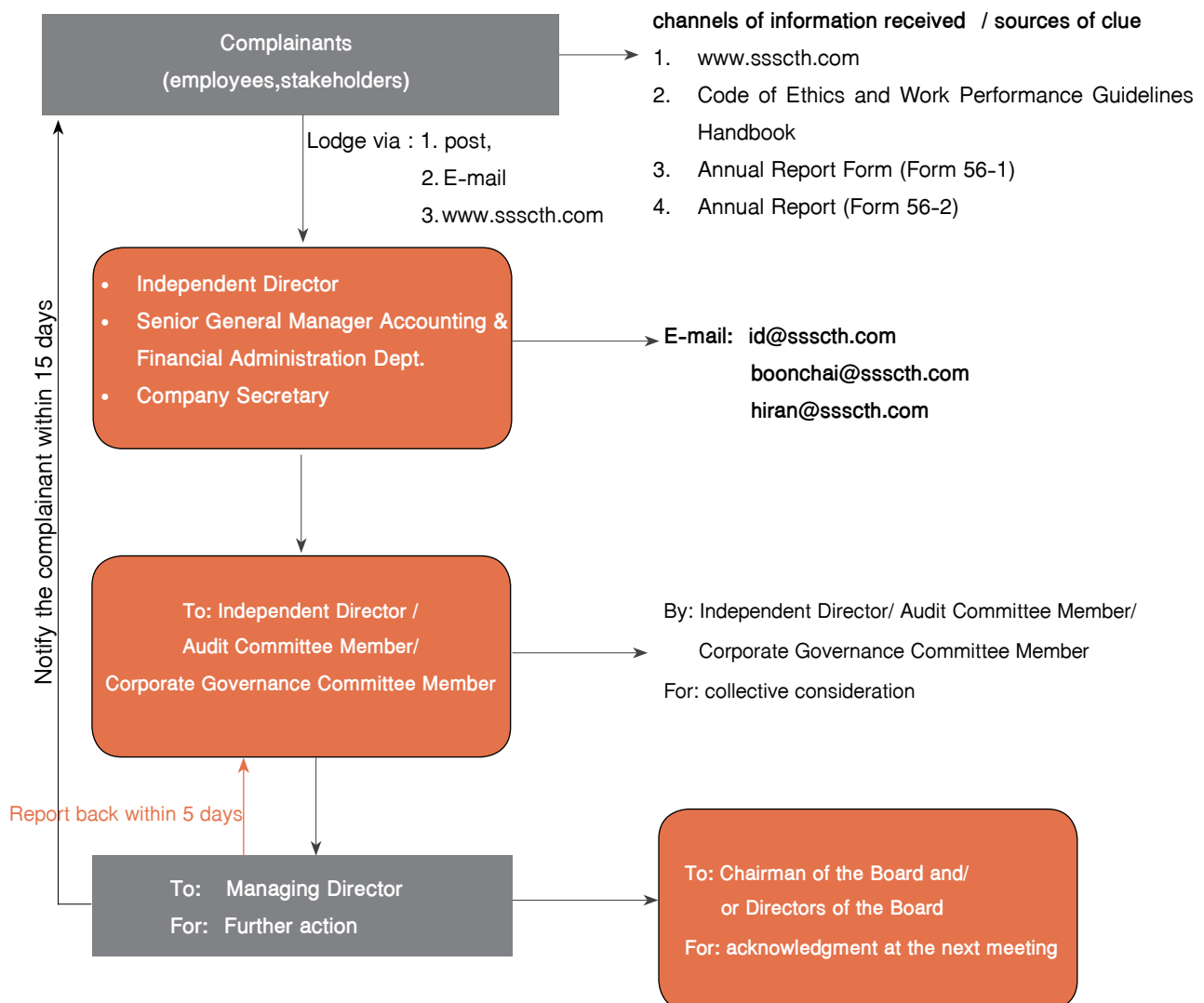
### False Allegation

Any employee intentionally reports false allegation or make it in bad faith, the Company will take such action as business ethical violation with subsequent investigation and punishment according to the Company's rules.

### Penalty

Whoever acts deliberately or negligently, in non-compliance with the policy; defames or bullies others, takes disciplinary action or unfair treatment to the complainant or person involved in the matters detailed in the complaint shall be deemed as committing disciplinary violation. In addition to legal liability.

### Process of Clues Reporting, Complaints and Suggestions



#### (4) Customers

The Company fully realizes in and is committed to competency-based development and improvement in various fields by establishing, within the Company, quality systems with reference to the rules governing the Quality Management System ISO 9001: 2015, and the current Quality Management System for Automobile Sector IATF16949:2016 which was revised in 2021 and has remained in effect as the Company's vision statement since.

##### **“Customer Satisfaction, Quality Orientation, Commit to Organization Development”**

The Company is strongly committed to building quality and satisfaction to serve customers' needs which is regarded as significant factor fostering business operations. To achieve this, the Company sets up policy guidelines to:

- Place utmost importance on quality to meet customers' satisfactions;
- Give empathy to truly realize customers' needs and supply products and services accordingly;
- Commit firmly to continuous quality development of products and services to ensure the highest efficiency in every procedure of production process, and timely products delivery;
- Conduct and maintains efficient quality management to meet customers' needs and the Quality Management Standard ISO 9001:2015 และ IATF 16949:2016; Promote personnel development continuously;
- Promote personnel development continuously;
- Provide control system to ensure the Company strictly, attentively, honestly, and regularly adheres to the terms of agreement made with customers;
- Provide control system to maintain the confidentiality of customers as if the Company's own, and to prevent any use of such confidentiality from any frauds;
- Disclose accurate, adequate and timely information; act in accordance with the terms of agreement made with customers; arranges for system and process to facilitate complaint lodging concerning quality, quantity, safety of products and services; provides advices on instructions of products and services for best use by customers, maintains confidentiality of customers.

##### **Customers' Satisfaction**

The Company's innovation of “Satisfaction First” pays close attention to customers' satisfaction through continuous assessment of manufacturing process, the KPIs are identified in accordance with the objectives.

The Company keeps close attention to manufacturing process to ensure and demonstrate the product quality and process effectiveness that fully serve customers' requirements.

The Company conducts customers' satisfaction survey twice a year applying the Foreign Supplier/Contractor Evaluation Form for its steel raw material supply. The survey covers 4 areas.

1. Quality
2. Delivery
3. Cooperation and after sale service
4. Price

The electronic survey form is launched and stored in a customer database. The Marketing Unit is entrusted with identifying KPIs for customers' satisfaction survey with the performance of no less than 90% customers' satisfaction in every survey area except the price as it is known as an uncontrollable marketing mechanism. The survey result is used to consider directive performance to better serve customers' needs.

#### Customers' Satisfaction Assessment Results

	Total Customers			
	2021	2020	compared	score
Quality	97.65	97.90	decrease	4.88
Delivery	93.97	94.31	decrease	4.70
Service	94.90	95.38	decrease	4.74
Price	88.86	91.68	decrease	4.44

(score: 5 = very satisfied, 4 = satisfied, 3 = moderately satisfied, 2= dissatisfied, 1 = very dissatisfied).

Remark : customers' satisfaction increase in every assessment area, however, the Company has formulated the delivery development plan and organized activities to promote safety including providing knowledge for freight service contractors as mentioned in Corporate Social Responsibility Section

#### (5) Partners

- The Company treats all partners equally and fairly.
- The Company neither solicits nor accepts nor pays any benefits that would cause dishonest or non-transparent acts to its business partners.
- The Company strictly adheres to the promises given to its partners, whenever the promises could not be kept; partners are informed promptly for mutual resolution.
- The Company provides control system to prevent any disclose or use of its partners' confidentiality for illegal business operations.
- Cooperates with partners in the collective development of partners to achieve sustainable business growth and long-term business partnership with the Company.

#### Procedures and Methods for Selection of Partners or Contractors

The clear and transparent selection process is defined according to the procurement regulations and guidelines and disseminated to every executive and employee to firmly adhere to.

The selection process of the Company's business partners is summarized as follows:

- Assesses dealers or service providers taking in to consideration profiles on quality assurance, delivery as scheduled of the agreed volumes, shipping documents, delivery and after sale services. Price, volume, and management capacity are also the case. The assessment is conducted twice a year;
- Communicates with suppliers honestly with integrity and equality;
- Procurement process is conducted for the Company's best interest and in compliance with the handbook of recruitment, selection, and assessment of sub-contractors;

- As appropriate, provides competitive opportunity to business partners based on fairness, confidentiality, and not makes use of information for personal gains or for the benefits of any irrelevant person;
- Employee responsible for sourcing, purchasing, leasing or hiring is prohibited to do business with any relevant parties e.g., family members, next of kin, owners or partners;
- Provides operational development that is transparent, accurate, modifiable, and compatible with business technology changes.

#### **(6) Business Competitors**

The Company's competitor treatment policy aims at:

- Supporting and promoting free trade competition that is fair and not violate the confidentiality of trade competitors;
- The Company treats competitors according to the rules of practice as provided by the International Trade Law;
- The Company provides controlling system to prevent any act of illegal use or acquire of confidential information of its competitors;
- The Company strongly commits to operating its business fairly and in compliance with business code of conduct, no dispute in relation to trade competitor was reported during the previous year.

#### **(7) Creditors**

The Company's creditor treatment policy stated that:

- Monitoring system shall be in place to ensure actions taken are firmly complied with terms and conditions of contract and agreement made to the creditors i.e. payment, repayment, collateral, or other obligation owed to the creditor;
- The Company shall constantly reports its financial status to the creditors with integrity, accuracy, and timely;
- In the case where the Company fails to fulfill contractual obligations, the creditor shall be informed promptly for mutual resolution and measure to prevent any possible loss, taking into account the Company's reputation;
- Determining capitalization strategies for financial security and strength to ensure its liquidity for timely and full settlement offer to creditors.

#### **(8) Public Sector**

- The Company aims at maintaining good relationship with public sector to the extent considered as appropriate including cooperating with public sector and concerned agencies regarding appropriate information provision for the benefits of the country and for all.
- Firmly adheres to the laws relating to occupational safety, health, and environment of the workplace; tax and accounting management; etc. as well as applicable government notifications to business operations of the Company. Every employee is required to study and understand the laws relating to his/hers work life in order not to commit any offensive act against such laws.

- Makes available and accessible, the law book containing legal information relating to each department attached to the Company for reference and update.
- Gives high value in raising awareness of being a responsive employee complying with the applicable laws, regulations and rules.

#### **(9) Community and Society**

Being part of society and community, the Company is earnestly committed to the development and improvement of its Environment Management System (ISO14001:2015). Cooperation is given to organizations dealing with environmental issues for development of quality of life and environment. The Company, therefore, articulates the environmental policy as details shown in 3.5 Employee

#### **Corporate Social Responsibility and Environment for Sustainability**

The Company is convinced that strong commitment to Corporate Social Responsibility (CSR) brings sustainable development. Therefore, the Company's CSR Committee and working groups are established comprising representatives from various units within the corporation. The Environment and Corporate Social Responsibility Committee and the 7 CSR working groups work collaboratively toward the set policies and objectives. There are 7 CSR working groups

1. Organizational Corporate Governance Working Group
2. Human Rights Working Group
3. Labor Working Group
4. Environment Working Group
5. Fair Operation Working Group
6. Consumer Treatment Working Group
7. Participation and Community Development Working Group

The Company are well aware of short-term and long-term corporate, social and environmental impacts resulted from its business operations. Therefore, the Environment and Social Responsibility for Sustainability Policy is developed as guidelines for business operations. The policy was revised in 2021 (as mentioned under Section 3 subsection 3.3 Environmental Sustainability Management and 3.4 Social Sustainability Management)

#### **Disclosure of Information and Transparency**

- The remuneration criteria for directors and executives are clearly defined and disclosed in an annual report. The compensation rate is specified by the Board by comparing with the rate being practiced in similar industries, and to Company's performances with approval from the AGM.
- The Board realizes the influences of the financial and non-financial information on the process of decision making of investors and stakeholders. The Company, therefore, strongly insists the management team to consistently and timely disclose adequate, accurate, true, reliable information. The Company's management places top priority, and constant adherences to the said disclosure practices.

- In 2021, the Board also encourages the Company to prepare the Management Discussion and Analysis (MD&A) to support the quarterly disclosure of financial statements. This is to ensure, the investor understanding not only the numerical data illustrated in the financial statements but also the Company's financial status and quarterly performances.
- There is no item with conditional opinion of the auditor shown in the Company's financial statements. The Company has no record of late submission of quarterly financial report or of any reservation on financial statements errors as governed by external agency.

#### **Investor Relations**

- In the part of investor relations, Mr. Boonchai Chiencharoenthanakij, Senior General Manager of the Accounting, Finance and Administration Department represents the Company to communicate with investors, shareholders, and security analysts, and the general public. Information in this regard can be obtained through press conference, press release concerning interesting investment events, analyst meeting or opportunity day, analyst site visit, events as organized by the SET, etc.
- In 2021, the Company sent out quarterly and annual financial reports within the specified timing and as required by the SET. According to the SET, no reservation was made on the Company's financial statements submitted. The Company communicated, at a quarterly basis, its financial status via press release, SET Community Portal - SCP, and SET website (<http://www.set.or.th>). On 30 April 2021, the date the AGM was held, the Company welcomed the retail investors to visit and observe the Company's plant. In this regard, everyone is required to strictly adhere to the Covid-19 preventive measures as stipulated by the Company.

## **6.2 Code of Business Ethics**

### **Code of Conduct/ Objective of Business Operation**

The Company's Board has established the policy on corporate governance, business ethics, and work performance practices. The policy is reviewed and revised annually or as appropriate so as to keep up with current situations and business environment while conforms with guidelines set forth by the SET, SEC, and relevant governance agencies. In so doing is to uplift the Company's corporate governance (CG) practices to meet international standards, to better create long-term good performances; be able to take on all changes, create value, and responsive to shareholders, stakeholders, and society.

In addition, the Company's Board adopts the Sufficiency Economy Guidelines for Industrial Sector (TIS 9999 volume 1-2556 B.E.) for sustainable development and growth that balance economy, society, environment; and the utmost benefits to shareholders.

For directors, executives, and employees of all levels to perform duties toward the same direction, the Company's Board stipulates the business code of conduct as part of the governance policy. The policy demonstrates guidelines for every employee to adhere and perform his/her duties in compliance with the code of conduct principles, respects stakeholder rights and treats them impartially and fairly. Action in this regard shall be auditable covering matters as the Company sees significant as follows:

1. Responsibilities of director, executive, and employee for stakeholders
2. Treatment of trade partners
3. Stakeholding and conflicts of interest

- 
4. Respect for law and human rights principles
  5. Confidentiality, safeguarding and use of insider information
  6. Procurement, treatment of trade partners and their trading practices
  7. Social and community responsibilities
  8. Treatment of employees
  9. Political support
  10. Internal control and internal audit
  11. Receiving and offering gifts, assets or other benefits
  12. Money laundering prevention and suppression
  13. Safety, health, and environment
  14. Intellectual property, and use of information and communication technology systems
  15. Personal data protection

The Code of Business Ethics and Work Performance Guidelines Handbook 2021 revised version was approved by the resolution of the Company's Board and Corporate Governance Committee on 25 February 2021.

**(See Attachment 5 for full version of the Policy and Guidelines of Corporate Governance and Code of Business Ethics.)**

1. **Code of ethics of directors and executives**
  - Ethics for shareholders
  - Ethics for employees
  - Ethics for customers
  - Ethics for trade partners
  - Ethics for creditors
  - Ethics for government/public sector
  - Ethics for environment and society
2. **Code of ethics of employees**
  - Ethics for the Company
  - Ethics for supervisors, subordinates, and colleagues
  - Ethics for themselves
  - Ethics for customers
  - Ethics for government/public sector
3. Ethics for treatment of trade competitors or anti-unfair competition
4. Ethics for stakeholding and conflicts of interest
5. Ethics for respect of laws and for international human rights principles
6. Ethics for confidentiality, safeguarding and use of inside information
7. Ethics for procurement and treatment of trade partners

#### 8. Ethics of trade partners

Partners doing business with the Company shall adhere to the said ethics of trade partners in conducting their business and applying to their related companies as appropriate as follows:

1. Business Integrity
  - 1.1 Business honesty, anti-corruption, anti-trust
  - 1.2 Safeguarding confidentiality
  - 1.3 Information disclosure
  - 1.4 Safeguarding Intellectual property
2. Labor Welfare and Human Rights
  - 2.1 Fair and equal treatment
  - 2.2 Protection of labor or worker rights
  - 2.3 Do not use forced labor
  - 2.4 Wages, benefits, and working hours
3. Occupational Health and Safety
  - 3.1 Work safety environment
  - 3.2 Products and services quality and safety standards
4. Environment Sustainability
  - 4.1 Avoidance of hazardous materials and product safety oriented
  - 4.2 Efficient use of resources and reduction waste and pollution
9. Ethics for social and community responsibilities
10. Ethics for treatment of employees
11. Ethics for political support
12. Ethics for internal control and internal audit
13. Ethics for receiving and offering gifts, assets or other benefits
14. Ethics for money laundering prevention and suppression
15. Ethics for safety, health, and environment
16. Ethics for intellectual property, and use of information and communication technology systems
17. Ethics for personal data protection

### 6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance Systems in the Previous Year

In 2021, the Company reviewed its business ethics and work performance guidelines for the Company's Board to attach to.

1. All directors, executives, and employees shall adhere to lawful practices. The principles of good corporate governance and the Company's vision, mission, strategies and long term goals shall be implemented in an integrative manner. They shall also promote trust and confidence of stakeholders e.g. shareholders, investors, etc. on Company's effective management.
2. Respects for shareholder rights and treat them equally and fairly, facilitates the exercise of shareholders' rights on various matters.
3. Promotes and maintains cordial relation and cooperation between the Company and its stakeholders, introduces appropriate channels for mutual communication.



4. Defines policy, business ethics and work performance guidelines and treat all stakeholders accordingly e.g., shareholders, employees, customers and consumers, business partners, competitors, creditors, government agencies, communities, societies, and environment.
5. Defines vision mission; approves strategy, policy, business plan, and budget; oversees and supervises the management to effectively manage in accordance with the set policy adding economic value to its business and superior returns to shareholders.
6. Provides organizational structure segregating clearly the duties and responsibilities of the Board, committees, directors, and the management; ensures adequate and appropriate systems are in place and effectively and efficiently implemented i.e. internal audit, risk management, conflict of interests, and the use of internal information.
7. Oversees and ensures the management of financial statements and information are conformed with general accepted financial standards; ensures the adequacy and reliability of disclosed essential information, and the availability of competent and independent auditor.
8. Oversees and ensures the communication and disclosure of the Company's financial and non-financial information through various channels, are adequate, accurate, complete, reliable, transparent, and timely so as to ensure the information is accessible and understandable by all stakeholders.
9. Appoints Corporate Governance Committee under the Company's Board to regularly consider and screen important matters for subsequent reporting at the Board Meeting, and disseminating in an annual report for shareholders to acknowledge.
10. Provides performance assessment as framework for past performance review of directors, members of committees e.g., Audit Committee, Corporate Governance Committee, Nomination and Remuneration Committee, Risk Management Committee, and etc. The assessment results are used as inputs for work improvement and submission to Company's Board of Directors for acknowledgment.
11. Ensures nomination system of all significant management positions is appropriate, transparent and fair.
12. Provides written code of business ethics and work performance guidelines to bind directors, executives, and employees; ensures all compliance measures are in place.

For the process of monitoring, the "Legal Department" is responsible for overseeing and monitoring the full compliancy with laws, regulations, business ethics, and anti-corruption measures.

In 2021, the Board reviewed the Corporate Governance Policy as details mentioned in Section 6.1.1 Policy and Guidelines of Compliance Committee.

The said policy is deemed as duty and responsibility of the directors, executives and employees as well as those work on the Company's behalf on which they shall comply with:

1. Compliance with Antitrust Law and Competition Law, promoting free and fair trade competition, be impartial;
2. Compliance with laws relating to Anti-corruption and Anti-bribery laws involving state officers, foreign-state officers, private-company personnel;
3. Compliance with laws relating to Anti-money Laundering and Combating the Financing of Terrorism (AML/CFT);
4. Upholding laws relating to labor, human rights, human dignity as well as the liberty and equality of those certified by and protected under the laws;

5. Safeguarding of the law relating to intellectual property rights, respecting and not infringing intellectual property rights' of others, upholding others' intellectual property rights, protecting intellectual properties of the Company from being infringed by others;
6. Not using any strategic litigation against public participation by excluding them from expressing opinion or taking action concerning the protection of public interests (Anti- SLAPP);
7. Compliance with laws and regulations of the country where business of the Company is operated;
8. Compliance with Company's policies, standards, business ethics and code of conducts including any other rights and appropriate actions not being defined in the Company's policy.

The 2021 monitoring and assessment findings have shown that no violation or non-compliance was found in relation to the policy and/or business ethics, code of conducts, and good corporate governance principles.

In 2021, there were matters pending the implementation.

Pending implementation	Rational
<ol style="list-style-type: none"> <li>1. Chairman is an independent director.</li> <li>2. The Board shall comprise more than 50% independent directors.</li> </ol>	<ul style="list-style-type: none"> <li>• Chairman shall not be the same person as the President so as to segregate policy formulation and governance from routine administration and to create equilibrium.</li> </ul>
<ol style="list-style-type: none"> <li>3. The Board shall specify clearly, in the Corporate Governance Policy, the term of service of independent director shall not exceed 9 consecutive years and no exception.</li> <li>4. The Board should consider to have more than 6 Board's meetings per year</li> </ol>	<ul style="list-style-type: none"> <li>• No limited term of services of independent director, director, and committee member as the Company is confident that they are knowledgeable and competent with experiences accumulated from being long tenure director which allow them to better understand the operation of the Company.</li> <li>• The Company stipulated that there shall be at least 4 meetings held yearly plus special meeting as seen necessary. Each committee member can independently propose meeting agenda. Number of meetings held shall be disclosed in the Company's annual report (form 56-1 One Report) as well as meeting attendance of directors and member of committees.</li> </ul>

As results of its business operation in compliance with the Principles of Good Corporate Governance, in 2021, the Company received an excellent award, assessment results, and survey findings carried out under good corporate governance related projects including:

#### Anti-corruption Process Indicator 2021

• The progress assessment of the Thai listed companies' anti-corruption (Anti-corruption Process Indicator), as suggested by the SEC and the Thaipat Institute, had certified the Company as member of "Private Sector Collective Action Coalition against Corruption" since 2015. The membership was recertified in 2019. The certification reflects the Company's sound system of anti-corruption encompassing policy and measures to fight against corruption which has been communicated to employees including training for understanding and engagement. The Collective Action Coalition against Corruption: CAC has been supported by the government and Office of the National Anti - Corruption Commission (NACC) with cooperation from 8 leading organizations including Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Company Association, Thai Banks Association, Federation of Thai Capital Market Organizations, the Federation of Thai Industries, and Tourism Council of Thailand. In 2021, the Company has submitted for the 3<sup>rd</sup> recertification and the result has yet been released.

### AGM Quality Assessment 2021

- Having been assessed under the “Annual General Meeting: AGM’s Quality Assessment Program” jointly carried out by the SEC, the Thai Investors Association, and the Thai Listed Companies Association; the Company received a full score of 100 points or **“Excellent and Exemplary” for 11 consecutive years (2011-2021)**.

### Corporate Governance Report of Thai Listed Companies 2021

- The Company was assessed under the survey program “Corporate Governance Report of Thai Listed Companies 2013” jointly carried out by Office of the SEC, the SET, and the Thai Institute of Directors. The Company received **“Excellent or Five Stars” CG Scoring (CG score 90-100) for 6 consecutive years (2016-2021)**. In 2021, 716 listed companies were assessed. The Company received 93 percent average score while the total average of participated listed companies was 84 percent as shown.

Corporate Governance Report of Thai Listed Companies Year 2021				
Total Average of Participated Listed Companies	SET100 Index	SET50 Index	SSSC	SSSC
			2021	2020
84%	92%	93%	93%	93%

Summary of the Corporate Governance Score by Category*						
Category	Listed Company	SET 100 Index	SET Index	SSSC Excellent		
				Y 2021	Y 2020	Y 2019
Rights of Shareholders	95%	97%	98%	<b>100%</b>	100%	100%
Fair and Equal Treatment of Shareholders	93%	96%	97%	<b>96%</b>	99%	99%
Rights of Stakeholders	84%	92%	94%	<b>94%</b>	94%	94%
Disclosure of Information and Transparency	87%	96%	97%	<b>94%</b>	92%	92%
Accountability of Directors	77%	87%	89%	<b>88%</b>	88%	88%

\*source: Thai Institute of Directors Association (IOD)

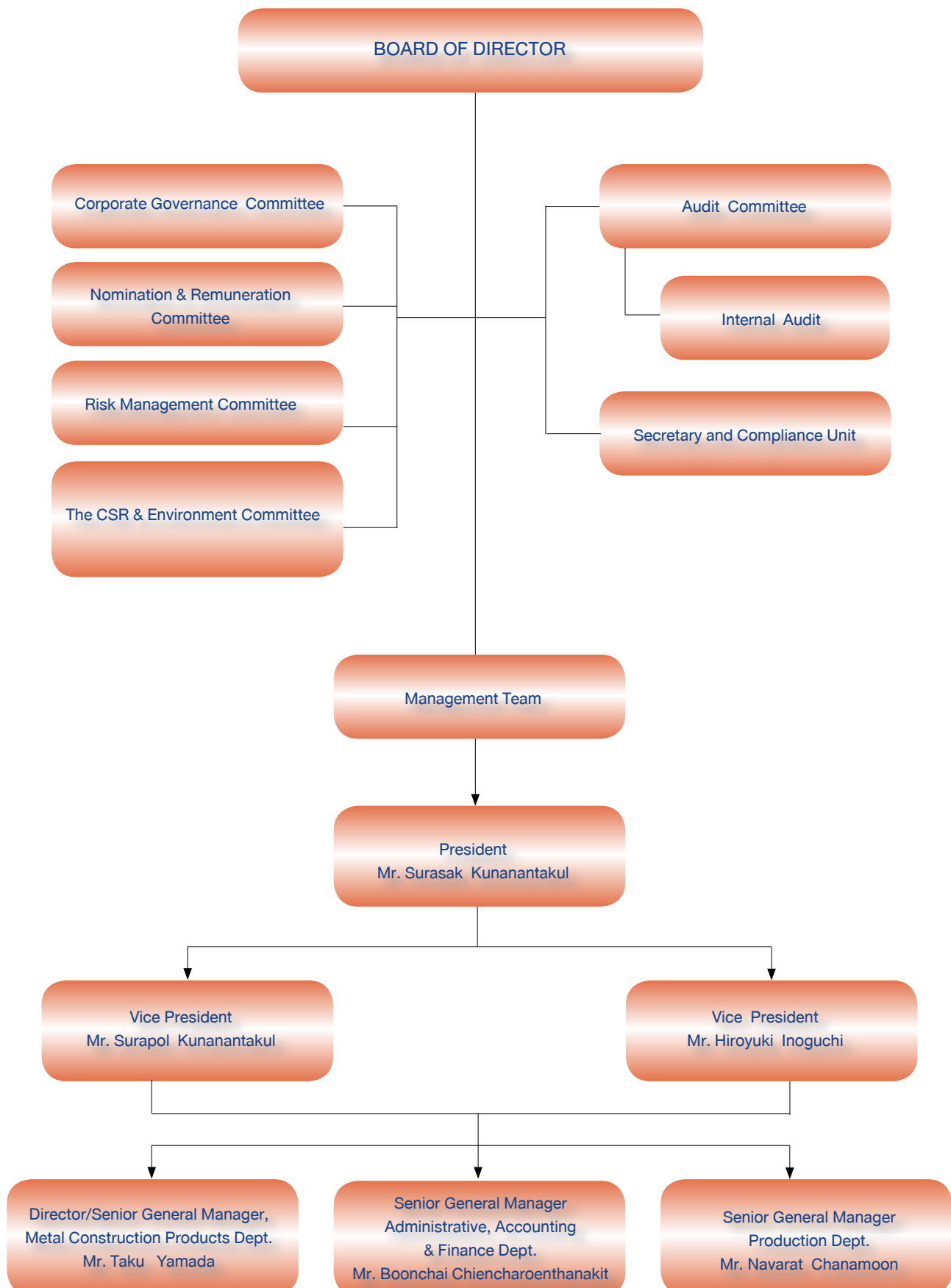
The Company was recognized the Top Quartile Company in the market-capitalization group of Baht 1,000-2,999 Million.

### Sustainability Investment Assessment 2021

- The Company is listed on Thailand Sustainability Investment (THSI) and had also been listed on SET for 7 consecutive years (2015-2021) reflecting the Company as listed company with an outstanding performance on Environmental, Social and Governance (ESG) toward sustainable growth e.g. risk profile, supply chain management, and corporate social innovation

## 7. CORPORATE GOVERNANCE STRUCTURE

### 7.1 Corporate Governance Structure as of 31 December 2021



## 7.2 The Company's Board

### 7.2.1 Composition of the Board

There are 12 members of the current Board of Directors.

- |   |   |         |
|---|---|---------|
| • Executive Director                              | 3 | persons |
| • Director representing major shareholders        | 2 | persons |
| • Non-executive Director                          | 3 | persons |
| • Independent Director and Audit Committee Member | 4 | persons |

The 4 Independent Directors/Audit Committee Members possess qualifications, components, powers and duties as specified by the SET and Charter of the Audit Committee which was revised in 2020 and disclosed on the Company's website at [www.ssscth.com](http://www.ssscth.com)

The Board institutes for the number of its directors by no less than 5 persons in appropriation of the size of the business and no less than half of the total number of directors shall reside in the Kingdom. There shall be at least 1 director, not holding executive position, having experiences on business or key industry being operated by the Company.

At least one-third of the total number of directors of the Board shall be independent director which are no less than 3 persons.

The Board also comprises non-executive director to create a balance view with executive director concerning management of the Company. One-third of the total number of the directors shall be independent director.

#### Qualifications of the Company's Board

- (1) Possesses qualifications without any characteristic prohibited by Public Limited Companies Act B.E. 2535 or any related laws including the regulations of the SET, Office of the SEC, and articles of association of the Company.
- (2) Be an expert with knowledge, competency, and experiences advantageous to the business operations of the Company.
- (3) Possesses leadership skills with broad vision and independent decision-making beneficial to the best interests of the Company and shareholders.
- (4) Responsive to director's duties, fully dedicates time to perform director functions, accounts for shareholders with adherence to duty of care for the benefit of the Company.
- (5) Acts with honesty and integrity within legal frameworks, and conforms with good corporate governance guidance, and business ethics.

#### Qualifications of Independent Directors

- (1) Holding no more than 0.5 % of total paid-up capital of the Company, subsidiary or related company including the shareholding of persons related to the independent directors.
- (2) Not currently a director appointed to represent the Company's director, worker, employee, or salaried consultant of the Company, subsidiary, related company, or major shareholders.
- (3) Not currently a director entrusted with ordinary administration of the Company, subsidiary, related company, or major shareholders.

- 
- (4) Not currently being or never been auditor of the Company, subsidiary, or juristic person that may induce conflict.
  - (5) Not currently be providing or never provided professional services with a fee more than THB 2 million per year from the Company, subsidiary, or juristic person that may induce conflict.
  - (6) Not by blood or legally registered with other executives or major shareholders.
  - (7) Not currently a director appointed to represent other directors of the Company, subsidiary, or major shareholders for benefit keeping purpose.
  - (8) Not under any conditions that may impede the person from having independent views towards the Company's operation.

#### **The Company's Board Diversity Policy**

The Company recognizes and embraces the benefit of having diverse Board to create equilibrium of thought and performance quality, effective decision making of the Board to further benefit its business performances.

The Company's Board diversity aims at:

- 1) Promoting discussion at the Board's meeting
- 2) Promoting creative thinking of the Board's directors beneficial to the Company
- 3) Enhancing effective performance of the Board
- 4) Applying for recruitment to diversify the Board of Directors

The Company specifies the Board's composition to include and make good use of persons with differences in knowledge, skills, experiences, and background in alliance with business strategies and operations. Such persons shall possess personal virtue, good attitude of the Company, broad perspective of leadership; be dedicated, impartial; non discriminatory against birthplace, race, gender, age, skin color, religious, family status, educational background, or other statuses irrelevant to work performance, professional skills, and expertise.

The Company also specifies the Board Skill Matrix in 12 areas for recruitment of the directors of the Board:

- 1) Business and Management
- 2) Direct and Indirect Industrial Corporation
- 3) Engineering and Civil Engineering
- 4) Strategic Planning for Competitive Advantage
- 5) Business Related Laws
- 6) Accounting and Auditing
- 7) Economics
- 8) Finance and Investment Management
- 9) International Marketing
- 10) Information Technology
- 11) Risk and Crisis Management
- 12) Good Corporate Governance

The aforesaid diversified policy aims at safeguarding the Company's interest while ensuring the transparency of the Board and building trust of employees, customers, shareholders, stakeholders, and society as a whole also local and foreign general investors

## 7.2.2 The Company's Board of Directors

Board of Directors		Position	Term of Service	Appointment Date
1. Mr. Wanchai	Kunanantakul	Chairman <sup>(1)</sup>	Apr.2021-2024	08/06/1994 (27.6 years)
2. Mr. Surasak	Kunanantakul	President <sup>(1)</sup>	Apr.2019-2022	08/06/1994 (27.6 years)
3. Mr. Hiroyuki	Inoguchi	Vice President <sup>(2)</sup> Risk Management Committee Member CSR/SD Committee Member	Jul.2021-2024	1/07/2021 (0.6 year)
4. Mr. Surapol	Kunanantakul	Vice President <sup>(1)</sup>	Apr.2020-2023	19/01/2004 (16.11 years)
5. Mr. Taku	Yamada	Director <sup>(2)</sup> Risk Management Committee Member CSR/SD Committee Member	Apr.2020-2023	30/04/2020 (1.8 years )
6. Mr. Jun	Murase	Director <sup>(2)</sup>	Apr.2021-2024	1/09/2016 (5.4 years)
7. Mrs. Naphaporn	Hoonthanaseevee	Director <sup>(1)</sup>	Apr.2019-2022	27/04/2007 (14.8 years)
8. Mr. Sittichai	Kunanantakul	Director <sup>(1)</sup>	Apr.2020-2023	19/01/2004 (16.11 years)
9. Mr. Pongsak	Angsupun	Independent Director/Audit Committee Chairman Risk Management Committee Chairman Nomination & Remuneration Committee Member Corporate Governance Committee Member	Apr.2020-2023	29/04/1999 (22.8 years)
10. Mr. Vichit	Vuthisombut	Independent Director/Audit Committee Member Nomination & Remuneration Committee Member Corporate Governance Committee Member Risk Management Committee Member	Apr.2021-2024	30/04/2009 (12.8 years)
11. Assoc.Prof.Dr. Sucharit	Koontanakulvong	Independent Director/Audit Committee Member Nomination & Remuneration Committee Chairman CSR/SD Committee Chairman Risk Management Committee Member	Apr.2019-2022	30/04/2009 (12.8 years)
12. Dr. Damri	Sukhotanang	Independent Director/Audit Committee Member Corporate Governance Committee Chairman Risk Management Committee Member CSR/SD Committee Member	Apr.2019-2022	12/11/2009 (12.1 years)
* Mr. Masafumi	Okubo	Director <sup>(2)</sup> Risk Management Committee Member CSR/SD Committee Member	Apr.2019-2021	1/05/2019 (2.2 years )

(1) Director representing shareholders of the Siam Steel International Plc. Group, and Kunanantakul Group

(2) Director representing shareholders of the Okaya & Co., Ltd. Group

Mr. Hirun Komolhirun, Senior Manager, Legal Department as Company Secretary

\* Mr. Masafumi Okubo resigned as a director of the Board and was replaced by Mr. Hiroyuki Inoguchi on 1 July 2021

### Authorized Directors

Authorized directors to sign and bind the Company comprises one director from group A jointly signs with one director from group B with the Company's seal affixed.

Group A's Directors are Mr. Wanchai Kunanantakul, Mr. Surasak Kunanantakul and Mr. Surapol Kunanantakul

Group B's Directors are Mr. Hiroyuki Inoguchi, Mr. Taku Yamada and Mr. Jun Murase

The Company's Board realizes that it shall oversee corporate governance without being director or management that may induce conflicts of interest with the Company. The Board shall monitor and supervise the management with knowledge, competence, transparency, prudence, and accountability for the Company and shareholders; and be independent from the management.

### Company Shares Held by Directors as of 31 December 2021

Directors		No. of Shares Held		No. of Shares increase	Remarks
		31 Dec. 2021*	31 Dec. 2020	(decrease)	
1. Mr. Wanchai	Kunanantakul	8,646,400	8,646,400	-	Father of no. 2, 4, 7 and 8
Spouse and minor children		-	-	-	
2. Mr. Surasak	Kunanantakul	none	none	-	Child of no.1
Spouse and minor children		-	-	-	
3. Mr. Hiroyuki	Inoguchi	none	none	-	
Spouse and minor children		-	-	-	
4. Mr. Surapol	Kunanantakul	12,230,400	12,230,400	-	Child of no.1
Spouse and minor children		-	-	-	
5. Mr. Taku	Yamada	none	none	-	
Spouse and minor children		-	-	-	
6. Mr. Jun	Murase	none	none	-	
Spouse and minor children		-	-	-	
7. Mrs. Naphaporn	Hoonthanasevee	none	none	-	Child of no.1
Spouse and minor children		-	-	-	
8. Mr. Sittichai	Kunanantakul	6,137,600	6,137,600	-	Child of no.1
Spouse and minor children		-	-	-	
9. Mr. Pongsak	Angsupun	none	none	-	
Spouse and minor children		-	-	-	
10. Mr. Vichit	Vuthisombut	none	none	-	
Spouse and minor children		-	-	-	
11. Assoc. Prof.Dr. Sucharit	Koontanakulvong	none	none	-	
Spouse and minor children		-	-	-	



**Company Shares Held by Directors as of 31 December 2021**

Directors	No. of Shares Held		No. of Shares increase (decrease)	Remarks
	31 Dec. 2021*	31 Dec. 2020		
12. Dr. Damri Sukhotanang	none	none	-	
Spouse and minor children	-	-	-	
13. Mr. Boonchai Chiencharoenthankij	none	none	-	
Spouse and minor children	-	-	-	
14. Mr. Navarat Chanamoon	none	none	-	
Spouse and minor children	-	-	-	

\* From 1 January - 31 December 2021 no sale/purchase of shares and change of shares held by director and executive

**7.2.3 Roles and Duties of the Board of Directors****(1) Duties and Responsibilities of the Board of Directors**

1. Accounts for the Company's operations in relation to shareholders, ensures the management compliancy with policies, guidelines, and goals while creating superior returns for shareholders, ensures ethical management for best returns to all stakeholders.
2. Manages business operations of the Company according to the provisions of laws, objectives, articles of association, and resolutions of shareholders' meeting. All actions shall be committed with integrity and deliberation for best interests of shareholders and not in violation of any rules, regulations and criteria set by the governance agencies, SET and SEC.
3. Defines Company's vision, mission, and duties; provides corporate good governance and business ethics handbook; determines and approves Company's strategy, policy, business plan incorporating financial targets, potential risks, operational plan and budget; supervises and oversees the management operations in alliance with the set policies, ensures the management is effective and efficient that adds economic value to the business and contributes utmost prosperity to shareholders.
4. Defines and segregates roles, duties, and responsibilities of the Company's Board of Directors, Sub-committees, and management team. Authority empowered in this regard is provided clearly as rules concerning regulatory approval.
5. Provides adequate and efficient internal control and risk management systems incorporating mechanism for receiving of complaints and clues. Performance in this regard is reviewed by the Internal Audit Unit. In the case of significant risk, the Internal Audit is required to coordinate with the Audit Committee.
6. Entrusts one or more directors or any other(s) to take action on behalf of the Board.
7. Entrusts and changes authorized directors to bind the Company
8. Organizes Board Meeting at least once every 3 months.

- 
9. Ensures an AGM is held within 4 months from the end date of the Company's fiscal year. Other general meeting is regarded as extraordinary general meeting to be held whenever it is felt appropriate or as requested in written with clear rational and objectives, either by shareholder holding one-fifth of the total shares or by no less than 25 shareholders holding all together no less than one-fifth of the total outstanding shares. Upon request from the shareholders, the Board shall call a meeting within 1 month from the date of receiving letter requesting the meeting.
  10. Approves and gives consent on matter seeking approval from shareholders' meeting concerning connected transaction and conflict of interest of the Company and its subsidiaries, ensures the conformity of such action with laws and regulations of the office of the SEC, the SET, and the Company's regulatory approval.
  11. Informs the Company without delay either direct or in-direct of his interest or of any connected persons regarding contract or transaction connecting the Company and its subsidiaries.
  12. Ensures the reliability of the accounting system, and the financial and auditing reports.
  13. Prepares report illustrating responsibility of the Company's Board on financial report. Ensures the said report is incorporated in the report of the Auditor shown in the Company's annual report.
  14. Accounts consistently for any operation beneficial to shareholders and disclosure of information to investors that is accurate, complete, reliable, and transparent.
  15. It is an obligation of the Board's Directors to conscientiously keep the confidentiality of the Company especially the undisclosed internal information or information with impact on business operation or share prices.

In the case of information concerning financial reports i.e., performance report, financial statement, and annual report; director shall omit from trading the Company's securities at least 30 days before the day on which the said information is disclosed publicly.

In the case of information concerning Company's business operations i.e., acquisition/disposal of assets, connected transaction, joint venture/cancellation, increase/decrease of share capital, issuance of new securities, repurchase of securities, payment of/failure to pay dividend or evident with impact on share prices, etc.; director shall omit from purchasing/selling Company's securities from the date being informed of the information to the date such information is disclosed publicly.

16. The Board appoints Company's Secretary to perform duties on behalf of the Company or Board of Directors.

In the case where the Company Secretary retires from the position or unable to perform duties, the Board shall appoint a new Company Secretary within 90 days as from the date on which the retiring Company Secretary retires from the position or unable to perform duties. In the meantime, the Board shall assign one of the directors as Acting Company Secretary.

Chairman of the Board shall inform Office of the SEC, the name of the Company Secretary within 14 days as from the date appointing the Company Secretary. As required by law, the Chairman of the Board shall also inform Office of the SEC the place where the documents are kept.

17. Appoints committee members for its subsidiaries.
18. Provides and ensures the management of operations is in compliance with principles of good corporate governance.
19. Manages other operations according to the laws, objectives, articles of association, and resolutions of the shareholders' meeting.

## **(2) Scope of Authority of Chairman of the Board**

1. Despite not being an Independent Committee Member, Chairman of the Board shall carry out his duties independently without any conflict of interest, and shall not be partaking or interfere the day to day administration considered as duties of the President of the Board as entrusted by the Board.
2. Creates overall sustainable business security as determined by the vision, mission of the Company through the promotion of business culture and management according to the principles of good corporate governance.
3. Ensures proper profile of the Company's Board is in place for business operations generating highest returns to shareholders and stakeholders.
4. Facilitates the management to transparently, smoothly, and effectively manage the business within the legal and governance frameworks. Ensures the management achieve the policy and strategic goals. Continuously promotes competency development.
5. Promotes trust among employees, shareholders, and stakeholders on ethical and accountable business operations, social, and environment.
6. Be chairman of the meeting of the Board who shall cast the final vote in case of equal vote, call for the meeting, be chairman of the AGM, and performs duties as provided by laws.

### (3) Scope of President's Authority

The President has power and responsibilities to manage the Company as assigned by the Board and as determined by the Board approved plans and budget. The management shall be performed with honesty, integrity, deliberation, and to maintain profitability benefitting the Company and stakeholders. The power and responsibilities in this regard shall include the following matters or business activities.

1. Managing and overseeing the general administration of the Company in accordance with the established policies, articles of association, Good Governance and Code of Business Ethics Handbook, and the Company's regulatory approval for execution. The report in this regard shall be submitted to the Board on a regular basis.
2. Formulating and implementing the Board's approval strategic and operational plans and budgets cascaded from the Company's vision and mission to effectively attain the best outcomes.
3. Formulating HR policy sufficient to effectively accomplish all functions of the Company with full capacity and development.
4. Guiding business strategic formulation and transferring work experiences to the management teams and employees to ensure their performances benefit the operations of the Company's chain.
5. Managing the Company's finance and budgeting toward the best interests.
6. Performing duties according to the resolution of the Board Meeting and /or Shareholder's Meeting under the provisions of the policies and articles of association of the Company and related laws.

The power given to the President in this regard does not include any acts with stakeholding or conflicts of interest to the Company or any act requiring approval from shareholders relating to any connected transaction or acquiring and disposing of Company's assets. Such actions shall comply with the SET's regulations except the transaction under normal trade conditions as clearly defined by the Board.

The Board sets up targets and functions of the President in both short and medium terms in accordance with the strategic plan which is used, on a yearly basis, to determine remuneration package of the President. The President of the Board assesses performances of the executives down the line of command, applying assessment objectives and criteria against the annual strategic plan and performance targets of the President, to determine remuneration package and appropriate incentives.

In operating Company's business, directors and executives shall perform duties with accountability, attentiveness, and integrity. Such performances shall be in compliance with laws, objectives, Company's articles of association, resolutions of the Board's and shareholders' meetings. All employees shall have a clear thought about their career goals, rights, and responsibilities so as to perform their duties as determined by the Company's vision and mission which are revised at least every 5 years.

In addition to close monitoring of the implementation of the Company business strategic plan and road map, the Board emphasizes optimizing tangible return to its investors, which fundamentally requires good governance. As a consequence, the Board set up Good Governance Policy, and Code of Business Ethics and Work Performance Guidelines Handbook. The Policy states its goals in the Company vision and mission, with the purpose

that every Board member, executive and employee will have the same clear understanding. The Handbook contains guidelines on what to do and to avoid, and conduct standards served as the Company benchmarks when working with employees, shareholders, customers, business partners, creditors, competitors, communities and society. Therefore, the Handbook synchronizes with the Good Governance Policy, and successfully transfers the written policy into actual practices.

The Company requires that it is a responsibility of every director, executive, and employee to acknowledge, understand, and comply with the policies and practice stipulated in the Business Ethics and Work Performance Guidelines Handbook which every employee is required to sign up to express their acknowledgement. The activities organized in this regard are communicated continuously to promote understanding among employees. It is an obligation of the executives to ensure employees under their command acknowledge and understand the message. They shall promote the adherence to the Handbook and to ensure every employee behaves as role model.

In 2021, the Board and the management discussed and revised the vision and strategic plan as mentioned in the **Section 3 - Sustainability Governance**. This is to ensure assessed risks and the Company's is well equipped for changing business circumstances. Accordingly, the Board determined and approved the said revised Company's vision, mission, and strategies for another 5 years (2020-2024) aiming at achieving sustainable development focusing on creating competitive capacity, adding value to stakeholders, responding to industrial and economic changes.

### Terms of Services

Terms of service of the Board are specified in the Company's articles of association that in an AGM, one-third of the Board's members shall retire from the positions. In the first and second year after the registration of the Company, raffle would be picked who have to leave. The year later, the director holding position for the longest term shall leave; however, the retiring director is re-electable. The Nomination and Remuneration Committee selects and nominate qualified person taking into determination skills being needed by the Board. The result is presented to the Board and AGM for approval.

## 7.3 Committees

### 7.3.1 There are 5 sub-committees appointed by the Board of Directors as follows:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Governance Committee
4. Risk Management Committee
5. Corporate Social Responsibilities and Environment for Sustainability Committee

### 7.3.2 Composition of the Committees

#### 1. Audit Committee

Appointed by the Board of Directors or Shareholders' Meeting, the Audit Committee comprises at least 3 members being independent directors. The current Audit Committee comprises 4 committee members/ independent directors.

(1) Mr. Pongsak	Angsupun	Audit Committee Chairman
(2) Mr. Vichit	Vuthisombut	Audit Committee Member
(3) Assoc.Prof.Dr. Sucharit	Koontanakulvong	Audit Committee Member
(4) Dr. Damri	Sukhotanang	Audit Committee Member

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Mr. Pongsak Angsupun as Audit Committee member with qualified knowledge and experiences to review financial statements of the Company.

**Qualification of the Audit Committee Member**

- (1) Audit Committee member must be director and independent director of the Company who possesses qualifications as specified by the SET and Office of the SEC.
- (2) Not being a committee member entrusted by the Board of Directors to make decision concerning management operations of the Company, parent companies, subsidiary companies, associate companies, same ranked subsidiary companies, major shareholders or person having power to control the Company.
- (3) Not being a committee member in the parent companies, subsidiary companies, and same tier subsidiary listed companies.

**Terms of Services**

- (1) Audit Committee serves the Company for 2 year term.
- (2) Audit Committee member who has retired from office is eligible for re-election.

**Power, duties, and responsibilities of the Audit Committee**

- (1) Reviews the accuracy and adequacy of the Company's financial report.
- (2) Reviews the appropriateness and efficiency of the Company's internal control and internal audit systems; determines independency of the Internal Audit Unit; approves matters concerning the appointment, transfer, termination of Chief of Internal Audit Unit or other unit being in charge of internal auditing.
- (3) Reviews the compliance of Company's operation with the laws and regulations of securities and exchange, and other applicable laws.
- (4) Determines, selects, terminates nominates with proposed remuneration; a person of independent nature as external auditor to perform duties for the Company, and attends meetings with the auditor in absence of the management at least once a year.
- (5) Determines connected transaction or transaction that may induce conflict of interest to ensure the transaction is made in conformity with laws and requirements of securities and exchange. The transaction shall be reasonable, and made for the Company's best interest.
- (6) Prepares Audit Committee Report and disclose in the Company's Annual Report, such report shall at least incorporating the following details and must be signed by the Audit Committee Chairman.
  - (a) Opinions on accuracy, completeness and reliability of the Company's financial report.
  - (b) Opinions on adequacy of the Company's internal control system.
  - (c) Opinions on compliance of Company's business operation with laws and regulations governing securities and exchange, or other applicable laws.
  - (d) Opinions on suitability of the auditor.
  - (e) Opinions on transaction which may induce conflict of interest.

- (f) Number of Audit Committee's meetings and meeting attendances of each Audit Committee member.
- (g) Overall opinions or observations concerning compliance with the charter.
- (h) Other transactions considered to be known by general shareholders and investors under the scope of duties and responsibilities assigned by the Board of Directors.
- (7) If any doubt arises in relation to the following transactions or actions that might affect the Company's financial status and performances, the Audit Committee must report to the Board for resolution within the course as the Audit Committee sees appropriate.
  - (a) Transactions inducing conflict of interest.
  - (b) Misconduct or irregularity or serious deficiency of internal control system.
  - (c) Breach of laws governing securities and exchange, SET's regulations, or laws applicable to the Company's business. If the Board or executive takes no response for resolution to be executed in the specified timing, one of the Audit Committee members may report to Office of the SEC or the SET that the violation has been committed.
- (8) The Audit Committee may seek consultancy or opinions from external adviser or professional. Expenses incurred in this regard shall be borne by the Company as the Audit Committee sees appropriate.
- (9) Revises and amends Audit Committee Charter and submits to the Board for approval.
- (10) Performs other Board assigned duties with consent from the Audit Committee.

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 independent directors

- (1) Assoc. Prof. Dr. Sucharit Koontanakulvong      Nomination and Remuneration Committee  
Chairman
- (2) Mr. Pongsak Angsupun      Nomination and Remuneration Committee Member
- (3) Mr. Vichit Vuthisombut      Nomination and Remuneration Committee Member

### Duties and Responsibilities in Relation to Nomination

- (1) Defines policy and criteria in relation to the nomination of director and committee member taking into account the proper number, structure and component as well as qualification for submission to the Board and/or shareholders' meeting for approval as the case may be.
- (2) Recruits, selects, and nominates persons to fill the positions of director, committee member, chief executive, and company secretary in the case of vacancy due to termination of terms of service or others. The outcomes are submitted to the Board and/or shareholders' meeting for approval.
- (3) Performs other nomination related duties as assigned by the Board of Directors.

### Duties and Responsibilities in Relation to Remuneration

- (1) Proposes remuneration policy and guidelines as well as other benefits for directors, members of sub-committee (or committee), and chief executives according to their contributions to the Company and market conditions.

- (2) Determines, on a yearly basis, necessary and appropriate cash and non-cash remuneration compensation for each director compared to the duties, responsibilities, and performances of each director against peer companies in the similar industry, as well as expected returns from each director. The outcomes are submitted to the Board for consent, and to shareholder meeting for approval.
- (3) Be responsible to the Board of Directors, makes clarification and responds to inquiries at shareholders' meeting concerning compensation of the Board.
- (4) Reports on matters relating to the policy and rational of compensation constructed for directors and executives as required by the SET's regulation, and disclose via Form 56-1 and an annual report.
- (5) Defines the Company's business policy/strategies, plan and budget, and submits to the Board for consent.
- (6) Performs other duties in relation to remuneration determination as assigned by the Board.

### 3. Corporate Governance Committee

The Corporate Governance Committee comprises 3 independent directors.

- |     |             |             |   |
|-----|-------------|-------------|---|
| (1) | Dr. Damri   | Sukhotanang | Corporate Governance Committee Chairman |
| (2) | Mr. Pongsak | Angsupun    | Corporate Governance Committee Member   |
| (3) | Mr. Vichit  | Vuthisombut | Corporate Governance Committee Member   |

#### Power, Duties, and Responsibilities of Corporate Governance Committee

- (1) Proposes Company's corporate governance policy, and code of ethics and work performance guidelines to the Board of Directors for approval.
- (2) Oversees the operations of the Board of Directors, Executives Committee, sub-committees, and the management team to ensure the compliancy of the operations with good corporate governance principles, and business ethics and conducts.
- (3) Regularly reviews the Company's policy, principles, and work performance guidelines in alliance with the international guidance and/or recommendations of concerned institutes and/or government offices, subsequently, submits the outcomes to the Board for approval.
- (4) Makes recommendations for performance improvement of directors, executives, and employees concerning rules governing business code of conduct.
- (5) Promotes the implementable good corporate government culture across the organization.
- (6) Appoints working groups and defines according roles and responsibilities to facilitate the corporate governance practices and business ethics as appropriate.
- (7) Be entrusted to invite and/or hire external professional as an advisor to attend meeting at the expenses of the Company.
- (8) Performs other duties as assigned by the Board of Directors.

### 4. Risk Management Committee

The Risk Management Committee comprises 10 persons.

- |     |             |             |                                    |
|-----|-------------|-------------|------------------------------------|
| (1) | Mr. Pongsak | Angsupun    | Risk Management Committee Chairman |
| (2) | Mr. Vichit  | Vuthisombut | Risk Management Committee Member   |
| (3) | Dr. Damri   | Sukhotanang | Risk Management Committee Member   |



(4)	Assoc.Prof.Dr. Sucharit	Koontanakulvong	Risk Management Committee Member
(5)	Mr. Hiroyuki	Inoguchi	Risk Management Committee Member
	*Mr. Masafumi	Okubo	Risk Management Committee Member
(6)	Mr. Taku	Yamada	Risk Management Committee Member
(7)	Mr. Boonchai	Chiencharoenthanakij	Risk Management Committee Member
(8)	Mr. Navarat	Chanamoon	Risk Management Committee Member
(9)	Mr. Chounit	Phansa-ngad	Risk Management Committee Member
(10)	Mr. Surasak	Jaturapatpaibul	Risk Management Committee Member

\* Mr. Masafumi Okubo resigned from the position which has been replaced by Mr. Hiroyuki Inoguchi as Risk Management Committee Member effective since 01 July 2021

#### **Power, Duties and Responsibilities of the Risk Management Committee**

- (1) Institutes the Company's risk management policy and lays down frameworks for overall risk management covering strategic risk, operational risk, financial risk, compliance risk, information system risk, and etc.
- (2) Lays down strategies according to the risk management policy to enable assessment, monitoring, and controlling of the Company's overall risk to an acceptable level.
- (3) Supports and encourages active participation in overall risk management of the Company, and reviews the adequacy of risk management policy and risk management system.
- (4) Provides systematic and continual assessment and analysis for possible damage under normal and critical circumstances to ensure the risk survey covering all business operation procedures.
- (5) Consistently facilitates and develops risk management across the organization to meet international standards.
- (6) Regularly reports to the Board on matters needed improvement to ensure the alignment with the set policy and strategies.
- (7) Be entrusted to hire external professional as advisor on the Company's expenses with consent from the Board.
- (8) Performs other duties as assigned by the Board of Directors.

#### **5. Corporate Social Responsibilities and Environment Committee (CSR/SD Committee)**

The CSR/SD Committee comprises 7 persons.

(1)	Assoc.Prof.Dr. Sucharit	Koontanakulvong	CSR/SD Committee Chairman
(2)	Dr. Damri	Sukhotanang	CSR/SD Committee Member
(3)	Mr. Hiroyuki	Inoguchi	CSR/SD Committee Member
	*Mr. Masafumi	Okubo	CSR/SD Committee Member
(4)	Mr. Taku	Yamada	CSR/SD Committee Member
(5)	Mr. Boonchai	Chiencharoenthanakij	CSR/SD Committee Member
(6)	Mr. Navarat	Chanamoon	CSR/SD Committee Member
(7)	Mr. Surasak	Jaturapatpaibul	CSR/SD Committee Member

### Duties

The Company's Board of Directors established the CSR Committee to oversee the operation of the Company on social and environmental responsibilities attentive to impacts on shareholders and stakeholders.

The CSR/SD Committee is allowed to seek advice from the independent professional as seen appropriate. Expenses in this regard shall be borne by the Company.

### Power, Duties and Responsibilities of the CSR Committee

- (1) Determines social and environmental policy and activities for subsequent submission to the Company's Board.
- (2) Considers and gives consent on strategies and activities to ensure attainable CSR/SD policy and goals.
- (3) Determines CSR/SD annual plan and budget prior to submission to the Company's Board.
- (4) Considers and monitors the CSR/SD operation as well as according assessment against quality and achievement of the CSR/SD programs.
- (5) Performs other duties as assigned by the Company's Board.

## 7.4 Executive

7.4.1 "Executives" herein, are the first 4 persons holding the top four positions second to the President, and any person holding a position equivalent to the fourth position in a hierarchy. It shall include a person holding finance and accounting executive position equivalent to General Manager of the Administrative, Accounting and Financial Department. As of 31 December 2021, the executives of the Company comprised the following qualified personnel.

Executive		Position	No. of shares held (Share)	
			31 Dec. 2021	31 Dec. 2020
1. Mr. Surasak	Kunanantakul	President	None	None
2. Mr. Masafumi	Okubo	Vice President	None	None
3. Mr. Surapol	Kunanantakul*	Vice President	12,230,400	12,230,400
4. Mr. Taku	Yamaka	Director/ Senior General Manager Metal Construction Product Dept.	None	None
5. Mr. Boonchai	Chiencharoenthanakij	Senior General Manager Administrative, Accounting & Finance Dept.	None	None
6. Mr. Navarat	Chanamoon	Senior General Manager, Production Dept	None	None

\* During 1 January - 31 December 2021 none of the director had traded the securities or changed of security holdings

### Scope of Executive Authority

- 1) Make collective decision on important matters; define mission, goals, and policy guidelines; supervise overall operations, deliverables, customer relations; responsible to Board of Directors.
- 2) Define organizational structure, appoint and define authorities for vice or deputy of management positions and lower.
- 3) Ensure working system, operational process and internal control are in place and effective.
- 4) Be authorized by the Board of Directors to approve expenditures or payment according to projects or investments.

- 5) Be authorized to hire, appoint, dismiss, remove, fire; define wage rates, rewards, annual increase and bonus for personnel under his/her line of management.
- 6) Be authorized to represent the Company to third party concerning business operations to benefit the Company.
- 7) Performs duties relating to general administration of the Company.

The power given to executives in this regard does not include any act with conflicts of interest to the Company or the act that requires approval from shareholders concerning connected transaction or acquiring and disposing of Company's assets. Doing in this regard is to conform to the SET's regulations except the transaction under normal trade conditions as clearly defined by the Board.

The Company's executive shall not possess any of the following disqualifications:

- (1) Being or having been in criminal proceeding or accused by authorized agency in an unfair trading practice relating to sell/purchase of securities or derivatives; or the administration that is deceptive, fraud or corrupt.
- (2) Being a non-executive by order of the authorized organization under an international law.
- (3) Having been convicted of or fined for committing the practice in (1)

#### 7.4.2 Director and Executive Compensation Policy and Practices

- The Nomination and Remuneration Committee considers and reviews, on a yearly basis, the policy and criteria of director and executive compensation and presents to the shareholder AGM for approval.

"The remuneration of director should be consistent with duties and responsibilities and the Company's operating results as well as performance of the Board and the committees compared with other listed companies in the industry and similar business size.

The Company takes into consideration, the most recent annual survey report on the remuneration of Thai company directors as prepared by the IOD, and the remuneration of directors and executives of the Thai listed companies of the SET. The Company sees the remuneration in this regard is sufficient to attract qualified directors to perform duties to achieving business goals through transparent process."

- Executive compensation is consistent with principles and policy as stipulated by the Board in connection with performances of the Company and individual executive so as to motivate effective performances.
- There is no other benefit for directors and executives.

### 7.5 Employees

#### (1) Total of employees as of 31 December 2021

Section	Total of employees (person)
Production	462
MCPD	181
Marketing	49
Management	121
<b>Total</b>	<b>813</b>

There was no significant change in headcount in the previous year and no labor disputes in the past 3 years

## **(2) Labor Relations**

The Company is committed to promote good labor relations between employer and employees aiming at strengthening effective management. Labor union is established in accordance with the law. Meeting between the union and employer's representatives is conducted at least once a month. The meeting considers matters for alternatives to improve Company's operation in various fields as well as to promote labor relations and employment for mutual benefits. The two parties has good relationship in alignment with the applicable law. In addition, the Company consistently cooperates and supports employees' activities.

## **(3) Labor Protection**

The Company recognizes occupational health, safety and environment in the workplace of employees. As each line of work has different task characteristics, therefore, the Occupational Health, Safety and Environment in the Workplace Committee is established in which committee members are selected and appointed from the management members, and representatives of employees. The Committee collectively considers operational guideline in alignment with applicable laws; inspects and supply equipment, tools to facilitate safety work operation with zero accident; run campaign on the Company's labor protection and care. Accordingly, in 2018, the Company received Thailand Vision Zero Commitment Award 2019: Achievement Award Level 3 from the Safety and Health at Work Promotion Association (Thailand). The Company has continuously conducted the Zero Accident program.

## **(4) Remuneration and Welfare**

The Company places an importance on employee compensation policy so as to build employees' confidence as well as to motivate and retain competent personnel amidst current business competition. Employees shall be reasonably paid according to payment standards in the same or similar business. This aims to motivating employees' contribution to the Company's business growth.

### **Remuneration Components include:**

#### **1) Salary**

Be considered in consistent with job position, role, duty, responsibility, and experience of employee. In addition, additional payment is considered based on Company's performance both short and long terms, inflation rate, individuality, diligence, and competency.

#### **2) Annual Bonus**

Annual bonus is paid as a motivation and reward to employee whose performance achieves the set targets plus individual performance assessment by supervisor and information from Human Resources Unit.

Besides the KPI, the Company introduces assessment form for individual assessment of employee divided into 2 levels.

#### **Operational Level**

- Compliancy with Company's rules, regulations and policies
- Responsibility and relationship
- Integrity, be consistent at work
- Work safety and environment
- Knowledge, skills, and competence
- Job knowledge, ability to communicate
- Creative thinking, problem solving and decision making

**Management Level**

- Leadership, fairness
- Planning and organizing
- Coaching and development of subordinates
- Work delegation and monitoring

**3) Fringe benefits**

The Company offers fringe benefits to individual employee by referring to employment contract and according to the role and career position of employee. The current fringe benefits include:

- Overtime, allowance, diligence fees
- Provident fund
- Life insurance, accident insurance
- Medical expenses (other than social security), dental expenses and annual health check
- Accident group insurance within and out of working hours
- Training and development
- Shuttle
- Special grant e.g., maternity, marriage, ordination assistance, funeral expenses, work clothes

**4) Compensation in case of Termination of Employment (According to the Labor Protection Act)**

This is considers based on employee compensation as specified in the each compensation component whereas additional payment is considered based on performance in terms of income and profits gained each year. This is in alignment with short-term performance of the Company. The Company also takes into consideration the inflation rate as well as performance of the upcoming year.

**5) Employee Compensation**

Compensation	Amount (Baht Million)
Monthly fees paid to employee and worker in the form of salary, bonus, overtime, and others.	383.35
Employee provident fund According to Provident Fund Act, B.E. 2530 and 2542, The company pays the contribution 4-6 % into the fund (depending on the service term) whereas employee pay his saving 4-15% of wages. Employee shall receive Company's contribution when resigns from the Company after at least 1 year service term (100% of employees join the fund).	11.31

For morale support and job stability of employees to work collectively toward corporate excellence and sustainability, the Company has increased the rate of savings - contributions to the provident fund for employees which has been effective since 1 June 2021 based on the following criteria:

- Service term 4 month to 5 years receives 5% saving-contributions into the fund
- Service term 5 years to 10 years receives 6% saving-contributions into the fund
- Service term more than 10 years receives 7% saving-contributions into the fund

Data	Year		
	2019	2020	2021
Compensation Ratio of female and male employees			
• Operational Level	1:02	1:04	1:07
• Command and Professional Level	1:11	1:16	1:14
• Management Level	0:79	0:73	0:68

\* Calculation method: total female earned/total no. of female to total male earned/total no. of male

## 6) Personnel Development/ Personnel Management

The Company adheres to the principle that “personnel at all levels are assets of the organization, with collaboration their knowledge and skills are maximized to fully benefit the organization.”

To ensure that personnel acquire knowledge and competence to meet the current and future needs of the Company, accordingly, the personnel management policy is defined:

- The Company regards every personnel as valuable asset, therefore, they shall be promoted and facilitated to training including Management, Technical, Information Technology, Quality Systems, Environment, Safety and Health; so as to work effectively.
- The Company promotes occupational health, safety, and environment in the workplace
- The Company ensures appropriate pay structure which is no less than minimum wage set by the government and compared with the same or similar establishments.
- The Company takes care its employees systematically and fairly as family members under the policy stating “It is an obligation of the organization to ensure employees’ happiness and enjoyment at work.”

Based on the said policy, the Company continuously develop its employee through internal and external trainings aiming to enhancing knowledge, competence, effectiveness of performance and productivities as follows:

- Conducts training for employees on Principles of Sufficiency Economy Philosophy so as to instill employees to realize the importance of being thrifty, patient, diligent, disciplinable, self-reliant, kind to share and honest; encourages employees to learn new theory and idea for potential development both for themselves and the organization so as to be able to take on all changes and balance work and living following the Guidance on Sufficiency Economy for Industries (TIS 9999) to which the Company adheres for its sustainable growth;
- Continuously conducts trainings for committees’ members, executives, employees, and the new recruits to clearly understand the anti-corruption measures; the Company’s expectation; penalties in case of non-compliance; protection measures for employees who oppose fraud and corruption; policy not to demote, penalize, or impose negative effect on the employee who opposes fraud and corruption even if such action will cause the Company to lose its business opportunities;
- Internal training for employees of each level focuses on managerial skill development and specialization with social responsibility;
- Promotes employees’ participation in external training and seminar for capacity enhancement.

- Provides knowledge for employees in alignment with the ISO9001,IATF16949, ISO14001, ISO5001, ISO56002;
- Instills environmental conservation and environmentally friendly business which becomes corporate culture, in connection to this, the Company has been certified Green Industry Level 4.
- Conducts training and gives advice on Increase Productivity by Lean & IE Techniques;
- Conducts training on Process Innovation and Sustainable Development to uplift the internal process toward innovation creation;
- Establishes Management Systems on Quality of Work Life in the organization;
- Instills energy conservation and saving in employees as well as Energy Management System Standard ISO50001;
- Conducts training to facilitate social responsibility activities in alignment with CSR-DIW and ISO26000; and instills employees in participative social, community and environment development;
- Conducts training for all employees including the new recruits on the Company's Business Ethics and Work Practices Handbook of director, executive, and employee;
- Disseminates the Company's work related article of association, and handbook on welfare, compilation of policies, personnel development or personnel management. Channels of dissemination are public relations board and intranet. The said information is reviewed regularly to suit business operation of the Company based on fairness and/or in line with the changing criteria, requirements, laws;
- Provides intenal and external trainings for employees exceeding as required by law (pursuant to the law, 50% of employees shall be trained yearly). The trainings aim at upgrading skilled labor hereby the average training hours is illustrated:

	2021	2020	2019
	(hour/peraon/year)	(hour/peraon/year)	(hour/peraon/year)
Training hour	5.40	6.00	11.42

## 7.6 Other Information

### Company Secretary

The 2/2008 Board Meeting on 30 April 2008 resolved for the appointment of Mr. Hiran Komolhirun as Secretary of the Company to take effect since 2 May 2008. The Secretary provides legal advices to the Board on matters relating to laws, regulations, and rules that bind the Company. As well as to oversee operation of the Board and coordinate with concerned units regarding the compliance with resolutions of Board's meeting and shareholders' meeting. (Qualifications of the Company's Secretary as shown in Atteachment 1)

<b>Chief Financial Officer:</b>	Mr. Boonchai	Chiencharoenthanakij
<b>Accounting Supervisor:</b>	Mrs. Piyaporn	Chaowalit (January - June 2021)
	Mrs. Mayuree	Sangchuang (July - December 2021)
<b>Internal Audit:</b>	Mrs. Manee	Jariyarakvorrakul
<b>Investor Relations:</b>	Mr. Boonchai	Chiencharoenthanakij

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Investors are welcome to contact the Investor Relations Unit at:  
Mr. Boonchai Chiencharoenthanakij,  
Senior General Manager of the Accounting, Finance and Administration Department  
51/3 Moo 2, Poochaosamingprai Road, Bangyaparak, Phrapradang,  
Samuthprakarn 10130  
Tel. 0 2385-9242, 0 2754-5845-47 Fax. 0 2754-5747  
E-mail: boonchai@ssscst.com.

#### **Auditors and Auditing Service**

The Audit Committee determines and selects the auditor for the Company and presents to the Company's Board for subsequent presentation to the AGM for approval and appointment. In this regard, qualification, independency, performances, and auditor fees are taken into determination. The Audit Committee stipulates that there shall be determination of the turnover of auditors at least every 5 fiscal years.

The Audit Committee proposed to the 1/2021 AGM for the auditor of the Grant Thornton Limited to be appointed as the Company's auditor for the year 2021. The approval was granted as proposed.

Auditor fees paid by the Company:

- Grant Thornton Limited, Auditing Service for the year 2021 amount to **Baht 1,490,000**
- Auditor's Office to which the auditor is affiliated, person or business related to the auditor and Auditor's Office to which the auditor is affiliated during the previous year - None-
- Other Service Fees -None-



## 8. MAJOR IMPLEMENTATIONS OF CORPORATE GOVERNANCE

### 8.1 Summary of 2021 Performance of the Board

The Board's performed its duties under “ Emphathy, Gaining Access, Impartiality” framework focusing on equal, transparent, auditable disclosure of information recognizing rights and equity of every shareholder while adhering to the Corporate Governance Code for Listed Companies 2017: CG Code, Guidance of Industrial Standard Following Sufficiency Economy in Industrial Sector (TIS 9999). Decisions in relation to business management were made toward sustainable development in accordance with SEGs as follows:

Aspect	Sustainability Performance	2020	2021
Economic	1) Total Revenues from sales and services (Million Baht)	3,458.83	4,688.35
	2) Profit for the year (Million Baht)	75.42	234.58
Environment	1) Use of Raw Material — Steel (Unit : Ton)	242,342	330,000
	2) Electricity Consumption (Unit : Kwh)	1,753,000	2,103,000
	3) Direct Emissions of Greenhouse gases : Scope 1(ton CO2e)* - diesel fuel (litre) (with movement) x 2.740 / 1,000	349.08	107.97
	Indirect Emissions of Greenhouse gases through the use of Electricity : Scope 2 (ton CO2e)	983.43	1,179.78
	4) Percentage of water reused	40 CBM. / day (100%)	40 CBM. /day (100%)
	5) waste amount (Unit : ton)	4,297.81	4,675.39
	• dangerous waste	86.48	85.64
	(1) harmless waste	4,211.33	4,589.75
Social	1) Turn Over Rate	0.90	7.63
	2) Customer Satisfaction Survey Results	94.81	93.84
	3) Occupational injury frequency rate (I.F.R)	0.00 times / million hour	0.85 times / million hour
	4) The rate of accidents to the point of missing work (I.S.R)	0.00 day / million hour	1.14 days / million hour
	5) Number of deaths from work	0	0

#### 8.1.1 Recruitment, Development and Performance Assessment of the Board of Directors

(Please see details for #6 Corporate Governance, Attachment 5)

#### 8.1.2 Meeting Attendance and Board Remuneration

##### (1) Meeting of the Board of Directors

##### Board Meeting

The Company Board meetings are scheduled one year in advance to foster directors in managing their meeting attendance. At least 4 meetings are held each year or once every quarter after the Company's auditor has reviewed and certified the Company's financial statements. Additional meeting may be held as necessary. The Chairperson and President are together consider the meeting agenda items whereby each director is encouraged to propose agenda item freely. Number of meetings held and attendances of the directors and committee member shall be recorded in the Company's annual report (Form 56-1 One Report).

In addition, the Company stipulates the policy to promote the meeting among directors not being executive and independent director at least once a year without the present of the management team so as to allow them to express their opinions freely. At each meeting, chairperson of the meeting encourages the directors to express opinion freely as well as allocates appropriate timing for each meeting agenda. In the case of director involves in the motion being considered or discussed, such director shall notify and not share any opinion or cast his vote for or against the motion.

The decision of the Board's meeting shall be made by a majority vote. Each director has one vote. The chairperson has the right to exercise a casting vote if votes for and against a motion are equal. The Company stipulates the policy specifying minimum quorum in which no less than two-third of Board's directors shall be presented at the meeting.

The Company's Secretary, as assigned by the Board, send invitation letters and meeting documents supporting each agenda to the directors at least 7 days in advance prior to the meeting date. This aims to facilitate the directors with sufficient time to study the documents before attending the meeting. Additional documents can be obtained from the management or related department. Directors are allowed to invite the Company's executive or employee to attend the meeting for clarification. The Company's Secretary is assigned to prepare minutes of the meeting.

#### Meeting Board of Directors

Board Members		Nuner of Meeting Attended/ Number of Meeting Held	
		Director Meeting	Shareholders' Meeting
1. Mr. Wanchai	Kunanantakul	5/5	1/1
2. Mr. Surasak	Kunanantakul	5/5	1/1
3. Mr. Hiroyuki	Inoguchi <sup>1</sup>	2/5	-
Mr. Masafumi	Okubo	3/5	1/1
4. Mr. Surapol	Kunanantakul	5/5	1/1
5. Mr. Taku	Yamada	5/5	1/1
6. Mr. Jun	Murase	5/5	1/1
7. Mrs. Naphaporn	Hoonthanasevee	5/5	1/1
8. Mr. Sittichai	Kunanantakul	5/5	1/1
9. Mr. Pongsak	Angsupun	4/5	1/1
10. Mr. Vichit	Vuthisombut	5/5	1/1
11. Assoc.Prof.Dr. Sucharit	Koontanakulvong	5/5	1/1
12. Dr. Damri	Sukhotanang	5/5	1/1

Remark:

1. Mr. Hiroyuki Inoguchi has resigned as a director of the Board and was replaced by Mr. Masafumi Okubo who was also appointed as member of the Risk Management Committee and the CSR/SD Committee on 1 July 2021
2. By giving prior notice, Mr. Pongsak Angsupun was unable to attend Board Meeting due to preoccupation of work abroad.

### Meeting of Committees

Name	Number of Meeting Attended / Number of Meeting Held				
	Audit Committee	Corporate Governance Committee	Nomination & Remuneration Committee	Risk Management Committee	CSR/SD Committee
1. Mr.Pongsak Angsupun	4/4	2/2	1/2	2/2	
2. Mr. Vichit Vuthisombut	4/4	2/2	2/2	2/2	
3. Assoc.Prof.Dr. Sucharit Koontanakulvong	4/4		2/2	2/2	2/2
4. Dr. Damri Sukhotanang	4/4	2/2		2/2	2/2
5. Mr.Hiroyuki Inoguchi1				1/2	1/2
Mr.Masafumi Okubo				1/2	1/2
6. Mr.Taku Yamada				2/2	2/2
7. Mr. Boonchai Chiencharoenthanakij				2/2	2/2
8. Mr. Navarat Chanamoon				2/2	2/2
9. Mr. Surasak Jaturapatpaibul				2/2	2/2
10.Mr. Chonit Phansa-ngad				2/2	2/2

### Meeting Attendances of Directors not being Executive and Independent Director (without the present of the management)

Name	Meeting Attended / Meeting Held
1. Mr. Pongsak Angsupun	1/1
2. Mr. Vichit Vuthisombut	1/1
3. Assoc.Prof.Dr. Sucharit Koontanakulvong	1/1
4. Dr. Damri Sukhotanang	1/1
5. Mr. Jun Murase	1/1
6. Mrs. Naphaporn Hoonthanasevee	1/1
7. Mr.Sittichai Kunanantakul	1/1

## (2) Remuneration of Directors and Executives

### Policy and criteria in relation to remuneration of director and executive

The Company's Board entrusts the Nomination and Remuneration Committee, not including director being executive, with the duties to define, determine, and monitor compensation structure of the Board, CEO, top executive, and executive as well as to monitor performance assessment in compliance with the set criteria. Assessment results are used as inputs for determining appropriate short and long term compensation which is communicated to all executives for acknowledgement. This process is also applied to design pay structure for employees.

The 1/2021 Board Meeting on 25 February 2021 resolved for the revise of remuneration policy of the Board, committee members, President, top executive in alignment with the SET guidelines. Factors taken into revision include benchmarking with other companies in the same industry with similar business size and characteristics, responsibilities and performances of the Board, annual survey report on the remuneration of Thai company directors as prepared by the IOD. The revised remuneration shall attract qualified directors to perform duties to achieving business goals through transparent process.

### **Remuneration of Directors**

The Nomination and Remuneration Committee determines compensation of directors with discretion, clarity, and transparency. The compensation should be consistent with duties and responsibility benchmarked with other companies in the same industry and in similar tier, business expansion and the Company's profit growth to attract and retain qualified directors. Results in this regard is presented to the Company's Board for consent and subsequently to the AGM for approval.

### **Remuneration of the Company's CEO**

The compensation of CEO is determined every year in accordance with the principles and policy as defined by the Nomination and Remuneration Committee which shall be consistent with duties, responsibilities, and performances of the CEO as well as the Company's operating results according to the action plan, profit growth of the previous year, economic situation of the Company according to strategic goals, long term returns, the benchmarking with other companies in the same industry and in similar tier, annual performance assessment carried out by the Nomination and Remuneration Committee for the year ended. Results in this regard are presented to the Company's Board for consent and further action by the management.

Long-term compensation in the form of provident fund contributed by the Company and the saving by the employees shall be consistent with the specified rate according to the term of service of such employees with the Company.

### **Remuneration of Top Executive**

Compensation of top executive/ executive is determined yearly by Vice President and/or President and/or the Company's Board according to principles and policy as defined by the Nomination and Remuneration Committee as same as compensation of the President.

With regard to the determination of the compensation in cash and non-cash bases of individual director of the Board, the Nomination and Remuneration Committee takes into determination the consistent duties, responsibilities, dedication, business type and size, market and competitors. The compensation shall be appropriate and enough to attract and retain qualified directors.

#### **1. Types of Compensation**

- (1) Meeting allowance to reflect performances of the director and to incentivize non executive director to regularly attend the meeting.
- (2) Monthly compensation paid only to director to reflect duties and responsibilities of director.

#### **2. Payment Methods**

- (1) Attendance fee paid to non-salaried director, audit committee member, independent director, and member of committees.
- (2) Fix compensation paid monthly to executive director to reflect duties and responsibilities as executive and director.

#### **3. Other benefits for director and executive - none -**

In 2021, the compensation paid to directors and executives as approved by the shareholders is illustrated below.

### 1) Total Cash Compensation

- There is no monthly cash compensation paid to directors of the Board (except salary paid for performance as executive of the Company).
- In the case of non - executive director and/or non-salaried director, Audit Committee member, and sub-committee member, meeting allowance Baht 30,000 for each person per meeting is given as details shown hereunder.

Name	Remuneration (Baht)						
	Director	Audit Committee	Corporate Governance Committee	Nomination & Remuneration Committee	Risk Management Committee	CSR/SD Committee	Total
1. Mr. Wanchai Kunanantakul	-	-	-	-	-	-	-
2. Mr. Surasak Kunanantakul	-	-	-	-	-	-	-
3. Mr. Hiroyuki Inoguchi	-	-	-	-	-	-	-
4. Mr. Surapol Kunanantakul	-	-	-	-	-	-	-
5. Mr. Taku Yamada	-	-	-	-	-	-	-
6. Mr. Jun Murase	180,000	-	-	-	-	-	180,000
7. Mrs. Naphaporn Hoonthanasevee	180,000	-	-	-	-	-	180,000
8. Mr. Sittichai Kunanantakul	180,000	-	-	-	-	-	180,000
9. Mr. Pongsak Angsupun	150,000	120,000	60,000	30,000	60,000	-	420,000
10. Mr. Vichit Vuthisombut	180,000	120,000	60,000	60,000	60,000	-	480,000
11. Assoc.Prof.Dr. Sucharit Koontanakulvong	180,000	120,000	-	60,000	60,000	60,000	480,000
12. Dr. Damri Sukhotanang	180,000	120,000	60,000	-	60,000	60,000	480,000
<b>Total</b>	<b>1,230,000</b>	<b>480,000</b>	<b>180,000</b>	<b>150,000</b>	<b>240,000</b>	<b>120,000</b>	<b>2,400,000</b>

Remarks: Compensation in this regard is paid to directors of the Company's Board pursuant to Section 90 of the Public Limited Companies Act B.E. 2535 (excluding salary and other benefits paid to director being executive of the Company), being member of sub-committee does not receive compensation.

The cash compensation of the executives of the Company includes salary, bonus and provident fund as follows:

Cash compensation of executive includes salary, bonus, provident fund.

Year	Total (Person)	Total Salary and Bonus (Million Baht)
2564	7	22.10
2563	7	27.51
2562	7	29.23

## 2) Other compensation

The Company establishes the provident fund on which the Company 's contributions amount to 6% of the salary earned by each individual.

Year	Total (Person)	Provident Fund (Baht)
2564	2	287,354
2563	2	260,616
2562	2	259,716

### 8.1.3 Corporate Governance of the Subsidiary Company

The Siam Steel Vietnam Ltd. is the Company's subsidiary in the Socialist Republic of Vietnam in which the Company holds 90% shares. The personnel being director and top executive of the said subsidiary company are selected among personnel possess required qualifications according to the nomination criteria; specific knowledge, skills, experiences, and work profiles. The selected persons are in charge of overseeing the management of the subsidiary company according to the Company's policy, and to carry out transactions in conformity with laws and criteria governing securities and exchange, and regulations of stock exchange.

Persons appointed as director and top executive in the subsidiary shall not receive any other compensation or benefit except salary as President of the subsidiary. Salary in this regard shall be borne by the subsidiary (the Siam Steel Vietnam Ltd.)

The President of the subsidiary company in Vietnam is required to report business performances to the Company's Board of Directors quarterly for acknowledgement. So that, the Company's Board is assured of the Company's best interest and returns. However, the Company's Board shall oversee and ensure the subsidiary companies release the financial statements in time.

### 8.1.4 Monitoring Compliance with Corporate Governance Policy and Guidelines

The Company presses an importance on good corporate governance integrated in the Good Corporate Governance Policy and Code of Business Ethics. The Company promotes the compliance with the policy so as to build confidences in every group of its stakeholders.

During the previous year, the Company monitored compliance with the good corporate governance as follows:

1. Environmental Management
2. Security Management and Occupational Health
3. Human rights respect and Treat workers fairly
4. Caring and Development of employees' potential
5. Responsibility to Communities, Society and Environment
6. Anti-Unfair Competition
7. Security of Information

(Please see details for 3#Driving the business for sustainability, #3.3.2 Environmental performance, and #3.4.2 Social Performance)

The Company shall follow up 4 other issues in order to ensure compliance with good corporate governance including:

**1) Prevention of conflicts of interest**

The Company defines the policy dealing with conflicts of interest indicated in the Code of Business Ethics and Work Performance Guidelines Handbook for directors, executives, and employees to adhere to and to perform their duties with honesty, integrity, and impartiality. The policy is recognized as a must for directors, executives, and employees not to seek for personal gains.

So as to uplift the corporate governance, during the previous year, the Company revised its code of business ethics concerning conflicts of interest by adding matter of prevention of the use of customers' information. This is to reduce stemming from such incident. The revision was approved by the Board on 25 February 2021.

To prevent conflicts of interest, the Company pays close attention to the transaction that may induce conflicts of interest by prescribing policy and approval procedures of such transaction in the regulations concerning approval authority and/or approval from shareholders shall be obtained according to the SET requirements which shall be in compliance with the SET criteria. Price and conditions are defined on Arm's Length Basis. Audit Committee shall regularly present transaction or connected transaction in this regard to the Company's Board.

The Company stipulates the policy on entering into connected transaction stating "in the case of entering into connected transaction that fails to meet the general trade, consent from Audit Committee concerning rationality and appropriateness is required prior to submitting to the Board for approval. In the case of connected transaction or other transactions undertaken under the provision of rules and/or criteria of the SET and the Office of the SEC, the Company strictly complies with the provisions thereof.

In addition, the preventive mechanism in relation to conflicts of interest is stipulated through reporting mechanism.

**(1) Report on disclosure of potential conflict of interest and connected transaction**

The Company stipulates that significant possible conflicts of interest and connected transaction shall be disclosed in an annual information form (Form 56-1) and in an annual report of the Company as details shown under the heading "Connected Transaction." The disclosure shall contain details of any person with possible/potential interest, relationship, characteristics of transaction, condition, cost policy, transaction value, rational and comments of the Auditing Committee and/or the Company's Board.

In 2021, the Company had no record of action violating connected transaction or not conforming with the criteria set forth by the SET and Office of the SEC.

**(2) Report on interests of director, executive, and connected person**

The Board imposes that directors and executives shall report their interests or interests of connected persons to the Company for acknowledgment. In so doing is to provide the Company with information for action according to terms of condition of the connected transaction. As the transaction in connection to administration and management of the Company and its subsidiaries may cause conflicts of interest that leads to transferring of interests of the Company and its subsidiaries. The report shall be submitted every

calendar year and within 30 days as from the end date of December. Resubmitting is required whenever changes incurred which portrayed differences from the report previously submitted.

**(3) Report on securities holdings and change of securities holdings of the Company**

The Board set up the policy stipulating directors, executive, and the Management (as defined by the SET and Office of the SEC) shall report their securities holdings inclusive of the number of securities held by spout or minor child/children and/or connected person as per Section 59 of Securities Exchange Act.

- To report on the first holdings of Company's securities (Form 59-1) within 30 days as from the day appointed director or executive.
- To report on the change of holdings of Company's securities (Form 59-2) whenever purchase, sale, transfer or receive of Company securities by submitting the report within 3 days as from the day of purchasing, selling, transferring or receiving such securities. Copy of the securities holding report shall be delivered to the Company the same date as submitting to the SET and Office of the SEC.

Directors shall also report the holdings of the Company's shares to the Board via Secretary of the Company who shall prepares the summary report of the holdings and changes of Company securities of the Company's directors and executives, and present, on a quarterly basis, such report at the Board Meeting for acknowledgement. The report shall also be disclosed in an annual information form (Form 56-1).

The Company establishes the policy binding directors, executives and employees to perform their duties for the Company's utmost benefit. In the case of any person with stakeholding in the transaction being considered, such person shall notify the Company's Board via Secretary of the Company.

The Board stipulates that director or executive or employee, with interest relating to the business being transacted, is not permitted to involve or take part in the decision-making process of the transaction.

Director and executive are imposed by the Board to declare, on a yearly basis, any transaction that may induce conflict of interest.

**2) Use of Inside Information for Personal Gain**

**Policy on Confidentiality, Safeguarding and Use of Internal Information**

The Company shall maintain confidential information from leaking to irrelevant person especially information that may affect the Company and its stakeholders. Directors, executives, and employees must not use information of the Company for self-interest.



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This has been in alignment Ethics for Confidentiality, Safeguarding and Use of Inside Information illustrated in the revised Code of Business Ethics and Work Practices 2021 as approved by the resolution of the meeting of the Company's Board and Corporate Governance Committee on 24 February 2021.

1. The Company shall establish levels of confidentiality and applicable procedures whereby all personnel must understand each confidentiality level. They shall seal confidential information of their respective responsibilities to keep it from being viewed by other persons including personnel of irrelevant companies.
2. Personnel shall not disclose confidential information even after their retirement, resignation or termination of their position at the Company.
3. The Company shall maintain customer and trade privacy. Personnel shall not disclose private information to the unauthorized personnel of the Company and outsiders unless it is required by law, for court cases, or approved by the Board.
4. Inside information is operational and managerial confidential information that is not yet ready to be disclosed to the public. If such information was disclosed, it would impact the Company, particularly the trading prices of the Company shares on the stock exchange. Personnel of the Company must maintain the confidentiality of inside information and shall not disclose, exploit for self-gain or to affect the Company's benefit.
5. Personnel shall receive warnings notices and campaigns regarding the use of inside information via Company's channel of communication, especially in relation to important situations such as the issue of company shares or debentures.
6. When employing candidates who have previously worked with competitors or the government, the Company shall enquire and study any confidential agreements the candidates may have had with their previous employers. The Company shall not force the candidate to break their agreements with trade competitors or the government, which might give rise to consequent legal actions
7. Information shall only be disclosed by authorized personnel of the Company. Unauthorized personnel shall not disclose the information to ensure the correctness and consistency of the disclosed information.
8. Directors, executives, and employees shall make copies, send facsimile, or store information properly and safely to prevent access of information or confidentiality by irrelevant persons.
9. Besides the disclosed information to the public, the Company assumes that all information is only for internal use. Directors, executives and employees must use such information within their scope of assigned duties and responsibility.
10. Executives shall not use undisclosed information to trade Company's securities before such information is disclosed to the public. They shall not also disclose the essence of such information to other persons.
11. Sanction will be imposed on any director, executive who violates this policy and causes defamation damage to the Company. The Company will cooperate with related governance entities for legal action to be undertaken.

The Company's Board has resolved for the performance guidelines for directors, executives and employees to attach to as follows:

1. Directors, executives, and employees shall sign to acknowledge the notification of the SEC requiring for the director and executive to report the change of securities holding to the SEC pursuant to Section 59 of the Securities and Exchange Act B.E. 2535. The reporting shall be made within 3 business days from the date of changes in securities holding. They shall also inform the Company's Secretary to prepare and present a summary of the same to the upcoming Company's Board meeting. Failure to comply with the Act shall face penalty.
2. It is prohibited to disclose, to outsider or irrelevant person, the Company's financial statements or any information inducing impact on the Company's securities. Trading of Company's securities, during 1 month prior to the disclosure of such financial statements to the public and within 24 hours after such information has completely disclosed to the public, is also prohibited. Failure to comply with this shall face disciplinary penalties of the Company either by warning, or wage cut, or suspension from work without pay, or termination of employment.

### **3) Anti-corruption and 4) Whistleblowing**

(Please see details in Section 6 Corporate Governance Policy, Heading 3 Roles of Stakeholders, Sub-heading 3.3 Anti-corruption)

The Company has joined the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) to demonstrate the Company's strong intent to fight against corruption, and has been a certified member since 2015.

Throughout 2021, the Company implemented the Anti-corruption Policy as follows

1. The Company communicated to all directors, executives and employees stipulating that all processes shall be operated in compliance with applicable laws. Any error in the operation process due to carelessness, ignorance shall face penalties from government sector without any lobbying for acquittal.
2. The Company provides channel to receive report of detection of corruption or non-compliance with policy. There are protective measures for reporters.

The Company discloses on the Company's website at [www.sssc.th.com](http://www.sssc.th.com) regarding policy and actions to prevent involvement in corruption.

Besides, the Company conducts self assessment of anti-corruption applying the CAC self assessment form.

The Company also audits the following matters:

- Clarity of the Corruption Policy;
- Governance and review of the policy by the Company's Board and top executives;
- Work verification of responsible unit for anti-corruption;
- Communication and training on the policy both inside and outside the Company;
- Monitoring and reporting of operation control and efficiency;
- Offering gifts or entertainment fees for practices
- Verification of non-compliance penalty measures

- Product delivery to customers
- Recruiting and hiring foreign workers
- Procedure verification of scrap trading
- Environmental inspection
- Bribery in obtaining various permits

#### Auditing Results

- No defect found in relation to the anti-corruption policy, measures, corruption risk management handbook, code of business ethics handbook, and the Company notification of anti-corruption policy. All are clear and appropriately implemented.
- The anti-corruption policy has been reviewed, approved and communicated.

In conclusion, the Compliance Unit of the Legal Department has presented the results in this regard to the Chairperson of the Audit Committee. As the results have shown that corruption risk is low which ensure every process is operated with surveillance. In 2021, no report or wrongful act of fraud/corruption in connection to the Company was detected.

Therefore, the Company has applied for the 3rd recertification of membership of the Collective Action Coalition Against Corruption: CAC (the certification is valid for 3 years) and the result as yet to release.

## 8.2 Report on the performance of the committee

### 8.2.1 Meetings and Attendance of the Audit Committee

Name		Position	Meeting Attended/ Meeting Held
1. Mr. Pongsak	Angsupun	Audit Committee Chairman	4/4
2. Mr. Vichit	Vuthisombut	Audit Committee Member	4/4
3. Assoc.Prof. Dr. Sucharit	Koontanakulvong	Audit Committee Member	4/4
4. Dr. Damri	Sukhotanang	Audit Committee Member	4/4

Mr. Pongsak Angsupun as Audit Committee member with qualified knowledge and experiences to review financial statements of the Company

### 8.2.2 Performance of The Audit Committee

The Audit Committee has performed its duties within the scope. Duties and responsibilities assigned by the Board of Directors. It was a joint meeting with the auditor and internal auditors. The key points can be summarized as follows:

- 1) Reviewed the quarterly and annual financial reports and statements, as previously audited by the auditors, prior to submitting to the Company's Board, and subsequently to the Stock Exchange of Thailand for dissemination to investors.
- 2) Reviewed the transactions made with related parties or potential conflict of interest transactions to ascertain that the transacting was done reasonably for the benefit of the Company.

- 3) Approved the annual audit plan, supervised the according implementations, monitored and evaluated the auditing.
- 4) Reviewed the Company's risk management as resolved by the Risk Management Committee to ensure the potential impact assessment and the according risk management plan are in place so as to prevent any potential impact or to reduce them to acceptable level.
- 5) Reviewed and supervised performance compliancy concerning Company's business operations with laws relating to securities and exchange, and other related laws.
- 6) Held meetings with the internal auditors discussing and considering the audit plan and performances to ensure the auditing is appropriate and in compliance with regulatory requirements; acknowledging auditing report; monitoring corresponding actions taken as per the recommendations so as to enhance greater efficiency and effectiveness.
- 7) Reviewed and self-assessed an annual performance against good corporate governance and the charter thereby the results have shown the Audit Committee has performed its duties effectively in compliance with the charter specified.
- (8) Selected and recommended the auditors to the Company's Board for consideration and concurrence for subsequent submission to the Annual General Meeting of Shareholders for approval.

### 8.3 Report on the Performance of the Committees

#### 1) Nomination and Remuneration Committee

Name		Position	Meeting Attended/ Meeting Held
1.	Assoc. Prof. Dr. Sucharit Koontanakulvong	Nomination and Remuneration Committee Chairman	2/2
2.	Mr. Pongsak Angsupun*	Nomination and Remuneration Committee Member	1/2
3.	Mr. Vichit Vuthisombut	Nomination and Remuneration Committee Member	2/2
Mr. Boonchai Chiencharoenthanakij		Senior General Manager of the Accounting , Finance and Administrative Department., as Secretary of the Committee	

\*. By giving prior notice, Mr. Pongsak Angsupun was unable to attend Board Meeting due to preoccupation of work abroad.

### Performances of Nomination and Remuneration Committee

For 2021, the Nomination and Remuneration Committee convened twice to consider key matters as highlighted below:

- (1) Reexamined and revised criteria and policies pertaining to the nomination of the Board's directors and committees' members by acknowledging the Company's Board Diversity for 2021 including profile of independent directors: gender, age, term of service, appropriate number, structure and component; Board Skill Matrix of individual director as well as skills being required; ability to hire professional search firm or access director pool for nomination of new director and proposed results in this regard to the Company's Board for subsequent AGM's approval.

This is to ensure competent directors and committee members are selected to support the execution of Board's functions contributing to the utmost extent of benefits to the Company according to its business structure, strategies, practices, culture, and environment.

- (2) Reviewed and defined criteria and qualifications pertaining to the President/Chief Executive Officer (CEO) and other key positions succession planning taking in to account guideline on succession planning and people management as provided by the Thai Institute of Directors (IOD).
- (3) Selected and nominated candidates to fill director position of the Board and members of the committees and proposed at the Board's meeting for subsequent AGM's approval.

In 2022, the Board provided for minor shareholders the right to nominate, from 1-31 December 2021, qualified person to be elected as Company's director. However, none of the shareholders had nominated anyone. For AGM 2022, the nomination is required for submitted from 1 December 2021 to 31 December 2021. Shareholders has been informed of the right thereof since 20 September 2021 via the SET and the Company's website at [www.ssscth.com](http://www.ssscth.com) where clear election procedures and methods are demonstrated with nomination form for download.

- (4) Proposed remuneration policy and packages for directors of the Board, members of the committees, and senior management in accordance with their respective duties, responsibilities, Company's performances, shareholders' interest, and market sentiment.
- (5) Defined appropriate and sufficient cash and non-cash annual remuneration for each director of the Board taking into account duties, responsibilities, and performances compared with companies in similar industries as well as expected outcomes as contributed by respective director. The defined remuneration packages were submitted to the Company's Board for consent and subsequent approval from the AGM.
- (6) Reported on the policy and rational of the remuneration packages for directors and executives in compliance with the SET's regulation and disclosed via Form 56-1 One Report.

## 2) Corporate Governance Committee

Name		Position	Meeting Attended/ Meeting Held
1.	Dr. Damri Sukhotanang	Corporate Governance Committee Chairman	2/2
2.	Mr. Pongsak Angsupun	Corporate Governance Committee Member	2/2
3.	Mr. Vichit Vuthisombut	Corporate Governance Committee Member	2/2
Mr. Hirun Komolhirun Company Secretary/ Senior Manager of Legal Affairs Department is Secretary of the Committee			

### Performances of Corporate Governance Committee

- (1) Reviewed and revised policies and guidelines concerning directors, management and employees' securities trading; prohibition of securities and inside information; blackout period at of least 1 month before disclosure of the quarterly and annual financial statements; reports of first securities holding or change of the holding and according sanctions measures.
- (2) Reviewed important policies to keep up with the business environment. and changing competitions such as
  - Corporate Governance Policy, Disclosure Policy, Ethics, and Code of Conduct
  - Policy on treatment of stakeholders, Society and Environment
  - Used of Information and trading in the company's securities, Internal Control
  - Risk Management, Anti-Corruption, Whistleblowing
  - Personal Data Protection Policy, Management Policy, Preventing intellectual property infringement
  - Policy for promoting innovation management, Board Charter, Sub-committees
- (3) Considered and recommended on renewal for the third term certified membership of the Thailand's Private Sector Collective Action Coalition against Corruption: CAC. The second term of being certified CAC membership expires on 3 February 2022. The re-certification has demonstrated the Company's anti-corruption practice which is incorporated complete and sufficient process as reviewed by the Audit Committee.

In 2021, no violation or non-compliance with policies and/or business ethics, code of conduct, and good corporate governance principles was detected.

- (4) Provided training for and made agreement with trade partners in supply chain and every truck service provider to collectively define policy and work practices for not involve in any form of corruption. Trade partners and suppliers are invited to join as member of Thailand's Private Sector Collective Action Coalition against Corruption: CAC under the CAC SME Certification program with the Thai Institute of Directors Association. Complaint and clue can be lodged or sent directly to independent committee member whereby the complainant or clue reporter is assured of the protection measures which are clearly defined and published on the Company's website. As in 2021, no complaint or reported clue was lodged or found.

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- (5) Held meeting convened among non-executive directors in compliance with the corporate governance of the SET. This is to offer an opportunity for independent directors to discuss freely on any matters affecting Company's management.

As results of continually and earnestly commit to and develop its corporate governance, the Company was assessed by various organizations on the followings:

- Assessment of Corporate Governance Report of Thai Listed Companies (CGR) from the Thai Institute of Directors (IOD) with “Excellent or Five Stars” rating result since 2016 (CG score 90-100) or 6 consecutive years. In 2021, there were 716 listed companies participated in the survey whereby the Company earns 93% average CG Score whereas the total average is 84%.
- AGM Quality Assessment whereby the Company received perfect score 100 or “Excellent and Exemplary” for 11 consecutive years, 2011-2021, demonstrating the Company’s strong intents and commitment to its continuing management development adopting good corporate governance principles to create long term value added and sustainability for the Company and its shareholders.
- Thailand Sustainability Investment 2015-2021 (7 consecutive years) from the SET granted to listed companies for its outstanding ESG performance integrating social and environment concerns as well as having in place the management processes e.g., risk management, management of supply chain, development of social and business innovations for sustainability.
- 2019-2021 Role Model Organization Award on Human Rights (honorable mention for large enterprise) 3 consecutive years from Department of Rights and Liberties Protection, Ministry of Justice.

The compliance with Good Governance Principles of the Company as abovementioned reflects strong intents and collaborative efforts of every director, executive, and employee to constantly develop and uphold the Company’s good corporate governance to meet international standards. Firmly adhere to this toward securing and sustaining growth is believe would contribute to strengthen the Company’s competitive advantage and gain confidences of investors and stakeholders.

### 3) Risk Management Committee

Name		Position	Meeting Attended/ Meeting Held
1. Mr. Pongsak	Angsupun	Risk Management Committee Chairman	2/2
2. Mr. Vichit	Vuthisombut	Risk Management Committee Member	2/2
3. Dr. Damri	Sukhotanang	Risk Management Committee Member	2/2
4. Assoc.Prof.Dr. Sucharit	Koontanakulvong	Risk Management Committee Member	2/2
5. Mr. Hiroyuki	Inoguchi	Risk Management Committee Member	1/2
Mr. Masafumi	Okubo*	Risk Management Committee Member	1/2
6. Mr. Taku	Yamada	Risk Management Committee Member	2/2
7. Mr. Boonchai	Chiencharoenthanakij	Risk Management Committee Member	2/2
8. Mr. Navarat	Chanamoon	Risk Management Committee Member	2/2
9. Mr. Chounit	Phansa-ngad	Risk Management Committee Member	2/2
10. Mr. Surasak	Jaturapatpaibul	Risk Management Committee Member	2/2
Mr. Hirun	Komolhirun	Company Secretary/ Senior Manager of Legal Affairs Department is Secretary of the Committee	

\* Mr. Masafumi Okubo has resigned from the position which was replaced by Mr. Hiroyuki Inoguchi as Risk Management Committee Member on 01 July 2021

#### Performances of Risk Management Committee

- Reviewed organizational risk management plan and frameworks in alignment with the Company's strategies and operations amid changing circumstances so as to ensure systematic and effective risk management is in place, especially issues related to sustainable risk that might have an impact on Company's business.
- Provided advices concerning risk management implementation for management of every concerned department, gave recommendations and consent on corporate risk list 2021 in accordance with corporate directives, strategies and goals.
- Constantly promoted learning on risks and risk management among directors, management and employees to ensure all risks are well aware and managed to the extent that creates risk culture facilitating the attainment of business goals.
- Considered sustainability trend including short-term, medium-term and long-term impacts on business and supply chain, annual risk management plan incorporating risks as assessed and prioritized by management of respective departments with alternatives responding to organizational risks
- Established internal control practices and plans / the sequence of steps in the work of each part. Starting from receiving raw materials, sales, production, delivery, delivery to customers and using IT the system through the program CDCIS, Bar Code System, Forecast System, Cutter Setting
- Closely monitored risk management of respective departments through reporting of risks that might impact the implementation of business strategies, regularly reviewed corporate risks to detect potential or changing risk.



The Risk Management Committee has concluded that the risk management is conducted systematically in compliance with good corporate governance while having in place adequate and suitable internal control. Active and close monitoring of risks is performed, especially, on issues relating to sustainable risks that might pose impact on Company's business. This has enabled the Company to achieve its business goals through implementing emergency, crisis management, and business continuity management plans which in turn has added value to the Company and sustainably contributed to shareholders, and stakeholders.

#### 4) Corporate Social Responsibility and Environment Committee (CSR/SD Committee)

Name		Position	Meeting Attended/ Meeting Held
1. Assoc.Prof.Dr. Sucharit	Koontanakulvong	CSR/SD Committee Chairman	2/2
2. Dr. Damri	Sukhotanang	CSR/SD Committee Member	2/2
3. Mr. Hiroyuki	Inoguchi	CSR/SD Committee Member	1/2
Mr. Masafumi	Okubo*	CSR/SD Committee Member	1/2
4. Mr. Boonchai	Chiencharoenthanakij	CSR/SD Committee Member	2/2
5. Mr. Navarat	Chanamoon	CSR/SD Committee Member	2/2
6. Mr. Surasak	Jaturapatpaibul	CSR/SD Committee Member	2/2
7. Mr. Taku	Yamada	CSR/SD Committee Member	2/2
Mr. Hirun	Komolhirun	Company Secretary/ Senior Manager of Legal Affairs Department is Secretary of the Committee	

\* Mr. Masafumi Okubo has resigned from the position which was replaced by Mr. Hiroyuki Inoguchi as CSR/SD Committee Member on 01 July 2021

#### Performance of CSR/SD Committee

- (1) Considered and gave consent on social responsibility and environment concerning policy, strategies, targets, guidelines and plans, and submitted to the Company's Board for approval for further implementation to attain the followings:
  - Organization development toward 17 Sustainable Development Goals (SDGs);
  - Be committed to manage the CSR for Corporate Sustainability & Green Industry;
  - Recommendations on Innovation System Management ISO56002 for personnel development to be able to invent ideas, open up to business models. and new methods that drive the Company toward innovation organization in 4 aspects;
    1. Social Innovation
    2. Process Innovation
    3. Product Innovation
    4. Business Innovation
- (2) Promoted participation of committees, executives and operators in the Company's CSR and environment activities;
- (3) Ensured actions in compliance with the Company's CSR and environment policy and/or related regulations;

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- (4) Regularly monitored and reported performances in this regard to the Committee after the meeting of social responsibility and environment;
  - (5) Reviewed and proposed for improvement of the policy and practices concerning social responsibility and environment of the Company;
  - (6) Performed other social responsibility and environment duties as assigned by the Company's Board;
  - (7) Disclosed information in relation to the Company's good corporate governance, and social responsibility and environment to stakeholders and general public;
  - (8) Continuously implemented social responsibility in alignment with the standard of CSR-DIW.

## 9. INTERNAL CONTROL AND RELATED TRANSACTIONS

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### Internal Control

The Company presses an important on internal control system, internal audit, and risk management. The Company is well aware that good internal control system can reduce business and operational risks to remain at acceptable level. It can also help detecting material deficiencies in due course, ensuring the accuracy and reliability of financial reports, and supporting the operations to effectively achieve the set goals and objectives.

#### 1. Adequacy and Appropriateness of the Internal Control System

The Company applies the guidelines as provided by the Committee of Sponsoring Organizations of the Treadway Commission: COSO to its business operations as follows:

##### 1.) Internal Control

The Company institutes appropriate organizational structure and provides supports to the management to effectively execute management functions toward the defined goals. The clear and evaluable work performance guidelines are defined. Also in place are the policy and standard working procedures as well as written code of conducts aiming at safeguarding the assets of the Company and of its subsidiaries from suffered loss and wrongful acts for personal gain of executives and employees.

The Whistleblower Policy is also in place with special channels available for receiving both internal and external information. Result in this regard is reported regularly to the Audit Committee, the Corporate Governance Committee and/or the Company's Board of Directors.

##### 2.) Risk Assessment

To effectively and efficiently manage risks, the Company's Board has constituted Risk Management Committee comprising independent directors, Audit Committee's members, and executives possessing particular expertise. The Committee is entrusted with responsibilities to oversee and review overall risk management to ascertain the risk remains acceptable.

To prevent risk and fraud in work process, management of each unit shall design suitable internal controls for their respective work processes aiming at reducing all risks to acceptable level. They shall also communicate with their respective staff for understanding, engaging and monitoring of the internal control practice as designed.

Assessment for internal and external potential risks which would significantly impact the Company's operations is carried out constantly including risks that might induce fraud or misconduct. The Company conducts risk factor analysis encompassing controllable and uncontrollable risk factors for intervention of mitigation measures. The analysis illustrates the cause of risk factors and addresses the affecting trend. The implementation of risk management plan or operational plan is followed up regularly with reports submitted to the Company's Board for acknowledgement.

##### 3.) Management Control

The Company clearly defines in written the scope of power, duties, and financial approval authority for every level of management. Any management function with potential misconduct is segregated clearly. Connected transaction is measured to ensure the approval obtained as required by the regulations of the SET and Office of the SEC, and whether the transaction is made for the Company's best interest. The Company regularly monitors the operations of its subsidiaries as well as sets out policy directives for the said management personnel to adhere to. Besides, the Audit Committee gives high priority to the operational review against relating rules and regulations so as to mitigate business operational risks while maintaining the Company's reputation.

#### 4.) Information System and Communication

The Company emphasizes the importance of information system and communications to ensure the information is accurate, complete, and sufficient for decision making of executives and the committees. Finance and accounting documents are well categorized and filed. The Company has never been informed by the auditor of any imperfection.

With regard to the Company's accounting policy, the Audit Committee in collaboration with the auditor, Internal Audit Unit, and the executives concerned determine and prepare the Company's financial statements. Determination in this regard takes into consideration the accounting policy, general accepted accounting principles suitable for the Company's business characteristics, as well as disclosure of appropriate and adequate information.

#### 5.) Monitoring System

The Company constantly monitors its performances against the set targets. The report made in this regard is submitted to the Company's Board and the Audit Committee for resolution whenever a significant defect is detected. Subsequently, the progress report is prepared to exhibit how the defect is eliminated. The Company's management is imposed to promptly report to the Board of Directors of any misconduct or breach of law or any unusual act that would affect significantly on the reputation and financial status of the Company.

The 1/2022 Board's meeting on 28 February 2022 where the 4 Audit Committee Members joined the meeting to assess the Company's internal control system including documentary review, as submitted by the management, and report of the Audit Committee. The assessment covering 5 components of the Company's internal control system: internal control, risk assessment, management control, information system and communication, and monitoring system; the Board has concluded that the Company's internal control system is adequate and appropriate. Sufficient personnel is provided to effectively operate the system including operational monitoring and controls of its subsidiaries so as to be able to safeguard the assets of the Company and of its subsidiaries from suffered loss and wrongful acts for personal gain by director or executive, or from those who has no authority to do so. Transactions made with any person with potential conflict of interest and with any connected person are adequately controlled. According to the Board's conclusion, there has been adequate internal controls concerning the other risk components.

## 2. Difficiency of the Internal Control System

The documentary review and operational checking as per the internal control system had observed the following matters and the subsequent actions have been taken for improvement.

Observation matters	Actions taken
1. No appropriate withdrawal form for the withdrawn materials, equipment	Appropriate form is in place
2. No monthly summary report of material balance from the maintenance unit	The Part Code to record the in-out items as well as to illustrate the monthly balance is in place.
3. No asset tracking	Assets are trackable using Bar Code.
4. Mobile phone plan used were not match with actual usage.	Reviews and changes of the packages to match the actual usage were carried out, the appropriate packages are in use.

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3. Opinion of the Audit Committee that differed from the Board's or the auditors' concerning the internal control.

- None -

4. Audit Committee's Opinions on the Internal Auditor

The Company's Internal Audit Unit reports directly to the Audit Committee and is structurally separate from the management. Ms. Manee Jariyarakvorakul as Manager of the unit is responsible mainly for performance auditing applying risk criteria, assessing the adequacy and appropriateness of the internal control systems and risk management against the annual audit plan as approved by the Audit Committee. Results in this regard are reported quarterly to the Audit Committee so as to foster greater effective risk management and control in compliance with business ethics. Any potential damage arising from significant notification or recommendation shall be reported to the Audit Committee for consideration and resolution with prompt submission to the Board

The Audit Committee sees the internal auditor have possessed knowledge and understanding of Company's activities and has been trained on Internal Auditing Techniques, Information and Practical Guidance of Internal Auditing, thereby recommending the auditor is qualified to perform auditing duties.

Consideration and approval in relation to appointing, removing, and transferring the Internal Audit Head required the Audit Committee's concurrence. Specification of the Internal Audit Head is shown in attachment 3.

## Related Transactions

The transactions considering normal business transaction made with related parties being joint shareholders and/or directors are as follows:

### Purchase Raw Material from Related Companies

Unit: Thousand Baht

Company	Relationship	2019	2020	2021
Okaya & Co., Ltd. (Japan)	Holding share 31.50%	1,104,066	479,226	1,222,929
Okaya (Thailand)	Directorship	105,008	-	319,727
Siam Suriya	Directorship	1,529	1,002,430	2,373,016
Union Autoparts Manufacturing	Directorship	-	267,330	-

### Sale to Related Companies

Unit: Thousand Baht

Company	Relationship	2019	2020	2021
Siam Goshi Manufacturing	Directorship	3,489	3,324	8,685
Siam Steel International	Holding share 24.51%	10,088	12,324	33,829
Siam Suriya	Directorship	1,017	976	1,169
Union Autoparts Manufacturing	Directorship	104,928	74,328	88,994
Okaya (Thailand)	Directorship	34,151	24,760	14,622
Siam Nippon Steel Pipe (Thailand)	Directorship	15,276	10,089	13,750
Siam MTK	Directorship	87	77	285

### Other Expenses with Related Companies

Unit: Thousand Baht

Company	Relationship	2019	2020	2021
Siam Environmental Technology	Directorship	2,035	1,784	1,722
Siam Steel International	Holding share 24.51%	40	76	244
Okaya (Thailand)	Directorship	1,449	1,200	1,204
Unity Service	Directorship	6,176	5,864	5,821
Nippon Steel Logistics (Thailand)	Subsidiary of Siam Nippon Steel Logistics	19,655	10,616	13,897
Nippon Steel Pipe (Thailand)	Directorship	3,084	1,942	3,213

Other expenses, such as utilities, parking fee, employee bus service fee and etc.

### Short Term Loan to Subsidiary

Unit: Thousand Baht

Company	Relationship	2019	2020	2021
Short-term loans to Siam Steel Vietnam no collateral and has an interest rate of 4.50 percent per annum, repayable at call.	Subsidiary company	5,995	11,947	14,961

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**The Necessity and Reasonableness of Transactions**

- Purchasing of raw material from related parties mainly from the Okaya & Co., Ltd., the market pricing is defined by steel manufacturer in Japan and the manufacturer pay commission to the dealer. This practice is considered normal in Japan, and has been applied by the Company to the purchase of domestic steel from the Siam Suriya Co., Ltd
- Conditions and prices of steel sold to related parties are as same as to other customers. Auditing in connection to this is carried out by the auditors through randomly select the items entered into transactions with related parties and other customers thereby showing similar prices.
- Approval criteria and procedures applied to related transaction are as same as to trade transaction with others. No management or shareholder with interest has involved in the approval process.

Related transaction is necessary and shall be executed with care for the best interest of the Company. It needs approval from the Company's Board or the Committee prior to entering into transaction. In this regard, opinion from the Audit Committee is needed that such related transaction is fair in terms of prices according to general business practices.

**Policy and Trend of Related Transaction**

Policy and trend concerning transactions with related party and other customer are the same as both follow the same regulations and procedures for the Company's best interest. No transaction has been made other than normal transaction.

- Future related transaction shall comply with law on securities and exchange or other related as specified.
- Pricing and conditions of the related transaction shall be as same as other transactions which shall be fair, reasonable, and for the best interest of the Company. In the case of no specified price is available, determination from information reported or relevant price source is applied by the Company and its subsidiaries.
- Related transaction that might induce conflict of interest shall be avoided.

## Related Company

Related Company	Nature of Business	Relationship SSSC and Related Company			
		% Holding Share		Directorship	
Union Autoparts Manufacturing	Manufacturer and sales of auto parts	Okaya & Co., Ltd.	98.28%	Mr. Wanchai	Kunanantakul
		Kunanantakul Group	1.72%	Mr. Sittichai	Kunanantakul
				Mr. Hiroyuki	Inoguchi
				Mr. Jun	Murase
Siam Nippon Steel Pipe	Manufacturer and sales of steel pipe	Nippon Steel Pipe	60.47%	Mr. Jun	Murase
		Metal One Corporation	12.87%		
		Okaya & Co., Ltd.	12.37%		
		Toyota Tsusho Corporation	6.18%		
		Mr. Wanchai Kunanantakul	4.01%		
		Siam Suriya	0.50%		
		Siam Steel Service Center	0.30%		
Panasonic SPT (Thailand)	Manufacturer and sales of electrical construction materials	Siam Steel International	5.00%	Mr. Wanchai	Kunanantakul
Siam Okamura Steel	Manufacturer and distributor of office automation furniture for export	Siam Steel International	51.00%	Mr. Wanchai	Kunanantakul
		Okamura Corporation	49.00%	Mr. Surasak	Kunanantakul
				Mr. Surapol	Kunanantakul
Siam Steel International	Manufacturer and sales of furniture	Kunanantakul Group	35.41%	Mr. Wanchai	Kunanantakul
				Mr. Surasak	Kunanantakul
				Mr. Surapol	Kunanantakul
				Mr. Sittichai	Kunanantakul
				Mrs. Naphaporn	Hoonthanasevee
Formica (Thailand)	Manufacturer and sales of Melamine Laminated products	Siam Steel International	5.00%	Mr. Wanchai	Kunanantakul
Sri Charoen International	Sales of furniture	Siam Steel International	100%	Mr. Wanchai	Kunanantakul
				Mr. Surasak	Kunanantakul



## Related Company

Related Company	Nature of Business	Relationship SSSC and Related Company			
		% Holding Share		Directorship	
Siam Suriya	Trading company	Okaya & Co., Ltd.	49.00%	Mr. Wanchai	Kunanantakul
		Kunanantakul Group	39.00%	Mr. Surasak	Kunanantakul
				Mr. Surapol	Kunanantakul
				Mr. Sittichai	Kunanantakul
				Mrs. Naphaporn	Hoonthanasevee
				Mr. Jun	Murase
Okaya & Co., Ltd.	Metal, machine, and pipe sales representative	Major shareholder of SSSC	31.50%		
Siam Okamura International	Manufacturing office and public furniture	Siam Steel International	49.00%	Mr. Wanchai	Kunanantakul
				Mr. Surasak	Kunanantakul
				Mr. Surapol	Kunanantakul
Siam Goshi Manufacturing	Manufacturer and sales of motorcycle parts	Union Autoparts-Manufacturing	18.00%	Mr. Wanchai	Kunanantakul
Siam Environmental Technology	Service on public utility	Kunanantakul Group	100%		
Siam Okaya Chemical	Manufacturer and sales of engineering products and plastic	Okaya & Co., Ltd	79.38%	Mr. Wanchai	Kunanantakul
		Kunanantakul Group	12.50%	Mr. Sittichai	Kunanantakul
		Siam Suriya	8.12%		
Okaya (Thailand)	Wholesale and retail trade of product, material used in industries	Okaya & Co., Ltd	100%	Mr. Jun	Murase
Somat	Trading of direct sales, wholesale, retail and sales to order	Siam Suriya	51.00%	Mr. Jun	Murase
		Okaya (Thailand)	5.00%		
Unity Service	Public utility service for for Siam Steel Group Company	Kunanantakul Group	99.60%	Mr. Wanchai	Kunanantakul
				Mr. Surasak	Kunanantakul
Siam MTK	Steel supplier	Okaya & Co., Ltd	40.00%		
Siam Nippon Steel Logistics	Custom clearance services	Siam Suriya	25.50%	Mr. Jun	Murase
Siam Steel OC	Supply prefabricated building, partitions and related products	Siam Steel International	51.00%	Mr. Surasak	Kunanantakul
				Mr. Surapol	Kunanantakul
				Mrs. Naphaporn	Hoonthanasevee
Nippon Steel Pipe (Thailand)	Manufacture of steel pipes for all kinds of industries			Mr. Jun	Murase

## INDEPENDENT AUDITOR'S REPORT

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### To the Shareholders of Siam Steel Service Center Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Siam Steel Service Center Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statements of financial position as of 31 December 2021, the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including the summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Siam Steel Service Center Public Company Limited and its subsidiaries as of 31 December 2021, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Company's Financial Statements section of this report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, are of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
<p><i>Recognition of sale revenues with installation, measurement of work in process and estimation of installation cost for the outstanding projects at the end of accounting period</i></p> <p>The Group and the Company recognize revenues from sales with installation for the projects outstanding at 31 December 2021 amounting to Baht 350 million and Baht 333 million, respectively, which is included in sales and installation income – net. This represents 7% and 7% of total revenues, respectively.</p> <p>The Group recognizes sales with installation income in the statement of income based on survey of the percentage of physical completion for the projects in progress at the end of the year as determined by the Group's engineers coupled with the comparison of actual costs with estimated total costs. Actual costs of the project work are recognized as incurred on an accrual basis. The process to determine estimated costs of sales with installation is highly judgmental and can be affected by changes in environmental factors, including economic conditions and future availability of raw materials and labour. The actual costs may differ from such estimated costs which could result in a material variance in the amount of profit or loss in the current period.</p> <p>The Group and the Company disclose accounting policies for the recognition of revenues with installation in Note 3 to financial statements.</p>	<p>My audit procedures by sampling are summarized below:</p> <ul style="list-style-type: none"> <li>– Get an understanding and evaluating the management process for determining the percentage of completion of each contract for income recognition.</li> <li>– Select significant projects in progress by sampling for physical observation with the Company's representative to determine the percentage of completion for comparison with the percentage of completion summarized by the Company at the end of the year.</li> <li>– Review evidence supporting estimated budget costs and actual costs up to the end of the year and estimated costs to complete the projects.</li> <li>– Compare the actual costs to the budgeted total costs to complete the project to consider that the percentage of completion for accounting purpose is in line with the physical completion.</li> <li>– Review the adequacy of disclosure in accordance with the Financial Reporting Standards.</li> </ul>
<p><i>Valuation of inventories</i></p> <p>The Group and the Company have inventories as of 31 December 2021 amount of Baht 1,566 million and 1,541 million, respectively. which represents 37% and 37% of total assets, respectively.</p> <p>Inventories are carried in the financial statement at the lower of cost or net realizable value. The management estimates the net realizable value from estimated selling prices in the ordinary course of business, less the expenses necessary to make the products ready for sale. Including selling expenses, such as transportation expenses, etc.</p> <p>The management determines the selling prices based on domestic market prices which are affected by the highly fluctuation of demand and supply in the global market, competitive marketing and the situation in the industry. The management prepares a net realizable value calculation report and estimate the adequacy of the allowance for net realizable value at the report date.</p> <p>Refer to Notes 9 which provides details of the valuation of inventories.</p>	<p>My audit procedure included;</p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of the process to determine the net realizable value of inventories from information provided by the Company's management and testing of current market prices of inventories and the purchase and sale commitments that may exist.</li> <li>- Evaluating the design of the internal control process and testing the operating effectiveness of the controls.</li> <li>- Perform substantive testing on a sample basis on the net realizable value of inventories as at the report date.</li> <li>- Review the actual results for the year with reference to the Company's historical estimation of allowance for declined value of inventories and future operating plan to evaluate the appropriateness of the Company's estimation relating to the valuation of inventories.</li> <li>- Consider the adequacy and appropriateness of the allowance for declined value of inventories determined by the management.</li> <li>- Review the adequacy of disclosure in accordance with Thai Financial Reporting Standards.</li> </ul>

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*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and separate financial statements and my auditor's report thereon. It is expected that the management will provide a copy of the annual report for me to review after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

*Responsibilities of Management and Those Charged with Governance for the Preparation of Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

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As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision, and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Mr. Somckid Tiatragul.**

Certified Public Accountant  
Registration No. 2785

Grant Thornton Limited  
Bangkok  
28 February 2022

# STATEMENTS OF FINANCIAL POSITION

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2021

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5, 25	115,247,345	396,615,710	102,446,658	383,824,146
Trade accounts receivable					
- general customers - net	6, 25	1,231,821,428	827,774,845	1,215,900,374	798,539,558
- related companies	6, 7, 25	54,945,890	41,213,155	54,945,890	44,604,054
Amounts due from related companies	7, 25	82,334	108,484	377,252	257,985
Short - term loan to subsidiary	7, 25	-	-	14,961,105	11,946,960
Unbilled accrued income	8, 25	105,511,295	112,601,417	105,511,295	112,601,417
Retentions receivable	8	15,608,806	21,486,711	15,608,806	21,486,711
Inventories - net	9	1,566,441,330	714,940,602	1,541,331,579	696,118,444
Other current assets		8,851,246	7,398,226	8,234,481	6,118,338
<b>Total current assets</b>		<b>3,098,509,674</b>	<b>2,122,139,150</b>	<b>3,059,317,440</b>	<b>2,075,497,613</b>
<b>NON - CURRENT ASSETS</b>					
Long - term investments					
- Investments in subsidiary company	10	-	-	24,028,641	24,028,641
- Investments in other companies		2,628,237	2,628,237	2,628,237	2,628,237
Investment properties	12	31,355,328	31,355,328	31,355,328	31,355,328
Property, plant and equipment - net	13	1,079,585,088	1,121,700,524	1,068,384,289	1,112,920,967
Deferred tax assets - net	21	8,094,014	6,472,128	8,094,014	6,472,128
Other non - current assets		16,497,903	13,836,423	13,366,018	10,653,851
<b>Total non - current assets</b>		<b>1,138,160,570</b>	<b>1,175,992,640</b>	<b>1,147,856,527</b>	<b>1,188,059,152</b>
<b>TOTAL ASSETS</b>		<b>4,236,670,244</b>	<b>3,298,131,790</b>	<b>4,207,173,967</b>	<b>3,263,556,765</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF FINANCIAL POSITION

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2021

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short - term loans					
from financial institutions	14, 24, 25	750,728,496	21,588,173	731,151,393	722,940
Trade accounts and notes payable					
- general suppliers	25	102,100,685	92,024,072	96,145,633	87,922,235
- related companies	7, 25	102,764,850	63,950,621	99,678,895	61,889,590
Current portion of employee benefits obligation	15	7,365,455	5,608,163	7,365,455	5,608,163
Accrued cost of installation services		27,997,369	28,708,367	27,997,369	28,708,367
Advances from customers	8, 25	3,927,762	58,273,947	3,927,762	56,420,277
Accrued bonuses		80,552,207	51,515,053	80,552,207	51,515,053
Income tax payable	21	21,980,850	-	21,980,850	-
Other current liabilities		26,228,721	32,065,646	24,717,516	29,164,068
<b>Total current liabilities</b>		<b>1,123,646,395</b>	<b>353,738,042</b>	<b>1,093,517,080</b>	<b>321,950,693</b>
<b>NON - CURRENT LIABILITIES</b>					
Employee benefits obligation	15	99,396,123	100,191,015	99,396,123	100,191,015
Other non - current liabilities		-	65,000	-	-
<b>Total non - current liabilities</b>		<b>99,396,123</b>	<b>100,256,015</b>	<b>99,396,123</b>	<b>100,191,015</b>
<b>TOTAL LIABILITIES</b>		<b>1,223,042,518</b>	<b>453,994,057</b>	<b>1,192,913,203</b>	<b>422,141,708</b>

The accompanying notes form an integral part of these financial statements.



## STATEMENTS OF FINANCIAL POSITION

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2021

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common share					
- Authorized					
		639,999,880 shares at Baht 1 per value	639,999,880	639,999,880	639,999,880
- Issued and fully paid-up					
		639,997,880 shares at Baht 1 per value	639,997,880	639,997,880	639,997,880
Retained earnings					
		- Appropriated for legal reserve	16	63,999,988	63,999,988
		- Unappropriated		2,317,436,366	2,147,914,495
		Other components of equity		(10,176,715)	(10,576,147)
				-	-
<b>Total equity of the Company's shareholders</b>				3,011,257,519	2,841,336,216
				3,014,260,764	2,841,415,057
Non - controlling interests in subsidiary					
	11	2,370,207	2,801,517	-	-
<b>Total shareholders' equity</b>				3,013,627,726	2,844,137,733
				3,014,260,764	2,841,415,057
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
				4,236,670,244	3,298,131,790
				4,207,173,967	3,263,556,765

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2021

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2021	2020	2021	2020
REVENUES FROM SALES AND SERVICES					
Sales and installation income - net		4,324,493,460	3,171,474,796	4,266,136,758	3,064,300,272
Steel cutting services income		303,640,746	237,997,677	303,640,746	237,997,677
Transportation income		60,211,924	49,361,492	60,211,924	49,361,492
Total revenues from sales and services	7, 17, 22	4,688,346,130	3,458,833,965	4,629,989,428	3,351,659,441
COSTS OF SALES AND SERVICES					
Costs of sales and services	7, 9, 20, 22	(4,060,129,114)	(3,079,263,994)	(4,012,278,950)	(2,986,129,793)
Gross profit		628,217,016	379,569,971	617,710,478	365,529,648
Loss on exchange rate		(569,439)	(295,544)	(562,591)	(371,067)
Other income	7, 18	18,360,026	20,760,261	18,669,777	21,113,017
Profit before expenses		646,007,603	400,034,688	635,817,664	386,271,598
Selling expenses		(211,217,927)	(173,065,918)	(211,217,927)	(173,065,918)
Administrative expenses		(132,711,272)	(127,034,797)	(119,230,171)	(114,324,995)
Total expenses	20	(343,929,199)	(300,100,715)	(330,448,098)	(287,390,913)
Profit before finance cost and income tax		302,078,404	99,933,973	305,369,566	98,880,685
Finance cost		(8,701,290)	(6,258,796)	(8,192,925)	(5,403,864)
Profit before income tax		293,377,114	93,675,177	297,176,641	93,476,821
Income tax	21	(58,796,238)	(18,254,180)	(58,796,238)	(18,254,180)
Profit for the year		234,580,876	75,420,997	238,380,403	75,222,641

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2021

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2021	2020	2021	2020
Other comprehensive income :					
Item that will be reclassified subsequently to profit or loss					
Translation adjustments for					
foreign currency financial statements		443,813	274,685	-	-
Item not to be reclassified subsequently to profit or loss					
Actuarial gain - net of tax	21	2,304,761	-	2,304,761	-
Other comprehensive income for the period - net of tax					
		2,748,574	274,685	2,304,761	-
Total comprehensive income for the year					
		237,329,450	75 695,682	240,685,164	75,222,641
Attribution of profit (loss) for the year					
Portion of the Company's shareholders		235,056,567	75 432,628	238,380,403	75,222,641
Portion of non - controlling interests in subsidiary	11	(475,691)	(11,631)	-	-
TOTAL					
		234,580,876	75 420,997	238,380,403	75,222,641
Attribution of comprehensive income (loss) for the year					
Portion of the Company's shareholders		237,760,760	75 679,845	240,685,164	75,222,641
Portion of non - controlling interests in subsidiary	11	(431,310)	15,837	-	-
TOTAL					
		237,329,450	75 695,682	240,685,164	75,222,641
Basic earnings per share					
Profit of the Company's shareholders (Baht per share)		0.37	0.12	0.37	0.12
Weighted average number of common shares (share)		639,997,880	639 997,880	639,997,880	639,997,880

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2021

Shareholders' equity of the Company									(Unit : Baht)
	Note	Retained earnings			Other components of equity	Total equity of the Company's shareholders	Non-controlling interests' equity	Total shareholders' equity	
		Paid-up share capital	Appropriated for legal reserve	Unappropriated					
<b>CONSOLIDATED F/S</b>									
<b>Balance as at 1 January 2020</b>									
Dividend payment	23	639,997,880	63,999,988	2,178,081,517	(10,823,364)	2,871,256,021	2,785,680	2,874,041,701	
<b>Total transaction with owners</b>		-	-	(105,599,650)	-	(105,599,650)	-	(105,599,650)	
Comprehensive income for the year		-	-	(105,599,650)	-	(105,599,650)	-	(105,599,650)	
Other comprehensive income for the year		-	-	75,432,628	-	75,432,628	(11,631)	75,420,997	
<b>Total comprehensive income for the year</b>		-	-	-	247,217	247,217	27,468	274,685	
<b>Balance as at 31 December 2020</b>		639,997,880	63,999,988	2,147,914,495	(10,576,147)	2,841,336,216	2,801,517	2,844,137,733	
<b>Balance as at 1 January 2021</b>									
Dividend payment	23	639,997,880	63,999,988	2,147,914,495	(10,576,147)	2,841,336,216	2,801,517	2,844,137,733	
<b>Total transaction with owners</b>		-	-	(67,839,457)	-	(67,839,457)	-	(67,839,457)	
Comprehensive income for the year		-	-	(67,839,457)	-	(67,839,457)	-	(67,839,457)	
Other comprehensive income for the year		-	-	235,056,567	-	235,056,567	(475,691)	234,580,876	
<b>Total comprehensive income for the year</b>		-	-	2,304,761	399,432	2,704,193	44,381	2,748,574	
<b>Balance as at 31 December 2021</b>		639,997,880	63,999,988	2,317,436,366	(10,176,715)	3,011,257,518	2,370,207	3,013,627,726	

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2021

### SEPARATE F/S

	Note	Paid-up share capital	Retained earnings		(Unit : Baht)
			Appropriated for legal reserve	Unappropriated	
					Total shareholders' equity
<b>Balance as at 1 January 2020</b>		639,997,880	63,999,988	2,167,794,198	2,871,792,066
Dividend payment	23	-	-	(105,599,650)	(105,599,650)
<b>Total transaction with owners</b>		-	-	(105,599,650)	(105,599,650)
Comprehensive income for the year		-	-	75,222,641	75,222,641
<b>Total comprehensive income for the year</b>		-	-	75,222,641	75,222,641
<b>Balance as at 31 December 2020</b>		639,997,880	63,999,988	2,137,417,189	2,841,415,057
<b>Balance as at 1 January 2021</b>		639,997,880	63,999,988	2,137,417,189	2,841,415,057
Dividend payment	23	-	-	(67,839,457)	(67,839,457)
<b>Total transaction with owners</b>		-	-	(67,839,457)	(67,839,457)
Comprehensive income for the year		-	-	2,304,761	2,304,761
<b>Total comprehensive income for the year</b>		-	-	240,685,164	240,685,164
<b>Balance as at 31 December 2021</b>		639,997,880	63,999,988	2,310,262,896	3,014,260,764

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2021

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before income tax	293,377,114	93,375,177	297,176,641	93,476,821
<b>Adjustments to reconcile profit before income tax</b>				
<b>to net cash provided from (used in) operating activities</b>				
Depreciation	75,776,184	78,375,728	75,133,952	78,207,243
Unrealized (loss) gain on foreign exchange rate	1,651,431	(193,313)	226,817	318,057
Gain (loss) on disposal and write-off assets	(213,159)	65,255	(213,159)	5,034
Bad debt	-	1,335,990	-	1,335,990
Reversal of allowance for excepted credit loss	(150,293)	(2,581,590)	(660,593)	(2,681,590)
Provision (reversal of allowance) for decline value of inventories	(559,426)	491,128	(559,426)	491,128
Provision for employee benefits obligation expense	9,315,043	8,760,698	9,315,043	8,760,698
Finance cost	8,701,290	6,258,796	8,192,925	5,403,864
<b>Cash provided from operations before changes in operating</b>				
<b>assets and liabilities</b>	387,898,184	186,387,869	388,612,200	185,317,245
<b>Decrease (increase) in operating assets</b>				
Trade accounts receivable				
- general customers	(403,896,289)	24,342,785	(416,700,223)	39,161,734
- related companies	(13,732,735)	12,324,822	(10,341,836)	13,071,898
Amounts due from related companies	26,150	(55,321)	(119,267)	(122,775)
Unbilled accrued income	7,090,122	46,226,715	7,090,122	46,226,715
Inventories	(850,941,303)	417,256,663	(844,653,710)	420,788,485
Retentions receivable	5,877,905	7,333,437	5,877,905	7,033,437
Other current assets	(1,453,020)	424,441	(2,116,142)	830,245
Other non - current assets	(2,723,882)	(1,138,498)	(2,712,117)	9,000
<b>Increase (decrease) in operating liabilities</b>				
Trade accounts payable				
- general suppliers	10,076,613	(17,588,527)	8,223,398	(19,350,122)
- related companies	37,514,114	(7,397,386)	36,489,191	(8,690,327)
Accrued cost of installation services	(710,998)	5,324,035	(710,998)	5,824,035
Advances from customers	(54,346,184)	(15,509,060)	(52,492,515)	(15,976,846)
Accrued bonuses	29,037,154	(10,309,275)	29,037,154	(10,009,275)
Other current liabilities	(6,308,168)	463,141	(4,913,796)	347,819
Employee benefits paid	(8,293,913)	(7,286,824)	(8,293,913)	(7,286,824)
Other non - current liabilities	(65,000)	-	-	-
<b>Cash provided from operating activities</b>	<b>(864,951,250)</b>	<b>641,599,017</b>	<b>(867,724,547)</b>	<b>657,174,444</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS (CONTINUED)

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2021

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<b>Cash provided from operating activities (Continued)</b>				
Interest payment	(5,386,823)	(4,153,739)	(4,878,458)	(3,298,807)
Income tax payment	(39,013,514)	(16,509,229)	(39,013,514)	(16,509,229)
<b>Net cash provided from (used in) operating activities</b>	<b>(909,351,587)</b>	<b>620,936,049</b>	<b>(911,616,519)</b>	<b>637,366,408</b>
<b>Cash flows from investing activities</b>				
Proceeds from sales of assets	367,477	81,208	367,477	81,208
Purchase of assets	(32,355,906)	(29,694,523)	(30,751,592)	(29,694,523)
Increase in short - term loan to subsidiary	-	-	(14,518,000)	(12,319,000)
Proceeds from subsidiary's repayment for short - term loans	-	-	12,552,150	6,143,020
<b>Net cash used in investing activities</b>	<b>(31,988,429)</b>	<b>(29,613,315)</b>	<b>(32,349,965)</b>	<b>(35,789,295)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short - term loan				
from financial institutions	727,367,295	(222,456,751)	730,428,453	(231,386,003)
Dividend payment	(67,839,457)	(105,599,650)	(67,839,457)	(105,599,650)
<b>Net cash provided from (used in) financing activities</b>	<b>659,527,838</b>	<b>(328,056,401)</b>	<b>662,588,996</b>	<b>(336,985,653)</b>
Translation adjustments for				
foreign currency financial statements	443,813	274,685	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(281,368,365)</b>	<b>263,541,018</b>	<b>(281,377,488)</b>	<b>264,591,460</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>396,615,710</b>	<b>133,074,692</b>	<b>383,824,146</b>	<b>119,232,686</b>
<b>Cash and cash equivalents at end of year</b>	<b>115,247,345</b>	<b>396,615,710</b>	<b>102,446,658</b>	<b>383,824,146</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS

SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

## 1. NATURE OF OPERATIONS

Siam Steel Service Center Public Company Limited, (“the Company”), is a company registered in Thailand. The company's share are listed for trading on the Stock Exchange of Thailand. The Company is engaged in the manufacturing of accessories made from steel, installing metal roofing and wall panels, and providing steel cutting services. The registered offices of the Company are at the following addresses:

- a) Factory 1 : 51/3 Poochao - Samingprai Road, Tumbon Bangyaparak, Amphur Phrapradeang, Samutprakarn
- b) Factory 2 : 51/11 Poochao - Samingprai Road, Tumbon Bangyaparak, Amphur Phrapradeang, Samutprakarn
- c) Factory 3 : 60/6 Moo 3, Tumbon Mabyangporn, Amphur Pluakdeang, Rayong

The major shareholders of the Company are Okaya & Co., Ltd. (31.50% shareholding) and Siam Steel International Public Company Limited (24.51% shareholding).

The Company has a 90% owned subsidiary in Vietnam which is engaged in the same businesses as the Company.

## 2. BASIS OF FINANCIAL STATEMENT PREPARATION

### 2.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must conform to the official report in Thai.

The consolidated and separate financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use certain critical accounting estimates and to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.



## 2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Siam Steel Service Center Public Company Limited and subsidiary which the Company can exercise control or holding the voting shares more than 50 percentage of total voting shares as follows:

Subsidiary Company	Country of incorporation	Percentage of share held by the Company (%)		Type of Business
		2021	2020	
Siam Steel Vietnam Co., Ltd.	Vietnam	90	90	Manufacturing and sale of roof-formed steel, and steel products for automobile, for construction, for furniture and electronics industries

The percentage of subsidiary's total assets as of 31 December 2021 and 2020 and total revenues for the years ended 31 December 2021 and 2020 as included in the consolidated financial statements are as follows:

Subsidiary company	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2021	2020	2021	2020
Siam Steel Vietnam Co., Ltd.	1.63	2.26	1.28	3.31

Significant intercompany balances and transactions and investment in subsidiary have been eliminated in the preparation of consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events as used for the preparation of separate financial statements.

## 2.3 Effect from the pandemic of Coronavirus Disease 2019

The Coronavirus disease 2019 pandemic has been continually evolved, resulting in an economic slowdown and adversely impacted most businesses and industries. This situation has brought about uncertainties that impacted the country's economy significantly. However, such event did not have significant negative impact to the Company's operations. The Company's management has continuously monitored ongoing impact on the Company's business and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities based on estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this report.

## 2.4 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

### 2.4.1 Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No.8 “Accounting policies, Changes in Accounting Estimates and Errors”

The amendment was made to the definition of “Materiality” to comply with the Financial Reporting Standards and frameworks, including the explanation that clarified the materiality application to Thai Financial Reporting Standard No. 1. The amendment also causes consequential amendments to other Thai Financial Reporting Standards including TAS 8, TAS 10, TAS 34 and TAS 37.

### 2.4.2 Thai Financial Reporting Standard No.3 “Business combinations”

This standard was amended to provide more consideration as follows;

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.
- The amendment to the definition of “Business” for consideration the business combination to include, at a minimum, an input and a substantive process that are collectively significant contribution to the ability to create outputs. Furthermore, the amendment was also made for the definition of “Outputs” which is to focus on goods and services provided to customers with the removal of the reference to an ability to lower the costs.

### 2.4.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

These financial reporting standards change specific hedge accounting requirements to relief the uncertainty impacted from interest rate benchmark reform, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to disclose information of all hedging relationships directly affected by such uncertainty.

### 2.4.4 Conceptual Framework for Financial Reporting

The conceptual framework amends the definition of assets and liabilities, and criteria for recognizing assets and liabilities in financial statements by including the principles and the implementation guideline as follows:

- The measurement of transactions including factors to be considered in selecting a basis for measurement
- Presentation and disclosure, including the classification of revenue and expenses under other comprehensive income.
- Derecognition of assets and liabilities from the financial statements.

In addition, this framework also describes about the responsibilities by function, the conservative approach, and the uncertainty in the measurement value in the preparation of financial information. This revised conceptual framework causes the changes in conceptual framework in other financial reporting standards including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

#### 2.4.5 Thai Financial Reporting Standard No.16 “Lease”

This TFRS was amended regarding the discount on lease rental payment relating to Covid-19 by giving the option for the lessee not to re-assess the discounted rental relating to Covid-19, that meet the condition of the standard, as the lease modification.

However, the Group has just adopted this revised Thai Financial Reporting Standard, that becomes effective for the accounting periods beginning on or after 1 January 2021 for the first time, and has not early adopted this Thai Financial Reporting Standard. The adoption of this Financial Reporting Standard therefore has no impact on the group's financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Revenue recognition

Revenue is recognized when customers obtain control of the goods or services for amounts that reflect the consideration to which the Company and subsidiary expect to be entitled, excluding those amounts collected on behalf of third parties, and value added tax, and after deduction of trade discounts and volume rebates.

##### *Sales of goods and steel cutting services*

Revenue from sales of goods and steel cutting services are recognized when customer obtains control of goods, generally on delivery of the goods to the customer. For contracts that permit the customer to return goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

##### *Installation income*

Installation income is recognized overtime based on survey of the percentage of completion of work. The survey of physical completion of work is determined by the Company's engineers coupled with the computation of the percentage of actual costs to total estimated costs. The related costs are recognized in profit or loss as incurred.

Other income is recognized on an accrual basis.

#### 3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

### 3.3 Trade and other accounts receivable and contract assets and liabilities

Receivable is recognized when the Company and subsidiary have an unconditional right to receive consideration. If revenue has been recognized before the Company and subsidiary have an unconditional right to receive consideration, the amount is presented as a contract asset.

The Company and subsidiary recognize contract assets when the revenues have been recognized before the Company and subsidiary have an unconditional right to receive consideration are presented as “Unbilled accrued income” in the statement of financial position. A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognized when the Company and subsidiary receive or have an unconditional right to receive non-refundable consideration from the customer before the Company and subsidiary recognize the related revenue. It is presented as “Advances from customers” in the statement of financial position.

Trade accounts receivable and contract assets are presented at the net realizable value.

The Company and subsidiary apply the TFRS 9 to measuring expected credit losses by the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables are grouped by the number of days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, and accordingly adjusted by reference to the historical loss rates based on expected changes. Moreover, the Company and subsidiary determined the collection of specific accounts receivable. The impairment losses are recognized in profit or loss under administrative expenses.

### 3.4 Inventories

Inventories are stated at the lower of costs or net realizable values. Costs are calculated by the following methods:

Finished goods, work in process and work in process of installation	- at the aggregate costs of raw materials plus the systematic estimated direct labour and overhead, which approximate actual costs.
Raw materials	- at cost (specific identification method).
Spare parts and supplies	- at cost (first-in, first-out method).

Net realizable value is the estimated selling price in the ordinary course of business less the expenses necessary to make the products ready for sale. Including of selling expense such as transportation expenses etc.

Allowance is made for all deteriorated, damaged, and slow-moving inventories based on the estimates made by the management.

The obligation to receive returned products is recognized when the products are expected to be returned by customers and measured by reference to the original cost of the products sold, less any expected costs to receive returns of those products.

### 3.5 Investment in subsidiary

Investment in subsidiary is stated at cost in the separate financial statements. The Company recognizes gain or loss on sale of investment in the statement of profit or loss, in the period which sale occurs. In the case of impairment, the Company will recognize loss from impairment of investment as expense in the statement of profit or loss. The Company recognises dividend income when the subsidiary declares the payment of its dividends.

### 3.6 Investment properties

The Company's land not used in operations and building thereon are considered as investment properties which are measured initially at cost, including transaction costs. There are subsequently measured at costs net of allowance for impairment (if any).

The Company will recognize the difference between the net disposal proceeds and the carrying amount of the asset in the statement of profit or loss in the year when the asset is derecognized.

### 3.7 Property, plant and equipment

Property, plant and equipment are stated at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset to bring it to the location and condition necessary for its intended use. Plant and equipment in the statement of financial position are stated at costs less accumulated depreciation and allowance for loss on impairment of assets (if any).

The Company and subsidiary depreciate their buildings and equipment by the straight - line method over the estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimate useful lives of the assets are as follows:

Buildings and improvements	20 years
Machinery and equipment	5 – 10 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incur.

*Borrowing costs*

The Company and subsidiary capitalize borrowing costs on credit acquired for the construction of factories and machinery under installation. The capitalization of borrowing costs is discontinued when the factory construction and machine installation are completed and ready for their intended use. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

**3.8 Impairment of assets**

The Company and subsidiary assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company and subsidiary make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

**3.9 Foreign currency transactions**

The Company translated foreign currency transactions into Thai Baht for bookkeeping purpose at the exchange rates prevailing at the dates of transactions. Balances of monetary assets and liabilities, denominated in foreign currency, at the end of year are translated into Baht at the exchange rates at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities, denominated in foreign currencies, are recognized as gain or loss in the statement of profit or loss.

*Financial Statements of Foreign Subsidiary*

The financial statements of a subsidiary in foreign currency are translated into Baht for consolidation as follows:

Assets and liabilities	- At the fiscal year closing rate
Share capital	- At the historical rate when the transaction was executed
Income and expenses	- At average rate of exchange during the year
Cumulative translation adjustments	- Shown under shareholders' equity in the consolidated financial statements

The above rates should not be construed that all assets, liabilities, income and expenses can be realized at those rates.

### 3.10 Income tax

The income tax expense recognized in profit or loss for the year comprises deferred income taxes and current income tax not recognized in other comprehensive income or directly in equity.

#### *Current income tax*

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

#### *Deferred income tax*

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose.

Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the Revenue Department on a net basis or when tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.11 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors or officers with authority in the planning and directing of the Company's operations.

#### *Subsidiary*

Subsidiary is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control cease.

### 3.12 Employee benefits

#### *Short-term employment benefits*

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognized as expenses when incurred on the accrual basis.

#### *Post-employment benefits (Defined contribution plan)*

The Company and participated employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Company. The fund's assets are held in a separate trustee fund from the Company's and subsidiary's assets. The Company's and subsidiary's contribution to the fund is recognized as expenses when incurred.

#### *Post-employment benefits (Defined benefit plan)*

The Company has obligation in respect of the severance payment to employees upon retirement under the labour law. The Company and subsidiary set up provision for the obligation under the defined benefits plan based on actuarial techniques, using the discount method on each projected unit.

The defined benefits liability comprises the present value of the defined benefit obligation and actuarial gains (losses).

Actuarial gains or losses arising from post-employment benefits are recognized immediately as other comprehensive income.

### 3.13 Financial instruments

#### *Recognition and derecognition*

Financial assets and financial liabilities are recognized when the Company and subsidiary become a party to the contractual provision of the financial instrument.

The Company and subsidiary shall derecognize financial assets when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

#### *Classification and initial measurement of financial assets*

Financial assets are initially recognized at fair value plus or minus direct costs attributable to the acquisition of the asset. However, associated costs relating to financial assets measured at fair value through profit or loss (FVTPL), are recognized as expense in profit or loss.



The Company and subsidiary classify financial assets measurement by amortized cost method, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL) that meet the two following considerations:

1. The entity's business model for managing the financial asset, and
2. The contractual cash flow characteristics of the financial asset.

The Company and subsidiary classified revenue and expenses relating to financial assets that are recognized in profit or loss as finance costs, finance income or other financial items, except for impairment of trade receivables which is presented as other expenses.

#### *Subsequent measurement of financial assets*

##### Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions.

1. The financial assets are held under business model with objective to collect its contractual cash flows, and
2. The contractual financial assets give rise to cash flows that are solely payable for principal and interest on the principal amount outstanding (SPPI).

##### *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are being held by the Company not for purpose to receive contractual cash flows or to receive contractual cash flows and for sale, are to be measured at fair value through profit or loss (FVTPL). Furthermore, irrespective of business model, financial assets which contractual agreement not to generate cash flows but for payments of principal and interest from the balance of principal on due date, are to be measured at fair value through profit or loss including all derivative financial instruments.

##### *Financial assets at fair value through other comprehensive income (FVOCI)*

The Company and subsidiary accounts for financial assets at fair value through other comprehensive income if the assets meet the following conditions:

1. Being held under a business model which objective is "hold to collect" the associated cash flows and sell, and
2. The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) on the specified day.

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

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*Impairment of financial assets*

The Company and subsidiary consider impairment for financial assets at amortized cost and measure fair value through other comprehensive income (FVOCI).

The Company and subsidiary use the simplified approach to recognize impairment of assets that do not have significant financing elements and contractual assets based on the estimated credit losses over the life of such assets from the date of recognition.

In determining the expected credit losses, management groups receivables by types of customers and consider credit risks based on common nature. The expected credit loss rate is determined by reference to the nature of the payment in the past, information of credit losses from experience, external factors, and future factors that may affect debtor payment.

The Company and subsidiary assess credit risk on financial assets at the end of every year to determine whether there has been a significant change.

The Company and subsidiary consider and recognize the expected credit loss by taking into account the past experience coupled with the future situation. The recognized credit losses arose from the weighted average credit loss probability determined from expected non-collection discounted with the effective interest rate at the commencement date of the contract.

Losses and reversals of impairment losses are recorded in profit or loss separately.

*Classification and measurement of financial liabilities*

The Company and subsidiary classify the financial instruments issued by the Company and subsidiary as financial liabilities or equity instruments based on contractual obligations to deliver the financial assets to other persons or entities.

The Company's and subsidiary's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs of financial liability.

*Subsequent measurement of financial liabilities*

Financial liabilities are subsequent measured at amortized cost. Interest expense is to be calculated by using effective interest rate and charged to statement of profit or loss.

### 3.14 Basic earnings per share

Basic earnings per share are determined by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

### 3.15 Dividends

Dividends are recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors of the Company.

### 3.16 Segment information

Segmental results that are reported to the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3.17 Use of accounting estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent asset and liabilities. Actual results may differ from those estimates.

### 3.18 Provisions for liabilities and expenses, and contingent assets

The Company and subsidiary recognize provision for liabilities and expenses in the financial statements when the Company and its subsidiary have legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent asset will be recognized as separate asset only when the realization is virtually certain.

## **4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT**

### 4.1 Critical accounting estimates, assumption and judgments

#### 4.1.1 Recognition of installation income

Recognition of installation income requires significant judgment in determining the percentage of work performed and the estimated costs to complete the work (see Note 3.1).

#### 4.1.2 Impairment of trade accounts receivable

The Company and subsidiary set an allowance for expected credit loss to reflect impairment of trade accounts receivable resulting from possible non-collection of receivables. The allowance for expected credit loss is based on a review of the expected credit loss. Management groups receivables by types of customers and consider credit risks that are of a common nature. The expected credit loss rate is determined based on the nature of the payments in the past, information of credit losses experience, external factors, and future factors that may affect customer's payments. The Company and subsidiary assess credit risk on financial assets at the end of every fiscal year to determine whether there has been a significant change.

#### 4.1.3 Allowance for decline value of inventories

The Company and subsidiary provide allowances for decline value of inventories to reflect impairment. The allowances are based on consideration of inventory turnovers and deterioration of each category.

#### 4.1.4 Plant and equipment

Management determines the estimated depreciation and amortization method, useful lives and residual values for the Company's and subsidiary's plant and equipment at the end of the year and revises the depreciation and amortization charges where the depreciation and amortization method, useful lives and residual values previously estimated have changed or subject to be written down for their obsolescence or if they are no longer in use.

#### 4.1.5 Impairment of assets

The Company and subsidiary treat asset as impaired when there have been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires management judgment.

#### 4.1.6 Post - employment benefits

The employee benefits obligation for employee retirement is determined based on actuarial valuation. Inherent within this calculation is assumption as to discount rate, future salary adjustment, mortality rate and demographic factor. Actual post-retirement cost may ultimately differ from this estimate.

#### 4.1.7 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's and subsidiary's future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### 4.1.8 Estimated installation project costs

The Company and subsidiary estimate costs of installation projects based on details of the installation work, taking into account the volume and value of installation materials to be used in the project, labour costs and other miscellaneous costs to be incurred to complete the service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

#### 4.2 Capital risk management

The Company's objective in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company and subsidiary may adjust the dividend payment to shareholders, issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

### 5. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Cash on hand	1,062	1,165	1,000	1,000
Cash at banks - Current accounts	44,358	25,949	36,278	19,307
- Saving accounts	61,885	367,152	57,226	361,167
Cheques in transit	7,942	2,350	7,942	2,350
Total	115,247	396,616	102,446	383,824

## 6. TRADE ACCOUNTS RECEIVABLE

As at 31 December 2021 and 2020, the aged trade accounts receivable are as follows:

	Consolidated Statements		(Unit : Thousand Baht) Separate Statements	
	2021	2020	2021	2020
<u>Trade accounts receivable - general customers - net</u>				
Not yet due	1,157,690	782,881	1,157,690	782,881
Overdue :				
Less than 3 months	53,638	20,890	41,230	5,818
3 - 6 months	4,837	13,750	4,513	2,280
6 - 12 months	2,809	3,681	2,281	2,822
Over 12 months	27,286	21,163	24,115	19,328
Total	1,246,260	842,365	1,229,829	813,129
<u>Less Allowance for expected credit loss</u>	<u>(14,439)</u>	<u>(14,590)</u>	<u>(13,929)</u>	<u>(14,590)</u>
Net	<u>1,231,821</u>	<u>827,775</u>	<u>1,215,900</u>	<u>798,539</u>
<u>Trade accounts receivable - related companies</u>				
Not yet due	54,946	41,213	54,946	42,019
Overdue :				
Less than 3 months	-	-	-	1,944
3 - 6 months	-	-	-	641
6 - 12 months	-	-	-	-
Total	<u>54,946</u>	<u>41,213</u>	<u>54,946</u>	<u>44,604</u>

The Company and subsidiary do not set up allowance for expected credit loss in full amount for trade accounts receivable overdue over 12 months because most of those are under installment payments and/or covered by collateralized assets to guarantee the payments. If the Company cannot collect the payments from customers, it can confiscate such assets. Based on the Company management's assessment, the value of collateralized assets is worth more than the outstanding receivables.

During the year, the movement in allowance for expected credit loss are as follow:

	(Unit : Thousand Baht) Consolidated Statements		Separate Statements	
Balance as at 1 January 2021	(14,590)		(14,590)	
<u>Less Reversal of allowance for expected credit loss</u>	<u>151</u>		<u>661</u>	
Balance as at 31 December 2021	<u>(14,439)</u>		<u>(13,929)</u>	

## 7. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties involving assets, liabilities, sales, other income, cost of sales and selling and administrative expenses. Those transactions as included in the financial statements are determined at the prices in line with those occurred in the normal course of business based on the market prices in general or the price as stipulated in the agreement, if there is no comparable market price.

Name	Country of incorporation	Type of Business	Relationship
Siam Steel Vietnam Co., Ltd.	Vietnam	Manufacturing and sale of formed iron roof, steel products for automobile, for construction, for furniture and for electronics industries	Subsidiary
Vina Okaya International Co., Ltd.	Vietnam	Trading of iron and steel, non-ferrous metal	Same shareholder
Vina Steel Center Co., Ltd.	Vietnam	Trading of iron and steel, non-ferrous metal and warehousing	Same shareholder
Okaya & Co., Ltd.	Japan	Steel brokerage, metallic machine, steel pipe, chemical and etc.	Company's major shareholder
Siam Steel International Public Co., Ltd.	Thailand	Manufacturing and distribution of steel furniture	Co-Directorship and Company's major shareholder
Nippon Steel Pipe (Thailand) Co., Ltd.	Thailand	Manufacturing and distribution of steel pipe for automobile and semi manufacturing industry	Directorship and same shareholder
Union Auto Parts Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution of auto parts	Directorship and same shareholder
Siam Goshi Manufacturing Co., Ltd.	Thailand	Manufacturing and distribution parts and equipment of motorcycle and engines	Directorship and same shareholder
Siam Suriya Co., Ltd.	Thailand	Trading of iron and steel	Directorship and same shareholder
Okaya (Thailand) Co., Ltd.	Thailand	Steel brokerage, metallic machine, steel pipe, chemical and etc.	Directorship and same shareholder
Siam MTK Co., Ltd.	Thailand	Steel brokerage, metallic machine, steel pipe, chemical and etc.	Same shareholder
Siam Environmental Technology Co., Ltd.	Thailand	Providing of utilities	Same shareholder
Nippon Steel Logistics (Thailand) Co., Ltd.	Thailand	Transportation, storage and distribution of paper storage	Subsidiary of Siam Nippon Steel Logistics Co., Ltd.
Unity Service Co., Ltd.	Thailand	Providing of utilities and nursing facilities	Directorship

## Pricing policies

Transactions	Pricing policies
Sales and installation income	Market price
Steel cutting services income and other income	Market price
Rental income	Market price
Purchase of raw materials	Market price
Expenses and other purchases	Market price
Purchase of assets	Market price
Interest income	Agreed rate

Significant transactions with related parties for the years ended 31 December 2021 and 2020 are as follow:

	(Unit : Thousand Baht)	
	Consolidated Statements	Separate Statements
Transaction with Related company	For the years ended 31 December	
	2021	2020
	2021	2020
<b>Sales and installation income</b>		
Subsidiary	-	-
Related companies	146,066	114,861
Total	146,066	114,861
<b>Steel cutting services income and other income</b>		
Related companies	15,268	11,017
<b>Rental income</b>		
Related companies	4,050	4,788
<b>Purchase of raw materials</b>		
Related companies	3,937,333	1,748,986
<b>Expenses and other purchases</b>		
Related companies	26,511	21,418
<b>Purchase of assets</b>		
Related companies	12	63
<b>Interest income</b>		
Subsidiary	727	-



	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
Transaction with Related company	For the years ended 31 December			
	2021	2020	2021	2020
<b>Directors and key management personnel compensation</b>				
Current directors and management benefits	24,500	29,972	24,500	29,972
Post -employment benefits	3,417	1,755	3,417	1,755
Total	27,917	31,727	27,197	31,727

As of 31 December 2021 and 2020, the outstanding balances with related companies are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
<u>Trade accounts receivable</u>				
Subsidiary	-	-	-	3,391
Related companies	54,946	41,213	54,946	41,213
Total	54,946	41,213	54,946	44,604
<u>Amounts due from</u>				
Subsidiary	-	-	295	150
Related companies	82	108	82	108
Total	82	108	377	258
<u>Short-term loan to</u>				
Subsidiary	-	-	14,961	11,947

During the years ended 31 December 2021 and 2020 the movements in short-term loans to subsidiary with no collateral, with interest at the rate of 4.50% per annum, which are due at call follow:

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Balance as of 1 January	-	-	11,947	5,995
<u>Add:</u> Additional loan granted	-	-	14,518	12,319
<u>Less:</u> Received of repayment	-	-	(12,552)	(6,143)
Unrealized gain (loss) from foreign exchange rate	-	-	1,048	(224)
Balance as of 31 December	-	-	14,961	11,947
<u>Trade accounts payable</u>				
Related companies	102,765	63,951	99,679	61,890
<u>Key management personnel compensation</u>				
Post - employee benefit	24,280	22,973	24,280	22,973

## 8. CONTRACTS ASSETS AND CONTRACT LIABILITIES

The Company and subsidiary have outstanding balances of contracts assets and contract liabilities with customers as follow:

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
<b>Contracts assets</b>				
Unbilled accrued income	105,511	112,601	105,511	112,601
Retention receivable as per contracts	15,609	21,487	15,609	21,487
Total contracts assets	121,120	134,088	121,120	134,088
<b>Contracts liabilities</b>				
Advances from customers	3,928	58,274	3,928	56,420
Total contracts liabilities	3,928	58,274	3,928	56,420

8.1 Unbilled accrued income and advances from customers

(Unit : Thousand Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2021	2020	2021	2020
<b>Unbilled accrued income</b>				
Contract sales value	398,788	293,721	398,788	293,721
Accumulated amount recognized as revenue on percentage of completion basis	287,329	210,718	287,329	210,718
<u>Less</u> Amounts billed per contract	(181,818)	(98,117)	(181,818)	(98,117)
Unbilled accrued income	105,511	112,601	105,511	112,601
<b>Retentions receivable</b>	15,609	21,487	15,609	21,487
<b>Advances from customers</b>				
Amounts received per contracts	58,250	106,339	58,520	100,160
Total amounts billed	49,903	86,211	49,903	86,211
<u>Less</u> Accumulated amount recognized as revenue by percentage of completion basis	(45,975)	(27,937)	(45,975)	(29,791)
Advances from customers	3,928	58,274	3,928	56,420

8.2 Revenue expected to be recognized from existing contracts

As of 31 December 2021, the Company and subsidiary expected to recognize revenue from performance obligations of existing contracts that are not yet completed (or partially completed) under contracts with customers totalling Baht 139.24 million (Separate Statement : Baht 123.72 million).

## 9. INVENTORIES

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Raw materials	1,228,777	464,556	1,213,618	451,715
Finished goods	189,746	107,291	189,746	107,291
Work in process	70,208	59,833	60,257	53,851
Spare parts and supplies	48,590	54,457	48,590	54,457
Raw materials in transit	29,120	29,363	29,120	29,363
Total	1,566,441	715,500	1,541,331	696,677
<u>Less</u> Allowance for decline value of inventories	-	(559)	-	(559)
Net	1,566,441	714,941	1,541,331	696,118

The Company and subsidiary have movements in allowances for decline value of inventories for the years ended 31 December 2021 as follow:

	(Unit : Thousand Baht)	
	Consolidated	Separate Statements
	2021	
Balance as of 1 January 2021	559	
Decrease	(559)	
Balance as of 31 December 2021	-	

Costs of inventories which were recognized as expenses for the years ended 31 December 2021 and 2020 are as follows:

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Costs of goods sold	4,060,688	3,078,773	4,012,838	2,985,639
Provision (reversal of allowance) for decline value of inventories	(559)	491	(559)	491
Net	4,060,129	3,079,264	4,012,279	2,986,130

## 10. INVESTMENT IN SUBSIDIARY COMPANY

(Unit : Thousand Baht)						
Company	Type of business	Paid - up share capital	Percentage of holding		Separate Statements	
			2021	2020	2021	2020
<u>Investment in subsidiary company</u>						
Siam Steel Vietnam Co., Ltd.	Manufacturing and sale of roof- formed steel, steel products for automobile, for construction, for furniture and electronics industries	26,698	90.00	90.00	24,029	24,029
Total					24,029	24,029

## 11. NON – CONTROLLING INTEREST

The subsidiary which portions of interest is not under control of the Company is detailed below:

(Unit: Thousand Baht)

Name	Proportion of ownership interests and voting rights held by the NCI		Total comprehensive income allocated to NCI		Accumulated NCI	
	2021	2020	2021	2020	2021	2020
Siam Steel Vietnam Co., Ltd.	10%	10%	(431)	16	2,370	2,802

Summarized financial information of Siam Steel Vietnam Co., Ltd. before elimination is as follow:

(Unit: Thousand Baht)

	2021	2020
Current assets	54,630	63,094
Non - current assets	14,458	12,261
Total assets	69,088	75,355
Current liabilities	45,905	47,347
Non - current liabilities	-	65
Total liabilities	45,905	47,412
Cumulative translation adjustments	(11,827)	(11,823)
Shareholders' equity	35,010	39,766
Equity attributable to non - controlling interests	2,370	2,802
Revenue	59,780	114,632
Loss for the year attributable to the Company's shareholders	(4,283)	(104)
Loss for the year attributable to non-controlling interests	(476)	(12)
Loss for the year	(4,759)	(116)
Total comprehensive income attributable to the Company's shareholders	(3,882)	142
Total comprehensive income attributable to non-controlling interests	(431)	16
Total comprehensive income for the year	(4,313)	158
Net cash used in investing activities	(1,604)	-
Net cash provided from (used in) operating activities	2,937	(15,828)
Net cash provided from (used in) financing activities	(1,324)	14,778
Net cash in (out) flows	9	(1,050)

**12. INVESTMENT PROPERTIES**

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	2020
Land	24,621	24,621
Land and buildings	6,734	6,734
Total	31,355	31,355

As of 31 December 2021, the fair value of above investment properties, based on the market price of other properties in the nearby area, is approximately Baht 60.36 million (2020 : Baht 60.36 million).

(Unit : Thousand Baht)

	Consolidated Statements							
	Land	Building and building improvement	Machinery And equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	Total
<b>Cost</b>								
1 January 2020	412,087	848,541	1,171,060	95,340	61,725	-	-	2,588,753
Acquisition	-	1,925	10,026	2,744	90	3,809	11,101	29,695
Disposal	-	-	(7,030)	(24,966)	(74)	-	-	(32,070)
Transfer in (out)	-	1,663	7,492	-	-	(1,663)	(7,492)	-
31 December 2020	412,087	852,129	1,181,548	73,118	61,741	2,146	3,609	2,586,378
Acquisition	-	308	12,307	4,856	163	5,736	8,987	32,357
Disposal	-	-	(160)	(1,097)	(309)	-	-	(1,566)
Transfer in (out)	-	3,497	6,723	-	-	(3,497)	(6,723)	-
31 December 2021	412,807	855,934	1,200,418	76,877	61,595	4,385	5,873	2,617,169
<b>Accumulated depreciation</b>								
1 January 2020	-	508,604	770,395	87,095	51,591	-	-	1,417,685
Depreciation for the year	-	18,469	54,448	3,455	2,603	-	-	78,975
Accumulated depreciation for disposal items	-	-	(7,030)	(24,922)	(31)	-	-	(31,983)
31 December 2020	-	527,073	817,813	65,628	54,163	-	-	1,464,677
Depreciation for the year	-	18,468	51,777	3,198	2,271	-	-	75,714
Accumulated depreciation for disposal items	-	-	(160)	(1,062)	(189)	-	-	(1,411)
Different of exchange rate	-	(1,310)	(86)	-	-	-	-	(1,396)
31 December 2021	-	544,231	869,344	67,764	56,245	-	-	1,537,584

(Unit : Thousand Baht)

## Consolidated Statements

	Land	Building and building improvement	Machinery And equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	Total
<b>Net book value</b>								
31 December 2020	412,087	325,056	363,735	7,490	7,578	2,146	3,609	1,121,701
31 December 2021	412,087	311,703	331,074	9,113	5,350	4,385	5,873	1,079,585
<b>Depreciation for the year 2020</b>								
Cost of sale and service								72,746
Selling and administrative expenses								6,229
Total								78,975
<b>Depreciation for the year 2021</b>								
Cost of sale and service								69,998
Selling and administrative expenses								5,716
Different of exchange rate								(1,396)
Total								74,318



(Unit : Thousand Baht)

## Separate Statements

	Land	Building and building improvement	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	Total
<b>Cost</b>								
1 January 2020	412,087	830,820	1,158,285	95,340	61,725	-	-	2,558,257
Acquisition	-	1,925	10,026	2,744	90	3,809	11,101	29,695
Disposal	-	-	(7,030)	(24,966)	(74)	-	-	(32,070)
Transfer in (out)	-	1,663	7,492	-	-	(1,663)	(7,492)	-
31 December 2020	412,087	834,408	1,168,773	73,118	61,741	2,146	3,609	2,555,882
Acquisition	-	307	10,703	4,856	163	5,736	8,987	30,752
Disposal	-	-	(160)	(1,097)	(309)	-	-	(1,566)
Transfer in (out)	-	3,497	6,723	-	-	(3,497)	(6,723)	-
31 December 2021	412,087	838,212	1,186,039	76,877	61,595	4,385	5,873	2,585,068
<b>Accumulated depreciation</b>								
1 January 2020	-	499,801	758,250	87,095	51,591	-	-	1,396,737
Depreciation for the year	-	18,199	53,950	3,455	2,603	-	-	78,207
Accumulated depreciation for disposal items	-	-	(7,030)	(24,922)	(31)	-	-	(31,983)
31 December 2020	-	518,000	805,170	65,628	54,163	-	-	1,442,961
Depreciation for the year	-	18,158	51,507	3,198	2,271	-	-	75,134
Accumulated depreciation for disposal items	-	-	(160)	(1,062)	(189)	-	-	(1,411)
31 December 2021	-	536,158	856,517	67,764	56,245	-	-	1,516,684
<b>Net book value</b>								
31 December 2020	412,087	316,408	363,603	7,490	7,578	2,146	3,609	1,112,921
31 December 2021	412,087	302,054	329,522	9,113	5,350	4,385	5,873	1,068,384

(Unit : Thousand Baht)

## Separate Statements

	Land	Building and building improvement	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Machinery under installation	Total
<b>Depreciation for the year 2020</b>								
Cost of sale and service								72,247
Selling and administrative expenses								5,960
Total								<u>78,207</u>
<b>Depreciation for the year 2021</b>								
Cost of sale and service								69,418
Selling and administrative expenses								5,716
Total								<u>75,134</u>

As of 31 December 2021 and 2020, the consolidated and separate financial statements include fully depreciated assets but still in use with total cost of Baht 1,452.60 million and Baht 1,345.17 million, respectively.

**14. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS**

(Unit : Thousand Baht)

	Interest rate per annum		Consolidated Statements	
	2021	2020	2021	2020
Bank overdraft	5.82 - 5.95	5.82 - 5.95	24	723
Liabilities under trust receipts	1.20 - 1.35	1.75 - 1.95	113,707	-
Short - term loans	0.86 - 4.50	1.60 - 5.00	636,997	20,865
Total			750,728	21,588

(Unit : Thousand Baht)

	Interest rate per annum		Separate Statements	
	2021	2020	2021	2020
Bank overdraft	5.82 - 5.95	5.82 - 5.95	24	723
Liabilities under trust receipts	1.25 - 1.35	1.75 - 1.95	113,707	-
Short - term loans	0.86 - 1.30	1.60 - 2.01	617,420	-
Total			731,151	723

As of 31 December 2021 and 2020, the Company and subsidiary have credit facilities in the form of bank overdraft, promissory note, liabilities under trust receipt agreements and others as follow:

(Unit : Million Baht)

	Currency	Consolidated/Separate Statements					
		2021			2020		
		Total	Utilized	Remained	Total	Utilized	Remained
Letters of guarantee	Baht	130	11	119	130	6	124
Bank overdraft	Baht	280	-	280	280	1	279
Liabilities under trust receipts	Baht	3,050	227	2,823	3,050	-	3,050
Short-term loans	Baht	2,680	504	2,176	2,680	-	2,680

## 15. LIABILITIES UNDER EMPLOYEE BENEFITS OBLIGATION

Movements in employee benefits obligation for the years ended 31 December 2021 and 2020 are as follows:

	(Unit : Thousand Baht)	
	Consolidated Separate Statements	
	2021	2020
Employee benefit obligation at 1 January	105,799	101,786
Current service cost	9,315	8,761
Interest expense	2,822	2,539
Actuarial gain	(2,881)	-
Employee benefit paid during the year	(8,294)	(7,287)
Employee benefit obligation at 31 December	106,761	105,799
Reclassified to current portion	(7,365)	(5,608)
Net	99,396	100,191
Total unfunded	106,761	105,799

Principal actuarial assumptions at the reporting date for the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
Discount rate	2.14 percent per annum	2.63 percent per annum
Future salary average increment rate	3.50 - 7.00 percent per annum	4.00 - 7.50 percent per annum
Normal retirement age	60 years except the company set otherwise	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017
Total employee	813 persons	801 persons

The present value of the defined benefits obligation was measured using the projected unit credit method.

*Employee benefits obligation expenses*

Amounts recognized in profit or loss relating to the employee benefits obligation are as follows:

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	2020
Current service cost	9,315	8,761
Interest expense	2,822	2,539
Total expenses recognized in profit or loss	12,137	11,300

The current service cost is included in employee benefits expense. The interest expense is included in finance costs.

Amounts recognized in other comprehensive income related to the employee benefits obligation are as follows:

	(Unit : Thousand Baht)	
	CONSOLIDATED AND SEPARATE STATEMENTS	
	2021	2020
Actuarial gain from change in demographic assumptions	2,881	-
Total expenses recognized in other comprehensive income	2,881	-

All expenses summarized above are included in items that will not be reclassified subsequently to profit or loss.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

		(Unit : Thousand Baht)	
		Consolidated/Separate Statements	
		2021	
		Increase 1%	Decrease 1%
<b>Discount rate</b>			
Increase (decrease) in the defined benefit liability		(7,742)	8,923
<b>Salary growth rate</b>			
Increase (decrease) in the defined benefit liability		9,235	(8,184)
<b>Staff turnover rate</b>			
Increase (decrease) in the defined benefit liability		(1,924)	2,059

As of 31 December 2021, expected maturity of employee benefits obligation before discount are as follow:

		(Unit : Thousand Baht)	
		Consolidated/Separate Statements	
Within one year			7,339
Between 2 - 5 years			42,497
Between 5 - 10 years			50,358
More than 10 years			104,988
Total			205,182

**16. LEGAL RESERVE**

Under the provisions of the Public Limited Companies Act, B.E. 2535, the Company is required to appropriate at least 5% of its annual net income, after deduction of the deficit (if any), as a legal reserve until the reserve reaches 10% of authorized share capital. This legal reserve is not available for dividend distribution.

## 17. REVENUES

The Company and subsidiary classified revenues information by geographic areas as follows:

(Unit : Thousand Baht)

	Consolidated Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transport income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Thailand	4,263,929	3,044,348	303,641	237,998	60,212	49,361	4,627,782	3,331,707
Vietnam	58,357	107,175	-	-	-	-	58,357	107,175
Cambodia	927	19,404	-	-	-	-	927	19,404
Myanmar	-	548	-	-	-	-	-	548
Japan	1,280	-	-	-	-	-	1,280	-
Total	4,324,493	3,171,475	303,641	237,998	60,212	49,361	4,688,346	3,458,834

(Unit : Thousand Baht)

	Separate Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transport Income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Thailand	4,262,506	3,036,891	303,641	237,998	60,212	49,361	4,626,359	3,324,250
Vietnam	1,424	7,457	-	-	-	-	1,424	7,457
Cambodia	927	19,404	-	-	-	-	927	19,404
Myanmar	-	548	-	-	-	-	-	548
Malaysia	1,280	-	-	-	-	-	1,280	-
Total	4,266,137	3,064,300	303,641	237,998	60,212	49,361	4,629,990	3,351,659

The Company and subsidiary have disclosed the revenue classification information using income recording methods as follows:

(Unit : Thousand Baht)

	Consolidated Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transportation income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
At point in time	3,684,899	2,391,006	303,641	237,998	59,823	49,075	4,048,363	2,678,079
Over time	639,594	780,469	-	-	389	286	639,983	780,755
Total	4,324,493	3,171,475	303,641	237,998	60,212	49,361	4,688,346	3,458,834

(Unit : Thousand Baht)

	Separate Statements							
	Sales and revenue from installation - net		Steel cutting service income		Transportation income		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
At point in time	3,684,899	2,391,006	303,641	237,998	59,823	49,075	4,048,363	2,678,079
Over time	581,238	673,294	-	-	389	286	581,627	673,580
Total	4,266,137	3,064,300	303,641	237,998	60,212	49,361	4,629,990	3,351,659

**18. OTHER INCOME**

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Rental income	9,730	12,831	9,730	12,831
Other services income	3,959	3,259	3,959	3,259
Claim for damaged steel	605	2,408	605	2,408
Gain on disposal of assets	237	39	237	39
Others	3,829	2,223	4,139	2,576
Total	18,360	20,760	18,670	21,113

**19. PROVIDENT FUND**

The Company has established a contributory registered provident fund in accordance with the Provident Fund Acts B.E. 2530 and 2542. Under the plan, the Company and employees contribute to the Fund at a percentage of the employees' basic salaries. The employees are entitled to receive the Company's contribution upon resignation from the Company after completion of one year service according to the specified contribution rates. The Company's contribution for the years 2021 and 2020, which was charged to operations, amounted to Baht 11.19 million and Baht 10.31 million, respectively.



**20. EXPENSES BY NATURE**

	(Unit : Thousand Baht)			
	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Raw materials and supplies used	3,518,466	2,382,595	3,493,219	2,326,182
Changes in inventories of finished goods and work in progress	(121,539)	50,623	(117,570)	52,787
Salaries, wages, and other employee benefits	471,199	436,764	452,223	415,566
Transportation expense	139,866	118,872	138,681	117,016
Subcontractor fees	80,921	107,852	72,406	91,051
Depreciation	75,776	78,975	75,134	78,207
Packaging expense	58,077	39,911	58,077	39,911
Hire of work	23,555	23,870	23,555	23,870
Repair and maintenance expenses	28,152	24,149	28,072	23,891
Utility expense	24,497	23,039	24,223	22,715
Provision (reversal of allowance) for decline in value of inventories	(559)	491	(559)	491

**21. DEFERRED TAX AND INCOME TAX****21.1 Deferred tax**

Deferred income tax assets and liability are as follows:

	(Unit : Thousand Baht)	
	Consolidated/Separate Statements	
	2021	2020
Deferred income tax assets	24,138	24,189
Deferred income tax liability	(16,044)	(17,717)
Net	8,094	6,472

The movements in deferred income tax assets and liability are as follows :

(Unit: Thousand Baht)

	Consolidated and Separate Statements			
	Recognised as income (expense)			31 December 2021
	1 January 2021	Statement of profit or loss	Other comprehensive income	
<u>Deferred income tax assets</u>				
From allowance for expected credit loss	2,918	(132)	-	2,786
From allowance for decline value of inventories	112	(112)	-	-
From allowance for employee benefits obligation	21,159	769	(576)	21,352
Total	24,189	525	(576)	24,138
<u>Deferred income tax liability</u>				
From excess depreciation for tax computation purpose	(17,717)	1,673	-	(16,044)
Net	6,472	2,198	(576)	8,094

(Unit: Thousand Baht)

	Consolidated and Separate Statements			
	Recognised as income (expense)			31 December 2020
	1 January 2020	Statement of profit or loss	Other comprehensive income	
<u>Deferred income tax assets</u>				
From allowance for expected credit loss	3,454	(536)	-	2,918
From allowance for decline value of inventories	14	98	-	112
From allowance for employee benefits obligation	20,357	802	-	21,159
Total	23,825	364	-	24,189
<u>Deferred income tax liability</u>				
From excess depreciation for tax computation purpose	(18,395)	678	-	(17,717)
Net	5,430	1,042	-	6,472

## 21.2 Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are as follows :

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Current income tax expenses	60,994	19,296	60,994	19,296
Deferred tax	(2,198)	(1,042)	(2,198)	(1,042)
Total	58,796	18,254	58,796	18,254

Income tax recognized in other comprehensive income as follows:

(Unit : Thousand Baht)

	Consolidated and Separate Financial Statements					
	2021			2020		
	Before Tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Actuarial gain	2,881	(576)	2,305	-	-	-

Applicable tax rates for the Company and subsidiary are as follows:

Tax rates (%)

Income tax rate under the Revenue Code for the Company	20.00
Income tax rate for subsidiary in Vietnam	7.50

Income tax for the years ended 31 December 2021 and 2020 are as follows:

(Unit : Thousand Baht)

	Consolidated Statements		Separate Statements	
	2021	2020	2021	2020
Profit before income tax	293,377	93,675	297,177	93,477
Income tax rate	20	20	20	20
Income tax calculated from tax rate	58,675	18,735	59,435	18,695
Reconciling items:				
Tax on non - deductible expenses	4,360	3,900	4,258	3,900
Tax on income tax exempted revenue	(4,141)	(3,776)	(4,141)	(3,776)
Tax on additional deduction of expenses	(756)	(565)	(756)	(565)
Tax on loss (gain) of subsidiary	658	(40)	-	-
Income tax	58,796	18,254	58,796	18,254
Less Prepaid income tax	(36,815)	-	(36,815)	-
Income tax payable	21,981	18,254	21,981	18,254

The Subsidiary has unused taxable loss carried forward of Baht 4.76 million which expire in 2026.

The Subsidiary has not recognized this item as deferred tax assets because it is not probable that the Subsidiary will have sufficient future taxable profit to utilize the benefits therefrom.

## SEGMENT REPORTING

The Company and subsidiary are engaged in manufacturing business of accessories made from steel, installing metal roofing and wall panels, and steel cutting services. Details of core revenues for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	CONSOLIDATED STATEMENTS									
	For the years ended 31 December									
	2021					2020				
	Sales and installation income - net	Steel cutting services income	Transportation income	Eliminated	Total	Sales and installation income - net	Steel cutting services income	Transportation income	Eliminated	Total
Revenues from sales and service	4,325,917	303,641	60,212	(1,424)	4,688,346	3,178,932	237,998	49,361	(7,457)	3,458,834
Costs of sales and services	(3,784,345)	(261,125)	(17,068)	2,409	(4,060,129)	(2,840,307)	(223,033)	(23,729)	7,805	(3,079,264)
Gross profit	541,572	42,516	43,144	985	628,217	338,625	14,965	25,632	348	379,570
Loss on exchange rate					(569)					(296)
Finance cost					(8,701)					(6,259)
Depreciation					(75,776)					(78,975)
Transportation expense					(139,866)					(118,872)
Profit before income tax					293,377					93,675
Total assets					4,236,670					3,298,132
Total liabilities					1,223,043					453,994

(Unit: Thousand Baht)

SEPARATE STATEMENTS								
For the years ended 31 December								
2021				2020				
Sales and installation income - net	Steel cutting services income	Transportation income	Total	Sales and installation income - net	Steel cutting services income	Transportation income	Total	
Revenues from sales and service	4,266,137	303,641	60,212	4,629,990	3,064,300	237,998	49,361	3,351,659
Costs of sales and services	(3,735,271)	(261,125)	(15,883)	(4,012,279)	(2,741,225)	(223,033)	(21,872)	(2,986,130)
<b>Gross profit</b>	<b>530,866</b>	<b>42,516</b>	<b>44,329</b>	<b>617,711</b>	<b>323,075</b>	<b>14,965</b>	<b>27,489</b>	<b>365,529</b>
Loss on exchange rate			(563)					(371)
Finance cost			(8,193)					(5,404)
Depreciation			(75,134)					(78,207)
Transportation expense			(138,681)					(117,016)
Profit before income tax			297,177					93,477
Total assets			4,207,174					3,263,557
Total liabilities			1,192,913					422,142

Major Customers

The Company and subsidiary do not have major customers who can have significant impact on the Company's and subsidiary's business during the years 2021 and 2020.

**23. DIVIDEND PAYMENT**

On 30 April 2021, the Annual General Meeting of shareholders passed a resolution to approve the payment of dividend to common shareholders from the operating results for the year ended 31 December 2020 at Baht 0.106 per share totaling Baht 67,839,457. The payment of dividend was made on 28 May 2021.

On 23 April 2020, the Board of Directors' meeting passed a resolution to approve the payment of interim dividend to common shareholders from the operating results for the year ended 31 December 2019 at Baht 0.165 per share totaling Baht 105,599,650. The payment of dividend was made on 22 May 2020.

**24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The changes in the Company and subsidiary's liabilities arising from financing activities are classified as follows;

	(Unit : Thousand Baht)	
	Bank overdrafts and Short - term loans	
	Consolidated Statements	Separate Statements
<b>Balance at 1 January 2021</b>	21,588	723
<b>Cash - flows:</b>		
Repayment	(4,460,960)	(4,433,426)
Proceeds	5,188,327	5,163,854
<b>Non - cash:</b>		
Different of exchange rate	1,773	-
<b>Balance at 31 December 2021</b>	<u>750,728</u>	<u>731,151</u>
<b>Balance at 1 January 2020</b>	244,203	232,109
<b>Cash - flows:</b>		
Repayment	(4,529,206)	(4,496,653)
Proceeds	4,306,749	4,265,267
<b>Non-cash:</b>		
Different of exchange rate	(158)	-
<b>Balance at 31 December 2020</b>	<u>21,588</u>	<u>723</u>

## 25. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, restricted deposits with banks, trade and other accounts receivable and payable, and loans. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3 to the financial statements.

### 25.1 Interest rate risk

The interest rate risk arose from the changes in market interest rates in the future that will affect the results of the Company and subsidiary's operations and its cash flows. As of 31 December 2021 and 2020, the Company and subsidiary have financial assets and financial liabilities with exposure to interest rate risk as follows:

(Unit : Thousand Baht)

	2021				
	Consolidated Statements				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b><u>Financial assets</u></b>					
Cash and cash equivalents	106,243	-	9,004	115,247	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	1,231,821	1,231,821	-
- related companies	-	-	54,946	54,946	-
Amounts due from related companies	-	-	82	82	-
Unbilled accrued income	-	-	105,511	105,511	-
Total	106,243	-	1,401,364	1,507,607	
<b><u>Financial liabilities</u></b>					
Bank overdrafts and short - term loans from financial institutions	750,728	-	-	750,728	0.86 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	102,101	102,101	-
- related companies	59,120	-	43,645	102,765	2.92 - 2.92
Advances from customers	-	-	3,928	3,928	-
Total	809,848	-	149,674	959,522	

(Unit : Thousand Baht)

2020					
Consolidated Statements					
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	393,100	-	3,516	396,616	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	827,775	827,775	-
- related companies	-	-	41,213	41,213	-
Amounts due from related companies	-	-	108	108	-
Unbilled accrued income	-	-	112,601	112,601	-
Total	393,100	-	985,213	1,378,313	
<b>Financial liabilities</b>					
Bank overdrafts and short - term					
loans from financial institutions	21,588	-	-	21,588	1.60 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	92,024	92,024	-
- related companies	38,406	-	25,545	63,951	2.59 - 3.04
Advances from customers	-	-	58,274	58,274	-
Total	59,994	-	175,843	235,837	

(Unit : Thousand Baht)

2021					
Separate Statements					
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	93,504	-	8,942	102,446	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	1,215,900	1,215,900	-
- related companies	-	-	54,946	54,946	-
Amounts due from related companies	-	-	377	377	-
Short - term loan to subsidiary company	-	14,961	-	14,961	4.50
Unbilled accrued income	-	-	105,511	105,511	-
Total	93,504	14,961	1,385,676	1,494,141	
<b>Financial liabilities</b>					
Bank overdrafts and short - term loans					
from financial institutions	731,151	-	-	731,151	0.86 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	96,146	96,146	-
- related companies	59,120	-	40,559	99,679	2.92 - 2.92
Advances from customers	-	-	3,928	3,928	-
Total	790,271	-	140,633	930,904	

(Unit : Thousand Baht)

	2020				
	Separate Statements				
	Floating Interest Rate	Fixed Interest Rate	No Interest	Total	Interest rate (%)
<b><u>Financial assets</u></b>					
Cash and cash equivalents	380,474	-	3,350	383,824	0.05 - 0.45
Trade accounts receivable					
- general customers - net	-	-	798,539	798,539	-
- related companies	-	-	44,604	44,604	-
Amounts due from related companies	-	-	258	258	-
Short - term loan to subsidiary					
company	-	11,947	-	11,947	4.50
Unbilled accrued income	-	-	112,601	112,601	-
Total	380,474	11,947	959,352	1,351,773	
<b><u>Financial liabilities</u></b>					
Bank overdrafts and short - term loans					
from financial institutions	723	-	-	723	1.60 - 5.95
Trade accounts and notes payable					
- general suppliers	-	-	87,922	87,922	-
- related companies	38,406	-	23,484	61,890	2.59 - 3.04
Advances from customers	-	-	56,420	56,420	-
Total	39,129	-	167,826	206,955	

## 25.2 Foreign exchange risk

The Company and subsidiary have exposure to foreign currency risk relating to the export sales and the importation of production materials, short - term loans to subsidiary and bank overdrafts and short - term loans from financial institutions denominated in foreign currencies. As at 31 December 2021 and 2020, the Company and subsidiary have assets and liabilities in foreign currencies which are considered natural hedging as follows:

	In Thousand Foreign Currencies	
	2021	2020
<b><u>Assets in foreign currency</u></b>		
USD	563	519
<b><u>Liabilities in foreign currency</u></b>		
USD	1,760	1,235
JPY	-	3,696



### 25.3 Credit risk

The Company and subsidiary sell its products to customers with normal credit terms. The Company and subsidiary manage their exposure to credit risk by closely monitoring collection of accounts receivable and focuses on overdue accounts. In the case of doubt about the collectability on accounts receivable, the Company and subsidiary set up allowance for expected credit loss in the accounts as deemed necessary.

### 25.4 Liquidity risk

The Company and subsidiary monitor liquidity risk and maintain a level of cash and cash equivalents at the adequate level to finance the Company and subsidiary operations and to prevent the effects from fluctuations in cash flows.

### 25.5 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of each class of the Company's financial instruments.

- The fair values Level 1 for financial assets and financial liabilities composes of cash and cash equivalents, bank overdrafts, trade accounts receivable, trade accounts payable, amounts due from related companies, short - term loan to subsidiary company, unbilled accrued income, and advances from customers which the carrying values approximate their fair values due to the relative short - term maturity of these financial instruments.
- The fair values Level 2 for financial liabilities composes of notes payable and short - term loans from financial institutions which the carrying values are not materially different from the fair value since its carry interest at the rates close to market rates.

## 26. FAIR VALUE MEASUREMENT

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The Company has investment property at the fair value as of 31 December 2021 of Baht 60.36 million. The fair value was calculated based on the comparison of the market price of other properties in the nearby location (Level 2).

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**27. EVENTS AFTER REPORTING PERIOD**

At the meeting on 28 February 2022, the Company's Board of Directors passed a resolution to propose the payment of dividend of Baht 0.23 per share to the common shareholders, from operating results for the year ended 31 December 2021. The dividend payment must be approved at the Annual General Meeting of the Company's shareholders.

**28. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements are authorized by the Board of Directors on 28 February 2022.

## BOARD OF DIRECTORS AND EXECUTIVES

1. **Name-Surname** Mr. Wanchai Kunanantakul  
**Position** Chairman / Authorized Director



- Age** 84 years  
**Appointment Date** 8 June 1994  
**Years of Service** 27 years 6 months  
**Education**
  - Honorary Doctor's Degree, Kensington University, USA.**Training**
  - Director Accreditation Program (DAP) 64/2007**Shareholding** 8,646,400 shares (1.35%)

**Work Experiences:**

- |                         |           |   |
|-------------------------|-----------|---|
| <b>Listed Company</b>   | Chairman  | Siam Steel International Plc.           |
| <b>Other Companies:</b> | Chairman  | Union Autoparts Manufacturing Co., Ltd. |
|                         | Chairman  | Panasonic SPT (Thailand) Co., Ltd       |
|                         | Chairman  | Siam Goshi Manufacturing Co., Ltd.      |
|                         | Chairman  | Siam Okamura International Co., Ltd.    |
|                         | Chairman  | Siam Okaya Chemical Co., Ltd.           |
|                         | Chairman  | Siam Steel Vietnam Co., Ltd.            |
|                         | President | Siam Fuji ware (1988) Co., Ltd          |
|                         | President | Siam Nippon Steel Logistics Co., Ltd.   |
|                         | President | Siam Taihei Engineering Co., Ltd.       |
|                         | President | Siam Okamura Steel Co., Ltd.            |
|                         | President | Sricharoen International Co.,Ltd.       |
|                         | President | Unity Service Co., Ltd.                 |
|                         | President | Hirokoh (Thailand) Co., Ltd.            |
|                         | Director  | Formica (Thailand) Co., Ltd.            |

**Family Relationship with Management Team** Father of no 2, 4, 7 and 8

**Illegal record in the past 10 years** None

2. **Name-Surname** **Mr. Surasak Kunanantakul**  
**Position** President / Authorized Director



**Age** 58 years  
**Appointment Date** 8 June 1994  
**Years of Service** 27 years 6 months  
**Education** • Bachelor of Economics Asia University, Japan  
**Training** • Director Accreditation Program (DAP) 51/2006  
**Shareholding** None  
**Work Experiences:**  
**Listed Company** Director / Vice Chairman Siam Steel International Plc.  
**Other Companies:** President Siam Steel OC Co., Ltd.  
 Director Siam Okamura International Co., Ltd.  
 Director Siam Okamura Steel Co., Ltd.  
 Director Sricharoen International Co.,Ltd.  
 Director Unity Service Co., Ltd.  
 Director Siam Steel Vietnam Co., Ltd.

**Family Relationship with Management Team** Child of no 1.

**Illegal record in the past 10 years** None

3. Name-Surname Mr. Hiroyuki Inoguchi

Position Vice President /

Authorized Director/ Risk Management Committee Member/  
CSR Committee Member



Age 53 years

Appointment Date 1 July 2021

Years of Service 6 months

Education • Bachelor of Economics, MEIJO University, Japan

Training -

Shareholding None

Work Experiences:

Listed Company None

Other Companies

- March 2019 Senior General Manager, International Trade Division, Okaya & Co., Ltd., Japan
- September 2016 General Manager, International Trade Dept. No.1, Okaya & Co., Ltd., Japan

Family Relationship with Management Team None

Illegal record in the past 10 years None

4. **Name-Surname** Mr. Surapol Kunanantakul  
**Position** Vice President / Authorized Director



**Age** 54 years  
**Appointment Date** 19 January 2004  
**Years of Service** 16 years 11 months  
**Education** • M.B.A. Philadelphia College of Textile & Science U.S.A  
**Training** • Director Accreditation Program (DAP) 64/2007  
**Shareholding** 12,230,400 shares (1.91%)  
**Work Experiences:**  
**Listed Company** Director Siam Steel International Plc.  
**Other Companies** President Siam Okamura International Co., Ltd.  
 Director Siam Okamura Steel Co., Ltd.  
 Director Siam Steel OC Co., Ltd.  
 Director Siam Steel Vietnam Co., Ltd.

**Family Relationship with Management Team** Child of no 1.  
**Illegal record in the past 10 years** None

5.	<b>Name-Surname</b>	<b>Mr. Taku Yamada</b>
	<b>Position</b>	Director / Authorized Director Risk Management Committee Member / CSR Committee Member/ Senior General Manager, Metal Construction Products Dept.
	<b>Age</b>	54 years
	<b>Appointment Date</b>	30 April 2020
	<b>Years of Service</b>	1 year 8 months
	<b>Education</b>	<ul style="list-style-type: none"> <li>Bachelor of Economics, KWANSEI GAKUIN University, Japan</li> </ul>
	<b>Training</b>	<ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 173/2020</li> </ul>
	<b>Shareholding</b>	None
	<b>Work Experiences:</b>	
	<b>Listed Company</b>	None
	<b>Other Companies:</b>	
	<ul style="list-style-type: none"> <li>March 2015</li> </ul>	General Manager, Pipe and Tube, Special Production Section, International Trade Department No.2, Okaya & Co., Ltd.
	<ul style="list-style-type: none"> <li>March 2016</li> </ul>	General Manager, Flat Rolled Special Steel Section, International Trade Department No.1, Okaya & Co., Ltd
	<b>Family Relationship with Management Team</b>	None
	<b>Illegal record in the past 10 years</b>	None



6. Name-Surname Mr. Jun Murase  
Position Director/ Authorized Director



Age 48 years  
Appointment Date 1 September 2016  
Years of Service 5 years 4 months  
Education

- Bachelor of Arts in Business Administration, Nanzan University, Japan

  
Training

- Director Accreditation Program (DAP) 146/2018

  
Shareholding None  
Work Experiences:  
Listed Company None  
Other Companies:

- Mar.2012 - Feb.2013 Project Leader, Flat Rolled Steel Section, International Trade Dept. No.1, Okaya & Co., Ltd.
- Mar.2013 - Jul.2016 Manager, Flat Rolled Steel Section, International Trade Dept. No.1, Okaya & Co., Ltd.

  
Family Relationship with Management Team None  
Illegal record in the past 10 years None



7. Name-Surname Mrs. Naphaporn Hoonthanasevee

Position Director



Age 55 years

Appointment Date 27 April 2007

Years of Service 14 years 8 months

Education

- Bachelor of Economics, Thammasat University
- M.B.A from Drexel University U.S.A

Training

- Director Accreditation Program (DAP) 63/2007, CG Forum 2/2556

Shareholding None

Work Experiences:

Listed Company Director / Vice President Siam Steel International Plc.

Other Companies: Vice President Sricharoen International Co.,Ltd.

Vice President Unity Service Co., Ltd.

Vice President Hirokoh (Thailand) Co., Ltd.

Director Siam Steel OC Co., Ltd.

Family Relationship with Management Team Child of no 1.

Illegal record in the past 10 years None

8. Name-Surname Mr. Sittichai Kunanantakul

Position Director



Age 51 years

Appointment Date 19 January 2004

Years of Service 16 years 11 months

Education • Bachelor in Political Science, Ramkhamhaeng University

Training • Director Accreditation Program (DAP) 68/2008

Shareholding 6,137,600 shares ( 0.96% )

Work Experiences:

Listed Company Director Siam Steel International Plc.

Other Companies: Director Union Autoparts Manufacturing Co., Ltd.

Director Siam Okaya Chemical Co., Ltd.

Director Siam Steel Vietnam Co., Ltd.

Family Relationship with Management Team Child of no 1.

Illegal record in the past 10 years None

9.	<b>Name-Surname</b>	<b>Mr. Pongsak Angsupun</b>
	<b>Position</b>	Independent Director / Audit Committee Chairman Risk Management Committee Chairman Nomination and Remuneration Committee Member Corporate Governance Committee Member
	<b>Age</b>	83 years
	<b>Appointment Date</b>	29 April 1999
	<b>Years of Service</b>	22 years 8 months
	<b>Education</b>	<ul style="list-style-type: none"> <li>Bachelor of Economics, Thammasat University</li> <li>Master of Commerce University of Caterbury, New Zealand</li> </ul>
	<b>Training</b>	<ul style="list-style-type: none"> <li>Director Accreditation Program (DAP) 10/2004</li> </ul>
	<b>Shareholding</b>	None
	<b>Work Experiences:</b>	
	<b>Listed Company</b>	<ul style="list-style-type: none"> <li>2001 - Present Chairman Rojana Industrial Park Plc.</li> <li>2005 - Present Director / Audit Committee Chairman Unimit Engineering Plc.</li> <li>2006 - Present Director / Audit Committee Chairman TCJ Asia Plc.</li> </ul>
	<b>Other Companies:</b>	None
	<b>Family Relationship with Management Team</b>	None
	<b>Illegal record in the past 10 years</b>	None



10. **Name-Surname** Mr. Vichit Vuthisombut

**Position** Independent Director / Audit Committee Member  
 Nomination and Remuneration Committee Member  
 Corporate Governance Committee Member  
 Risk Management Committee Member



**Age** 80 years

**Appointment Date** 30 April 2009

**Years of Service** 12 years 8 months

**Education** • Bachelor of Economics, Thammasat University

**Training** • Director Certification Program (DCP) 51/2004  
 • Director Accreditation Program (DAP) 27/2004

**Shareholding** None

**Work Experiences:**

**Listed Company**

- 2002 - Present Consultant Jongsathit Co.,Ltd.
- 2002 - Present Consultant AJ Plast Plc
- 2006 - Present Independent Director & Audit Committee Member, Inoue Rubber (Thailand) Plc.
- 2008 - Present Independent Director T -hai-German Product Plc.
- 1980 - Present Committee Thammasat Economics Association

**Other Companies:** None

**Family Relationship with Management Team** None

**Illegal record in the past 10 years** None

11. **Name-Surname** Dr. Damri Sukhotanang

**Position** Independent Director / Audit Committee Member  
Corporate Governance Committee Chairman  
Risk Management Committee Member  
CSR Committee Member



**Age** 72 years

**Appointment Date** 12 November 2009

**Years of Service** 12 years 1 month

**Education**

- B.Sc. (Hons.) Chemical Tech. Chulalongkorn University
- M.Sc. Ceramic Engineering, University of Missouri at Rolla, U.S.A
- Ph.D. Ceramic Engineering, University of Missouri at Rolla, U.S.A

**Training**

- Director Certification Program (DCP) 70/2006

**Shareholding** None

**Work Experiences:**

**Listed Company**

- 2011 - Present Chairman Panjawattana Plastic Plc.

**Other Companies:**

- 2013 - Present Audit Committee Chairman/Director, Thai Auto Tools and Die Co., Ltd.
- 2019 - Present Chairman Mahachai Foods Co., Ltd.
- 2008 - 2009 Permanent Secretary, Ministry of Industry

**Family Relationship with Management Team** None

**Illegal record in the past 10 years** None

12. **Name-Surname** **Assoc.Prof.Dr. Sucharit Koontanakulvong**

**Position** Independent Director / Audit Committee Member  
 Nomination and Remuneration Committee Chairman  
 CSR Committee Chairman  
 Risk Management Committee Member



**Age** 66 years

**Appointment Date** 30 April 2009

**Years of Service** 12 years 8 months

**Education**

- Bachelor in Chemical Engineering, Kyoto University, Japan
- Master in Agricultural Engineering (Civil), Kyoto University, Japan
- Doctor in Agricultural Engineering (Civil), Kyoto University, Japan

**Training**

- Director Certification Program (DCP) 178/2013

**Shareholding** None

**Work Experiences:**

**Listed Company**

- 2009 - Present Independent Director, AEON Thana Sinsap (Thailand) Plc.

**Other Companies:**

- 1996 - Present Associate Professor, Faculty of Engineering, Chulalongkorn University
- 2007 - Present Board member, Thai-Nichi Institute of Technology (TNI)
- 2013 - 2018 President Thai-Japan Technology Promotion Association (TPA)
- 2011 - 2015 Head of Water Resources Engineering Dept., Chulalongkorn University

**Family Relationship with Management Team** None

**Illegal record in the past 10 years** None

**Name-Surname** Mr. Navarat Chanamoon

**Position** Senior General Manager Production Dept.

**Age** 60 years

**Appointment Date** 1 October 2011

**Education** • Bachelor in Industrial Engineering, King Mongkul's Institute of Technology Dhonburi

**Training** -

**Shareholding** None

**Work Experiences:**

**Listed Company**

- 2000 - 2011 General Manager Production Dept. Siam Steel Service Center Plc.
- Present Risk Management Committee Member Siam Steel Service Center Plc.
- Present CSR Committee Member Siam Steel Service Center Plc.

**Family Relationship with Management Team** None

**Illegal record in the past 10 years** None

## CHIEF FINANCIAL OFFICER AND CHIEF ACCOUNTANT

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**Name-Surname** Mr. Boonchai Chiencharoenthanakij

**Position** Chief Financial Officer

Senior General Manager Administrative ,Accounting & Finance Dept.

**Age** 64 years

**Appointment Date** 1 October 2011

**Education**

- Bachelor of Commerce, Chulalongkorn University
- Higher Certificate of Auditors, Thammasat University
- License Auditor

**Training** -

**Shareholding** None

**Work Experiences:**

- 2000 - 2011 General Manager, Administrative, Accounting & finance Dept. Siam Steel Service Center Plc.
- Present Risk Management Committee Member Siam Steel Service Center Plc.
- Present CSR Committee Member Siam Steel Service Center Plc.

**Family Relationship with Management Team** None

**Illegal record in the past 10 years** None



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Name-Surname	Mrs. Piyaporn Chaowalit
Position	Chief Accountant Manager General Accounting Dept.
Age	60 years
Appointment Date	1 February 2020
Education	• Bachelor of Business Administration (Accounting) Ramkhamhaeng University
Training	• Charges and Important issues of TFRS (Revised'2021) • Update the Law and Tax benefits; 2020
Shareholding	None
Work Experiences:	
• 2020 - June 2021	Manager General Accounting Dept. Siam Steel Service Center Plc.
• 2018 - June 2021	Chief Accountant Siam Steel Service Center Plc.
Family Relationship with Management Team	None
Illegal record in the past 10 years	None

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Name-Surname	Mrs. Mayuree Sangchuang
Position	Deputy Manager, General Accounting Dept.
Age	53 years
Appointment Date	1 February 2020
Education	<ul style="list-style-type: none"><li>Bachelor of Business Administration (Accounting) Valaya Alongkorn Rajabhat University</li></ul>
Training	<ul style="list-style-type: none"><li>Charges and Important issues of TFRS (Revised'2021)</li><li>Leading Team Program (For Manager or Team Leader)</li></ul>
Shareholding	None
Work Experiences:	
<ul style="list-style-type: none"><li>2020 - Present</li></ul>	Assistant Manager, General Accounting Dept., Siam Steel Service Center Plc.
<ul style="list-style-type: none"><li>July 2021 - Present</li></ul>	Chief Accountant, Siam Steel Service Center Plc.
Family Relationship with Management Team	None
Illegal record in the past 10 years	None

## THE COMPANY'S SECRETARY AND COMPLIANCE

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The 2/2008 Board Meeting on 30 April 2008 resolved for the appointment of Mr. Hiran Komolhirun as Secretary of the Company to take effect since 2 May 2008. The Secretary provides legal advices to the Board on matters relating to laws, regulations, and rules that bind the Company. As well as to oversee operations of the Board and coordinate with concerned units regarding the implementation of the resolutions of the Board's meeting and the shareholders' meeting.

### Qualifications of the Company's Secretary and Compliance

1. Possesses legal knowledge and understanding of the governance agencies in relations to laws, regulations and rules applicable to public limited companies and securities and exchange. Promotes the aforesaid knowledge and understanding through seeking legal advice or view from expert or adviser.
2. Possesses good knowledge and understanding of the principles and practices of good corporate governance.
3. Possesses extensive knowledge and understanding of the Company's business.
4. Never use business opportunity for personal gains. Maintains a high level of confidentiality of the Company.

### Duties and Responsibilities

1. Performs duties according to applicable laws and regulations with accountability, deliberation, and integrity.
2. Oversees and manages operations of the Board, provides advices in relation to articles of association of the Company as well as rules and regulations of relevant agencies. Facilitates the performances of directors to be effective and efficient which adversely contribute to highest returns to the Company.
3. Manages and organizes Board's meeting, sub-committee meeting, and shareholders' meeting, ensures the compliance of the operations with the Company's objectives and articles of association, resolutions of the meeting of the Board/shareholders, and other related rules and regulations.
4. Prepares and maintains Company's documents e.g. record of directors, meeting invitation, minute of the meeting of the Board and shareholders, annual report, and etc.
5. Maintains stakeholders' record as reported by director or executive. Submits the record to Chairman of the Board and Chairman of the Audit Committee within 7 days from the day of receiving such record.

Name-Surname	Mr. Hirun Komolhirun	
Position	Company Secretary Deputy General Manager Legal Dept.	
Age	59 years	
Appointment Date	30 April 2008	
Education	<ul style="list-style-type: none"> <li>Bachelor of Laws(L.L.B), Ramkhamhaeng University</li> <li>Barrister at Law, Institute of Legal Education Thai Bar Assoc</li> </ul>	
Training	<ul style="list-style-type: none"> <li>Diploma courses Laws and Practice for company secretary according to Securities and Exchange Law, Research Center for Law and Development, Faculty of Law, Chulalongkorn University</li> <li>Certificate courses Company Secretary Program Class 39/2011 Thai Institute of Directors</li> <li>Certificate courses Fundamental Practice for Corporate Secretary, (FPCS25) Thai Listed Companies Association</li> <li>Anti-Corruption Course : The Practice Guide (ACPG2/2013), Thai Institute of Directors</li> <li>Specialized Personnel Program in Corporate Social Responsibility Management</li> <li>Certificate course: Social Innovation and Business Development in the New Normal Era, Social Innovation Driving Unit: SID, National Innovation Agency (Public Organization)</li> <li>IOD Open House for Company Secretary: The role of the Company Secretary in promoting good corporate governance</li> <li>The GRI Certified based on the GRI Sustainability Reporting Standards</li> <li>Corruption Risk and Control Workshop - CRC 11/2021</li> <li>CGR Workshop 2021: Seminar Explaining Criteria for CGR Project Survey in 2023</li> </ul>	
Shareholding	None	
Work Experiences:	<ul style="list-style-type: none"> <li>Feb.2020 - Present Senior Manager Legal Dept. Siam Steel Service Center Plc.</li> <li>Sep.2013 - Feb.2020 Senior Deputy Manager Legal Dept. Siam Steel Service Center Plc.</li> </ul>	
Family Relationship with Management Team	None	
Illegal record in the past 10 years	None	

## INFORMATION OF DIRECTORS IN RELATED COMPANIES

Executives	SSSC	SSVN	Related Company							
			Union Auto Parts	Siam Nippon Steel Pipe	Panasonic SPT	Siam Okamura Steel	Siam steel international	Fomica	Sricharoen International	Siam Suriya
Mr. Wanchai Kunanantakul	x	x	x		x	#	x	/	#	/
Mr. Surasak Kunanantakul	#	/				/	//		/	/
Mr. Hiroyuki Inoguchi	##	/	/							
Mr. Surapol Kunanantakul	##	/				/	/			/
Mr. Taku Yamada	//									
Mr. Jun Murase	/		/	/						/
Mrs. Naphaporn Hoonthanaseevee	/						##		##	/
Mr. Sittichai Kunanantakul	/	/	/				/			/
Mr. Boonchai Chiencharoenthanakij	///									
Mr. Navarat Chanamoon	///									

Executives	Related Company								
	Siam Okamura International	Siam Goshi Mfg.	Siam Okaya Chemical	Okaya (Thailand)	Somat	Unity Service	Siam Nippon Steel Logistics	Siam Steel O C	Nippon Steel Pipe (Thailand)
Mr. Wanchai Kunanantakul	X	X	X			#			
Mr. Surasak Kunanantakul	/					/		#	
Mr. Hiroyuki Inoguchi									
Mr. Surapol Kunanantakul	#							/	
Mr. Taku Yamada									
Mr. Jun Murase				/	/		/		/
Mrs. Naphaporn Hoonthanaseevee						##		/	
Mr. Sittichai Kunanantakul			/						
Mr. Boonchai Chiencharoenthanakij									
Mr. Navarat Chanamoon									

Remark: 1. / director X chairman # president  
 ## vice president // executive director /// executive

2. Related company means the definition of a legal entity of a person who may have conflicts of interest. According to the announcement of the Office of the SEC.

## DETAILS OF THE DIRECTORS OF THE SUBSIDIARY

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### Board of Directors of Siam Steel Vietnam Company Limited (Subsidiary)

1.	Mr. Wanchai	Kunanantakul	Board Chairman
2.	Mr. Surasak	Kunanantakul	Board Member
3.	Mr. Surapol	Kunanantakul	Board Member
4.	Mr. Sittichai	Kunanantakul	Board Member
5.	Mr. Hiroyuki	Inoguchi	Board Member
6.	Mr. Soichi	Suzuki	Board Member and General Director
7.	Mr. Hidetaka	Kobayashi	Board Member

#### Remark:

1. Subsidiary means a subsidiary that has income more than 10 percent of the total income of the consolidated statements of profit and loss for the fiscal year 2021
2. Details of directors are shown in Attachment 1.

## DETAILS OF CHIEF INTERNAL AUDITOR

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Name - Surname	Mrs. Manee Jariyarakvorakul
Position	Manager, Internal Audit Dept.
Age	59 Years
Education	<ul style="list-style-type: none"><li>Bachelor of Business Administration (Accountancy) Siam University</li></ul>
Work Experience	<ul style="list-style-type: none"><li>2009-Present Chief Internal Auditor</li></ul>
Training	<ul style="list-style-type: none"><li>Internal Audit Techniques, Chulalongkorn University</li><li>Internal Auditing, Federation of Accounting Professions</li><li>Internal Audit Process, Federation of Accounting Professions</li><li>ISO/TS 16949:2009 Requirement &amp; Internal Auditor</li><li>ISO 9001:2008 Introduction Training Course</li><li>ISO 45001:2018 Internal Audit</li><li>ISO 50001:2018 Requirement &amp; Internal Audit</li></ul>
Duties	<ul style="list-style-type: none"><li>Audit Planning</li><li>Interviewing and document checking</li><li>Making conclusions and recommendations, reporting to the Audit Committee</li></ul>

## ASSETS USED IN BUSINESS OPERATION

### Land, Buildings and Machineries as of 31 December 2021

Assets	Type of Obligation	Net Book Value (Million Baht)	Ownership
1. Land 6 plots: 51/3 Poochaosamingprai Rd, Bangyaprak, Phrapradaeng, Samutprakarn. Land size: 13-0-19 Rai	Owner	63.98	No obligation
51/11 Poochaosamingprai Rd, Bangyaprak, Phrapradaeng, Samutprakarn. Land size: 12-6-90.4 Rai	Owner	196.28	No obligation
60/6 Mabyangporn District, Amphur Pluakdaeng, Rayong Land size: 77-1-77 Rai	Owner	151.83	No obligation
2. 2- Factory, Samutprakarn Province	Owner	147.79	No obligation
1-Factory, Rayong Province	Owner	154.26	No obligation
3. Machineries	Owner	322.84	No obligation



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### Corporate Governance Policies and Guidelines Under the “Empathy, Gaining Access, Equality” Frameworks

The Company’s Board of Directors realizes the significant of the management and good corporate governance principles. The Company, therefore, applies as considered suitable to the Company’s business context, the new Corporate Governance Code for Listed Companies 2017: CG Code suggested by the Securities and Exchange Commission and the Stock Exchange of Thailand. The application aims at strengthening confidences of all stakeholders i.e., shareholders, investors, customers, business partners, creditors, employees, and general public so as to create value and sustainable growth. While assuring the Company’s full adherence to good corporate governance with management accountability that is transparent, fair, just, efficient, and auditable leading to business growth recognizing environment, society, and governance: ESG considered as a crucial fundamental to continuingly and sustainably strengthen business potentiality and growth with long terms benefit to investors.

The Board has instituted the Company’s governance mechanism and entrusted the Corporate Governance Committee with responsibility for oversight of management principle and business operation in compliance with Corporate Governance Policies and the principles of good corporate governance set forth by the Organization for Economic Co-operation and Development (OECD), and within the framework of SET’s regulations. The social and environmental issues are integrated in the business process including setting direction, vision, mission, strategy, operation process; assessment and reporting. The setting facilitates the committee members as framework for the oversight of operation process with social and environmental responsibility while creating sustainable business value.

This Corporate Governance Policies and Guidelines is regarded as an important tool making the good corporate governance implementable. The Board, therefore, draw up the guidelines for practices in accordance with respective duties and tasks of directors, executives, and employees at all levels to perform their duties with integrity, honesty and fairness both to the Company and all stakeholder groups. It is an obligation of all employees to acknowledge and strictly attach to these guidelines.

The 1/ 2021 Board’s meeting held on 25 February 2021 considered and approved the Corporate Governance Policies and Guidelines to be effective since 1 March 2021 until further changes.

Announced on 25 February 2021



(Mr. Surasak Kunanantakul)  
President

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## CORPORATE GOVERNANCE POLICIES

The Company's Board of Directors realizes the importance of the management and good corporate governance principles. The Company strictly adheres to the principle of good corporate governance practices for listed companies to ensure the Company's sustainable growth and promote trust among stakeholders i.e., shareholders, investors, customers, business partners, creditors, employees, and general public leading to business value creation and sustainable growth. In compliance with the new Corporate Governance Code for Listed Companies 2017: CG Code issued by the Securities and Exchange Commission and the Stock Exchange of Thailand; the CG Code is applied as seen suitable to the Company's business context. The Board, as agreed by the Corporate Governance Committee, establishes this policy for the directors of the Board as top leader of the organization to adhere to the following 8 principles:

### **Principle 1 Establish Clear Leadership Role and Responsibilities of the Board**

- 1.1 Oversight of corporate governance to ensure the presence of good governance including:
  - (1) Defining objectives and goals;
  - (2) Determining means to attain the objectives and goals through defining strategies, policies for implementation, resources allocation;
  - (3) Monitoring, evaluating, and reporting on performances.
- 1.2 Oversight of corporate governance to achieve the followings:
  - (1) Competitiveness and performance with long-term perspective;
  - (2) Ethical and responsible business;
  - (3) Good corporate citizenship;
  - (4) Corporate resilience.
- 1.3 Oversight the performances of all directors, committee members, and executives to ensure their duty of care and loyalty in compliance with applicable laws, articles of association, and resolution of shareholders' meeting.
- 1.4 Awareness and understanding scope of duties and responsibilities as director of the Board; determination of scope and assignments appropriately given to the CEO and the management with according monitoring.

### **Principle 2 Define Objective to Promote Sustainable Value Creation**

- 2.1 To define and oversee business implementation to ensure the attainability of the defined objectives and goals that promote sustainable value creation for business, customers, stakeholders, and society as a whole.
- 2.2 To ensure that the Company's annual and medium-term objectives, goals, strategies, and plans are consistent with the Company's ultimate goal; and to ensure innovation and technology are applied suitably and safely.

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**Principle 3 Strengthen Board Effectiveness**

- 3.1 To be responsible for determining and reviewing the Board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives and goals.
- 3.2 To select an qualified person as the chairperson of the Board and ensure directors' determinations are independent.
- 3.3 To ensure that the policy and procedures for the selection and nomination of directors are clear and transparent.
- 3.4 To consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities.
- 3.5 To ensure directors' accountabilities and dedication.
- 3.6 To ensure policy framework and mechanism are in place to appropriately govern the operations of the Company's subsidiaries and business investments.
- 3.7 Conduct annual performance assessment of the Board and committees.
- 3.8 To ensure each individual director of the Board understand the nature of the business, relevant laws; to support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles as directors of the Board.
- 3.9 To ensure operation of the Board is effective with access to required information and supports of directors' line and staff.

**Principle 4 Ensure Effective Executive Office and People Management**

- 4.1 To ensure proper mechanism is in place for the nomination and development of the CEO, the management and executives.
- 4.2 To ensure an appropriate compensation structure and evaluation are in place.
- 4.3 Understand shareholder structure and relationship which may impact business operation and management.
- 4.4 To monitor the suitability of human resources management and development to the organization.

**Principle 5 Nurture Innovation and Responsible Business**

- 5.1 To promote innovation creating business value that responsible for society and environment.
- 5.2 To ensure the management ethical operation with care for society and environment.
- 5.3 To ensure the management allocates and manages resources efficiently and effectively throughout the value chain.
- 5.4 To oversee information technology management in alignment with the Company's business.

**Principle 6 Strengthen Effective Risk Management and Internal Control**

- 6.1 To ensure risk management and internal control systems are in place.
- 6.2 To appoint effective and independent Audit Committee.
- 6.3 To oversee and manage conflicts of interests between the Company, the management, directors of the Board, and shareholders.
- 6.4 To oversee the compliance with the anti-corruption measures.
- 6.5 To ensure a mechanism for complaint acceptance is in place.

### Principle 7 Maintain Financial Reliability and Information Disclosure

- 7.1 To ensure accurate, adequate, and timely financial reporting and information disclosure system in alignment with related requirements, standards, and guidelines for practice.
- 7.2 To monitor the Company's financial liquidity and solvency.
- 7.3 To ensure financial solution and management plan is in place
- 7.4 To conduct sustainability report as seen appropriate.
- 7.5 To establish dedicated Investor Relations function.
- 7.6 To promote information dissemination applying information technology.

### Principle 8 Support the Participation and Communication with shareholders

- 8.1 To encourage shareholder participation in a Company decision-making on key matters.
- 8.2 To oversee the organization of Shareholders' Meeting to be transparent, effective and on schedule.
- 8.3 To ensure disclosure of AGM resolutions and preparation of the minutes of the meeting is accurate and complete.

*(The 1/ 2021 Board's meeting held on 25 February 2021 considered and approved this Corporate Governance Policies and Guidelines to be effective since 1 March 2021 until further changes.)*

In addition, the Company's Board integrates into its business operations, the 3 principles of **(Sufficiency Economy: the Moderation, Reasonableness and Self-immunity)** as well as knowledge and virtue. Since 2013, the Board has employed, to the Company's practices, the Industrial Product Standards and the Sufficiency Economy Guidelines for Industrial Sector (TIS 9999 volume 1-2556 B.E.) toward balanced economic, social, environmental development for sustainable growth and happiness.

The Board entrusts the Corporate Governance Committee as corporate mechanism with responsibilities for oversight of compliance management and business operation with good corporate governance policy and the principles of good corporate governance set forth by the Organization for Economic Co-operation and Development (OECD), the SET's regulations, and the Corporate Governance Code for listed companies 2017: CG Code. The governance policy and other related policies e.g., information disclosure; stakeholder, social and environment treatment; use of Company's internal information and securities trading; internal control; risk management; anti-fraud and corruption; whistleblowing; charter of the Board and committees; code of conduct; and work practice have been considered by the Board at least once a year. The consideration allows the Board to review the Company's corporate governance to ensure the following governance outcomes:

- 1. Competitiveness and performance with long-term perspective
- 2. Ethical and responsible business, respecting rights of shareholders and stakeholders
- 3. Good corporate citizenship
- 4. Corporate resilience

## COMPLIANCE POLICY

For each director, executive and employee to adhere to best practice and to ensure full compliance of the Siam Steel Service Center Public Company Limited with internal and external laws, rules, regulations, orders and articles of association. Director, executive and employee are expected to strive for full compliance with the policy as follows:

1. The Siam Steel Service Center Public Company Limited includes every director, executive, and employee wishing the business to go smoothly and comply with applicable laws and regulations while maintaining righteousness; social, environmental, health safety responsibilities; fight against all forms of corruption so as to fulfill sustainable development. The Company adheres, respects, and comply with domestic and international business-related laws, rules, regulations, and orders. The Company's personnel shall diligently perform their respective duties and be alert for any potential damage resulted from non-compliance or not in alignment with the applicable law, rules and regulations.
2. Executives and employees shall strive for full compliance with laws, rules, regulations as prescribed by external entities as well as with the Company's articles of association, rules, regulations, orders and work practices.
3. The Company, with its obligation to comply with domestic and international laws, rules, regulations concerning trade competition, antitrust in every country where the Company operates; thereby, shall avoid any act inducing antitrust or unfair competition.
4. The Company strictly complies with laws related to anti-corruption. Offering or receiving any item of value to influence the actions of an official or other person as a bribe is illegal. Thereby, the Company stands firm to its business governance with zero tolerance to such illegal actions.
5. The Company respects and complies with human rights law and presses an importance on human dignity, rights, liberty, and equality of any person being certified or protected by the Thai and international laws.
6. The Company is strongly committed to protecting intellectual property of the Company's and its subsidiaries i.e., copyright patent, petty patent, specialized knowledge and trade secrets from any violation or use without permission. The Company also respects for intellectual property of others and never violate or use without permission.
7. The Company is strongly committed to safeguard its organization from being used by money launder or never give financial support to any terrorist. In connection to this, business guidelines are defined stressing an importance on constant observation and give clue to official concerned whenever non-compliance action is detected as well as on the oversight of financial or property fact finding report to ensure the compliance with domestic and international laws.
8. The Company presses great importance to strictly keep confidential information within the possession of the Company by adhering to the law, business ethics and will not disclose or use such information for any benefit that would induce damage to other person or the Company except in the case where permission is granted or provided by legal obligation.
9. Executives and employees shall strictly commit themselves to act according to the policies of the Company and its group of companies including business frameworks and strategies e.g., human resources management, management of quality of work life, good corporate governance, Industrial Product Standards and the Sufficiency Economy Guidelines for Industrial Sector (TIS 9999), occupational health and safety, environment, quality standard, and other key policies as defined by the Company.

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## PROCESS MONITORING

The Board stipulates that it is a responsibility of every director, executive, and employee to acknowledge, comprehend and strictly comply with the policies and practices as determined by the code of business ethics. The Company has no desire of any unlawful act or act in contrary to the ethical principles be committed.

In 2020, the Company reviewed and stipulated the Corporate Compliance Policy constituting part of duties of every director, executive, employee, and any other person working on behalf of the Company to comply with the said policy.

The policy binds executives of the Company to behave as role model whereas every employee shall comprehend and strictly comply with. Any director, executive, and employee act in non-compliance with such policy and code of ethics shall face prompt disciplinary and regulatory penalties.

## COMPLIANCE UNIT

Monitoring process is in place to ensure full compliance with code of business ethics, anti- corruption, and laws relating to e.g., environment, energy, occupational health and safety, and employment conditions. The Legal Department as an Compliance Unit is responsible for compliance monitoring and evaluation against code of ethics, anti-corruption measures. The responsibilities include:

1. Compiling, drafting, and revising the Compliance Checklist, law, government rules and regulations, and business agreement for all departments to comply with.
2. Preparing, no later than 15 January each year, the annual assessment plan in alignment with the applicable laws, regulations, code of business ethics, and anti-corruption measures; monitoring the compliance in this regard.
3. Assessing risk incurred as a result of the amended laws and regulations which may affect the operational practices of the Company as well as seeking alternatives to avoid possible negative impacts.
4. Cooperating with responsible unit for alternatives and preventive measures, and presenting the results to concerned units.
5. Monitoring, reviewing and amending legal information and other related information inducing negative impact, assessing risk and other obstacles affecting the Company.
6. Concluding the aforesaid assessments, presenting the assessment results at the management meeting on a quarterly basis for acknowledgement and consideration prior to submitting to the Company's Board.

## SUMMARY OF MONITORING RESULTS

The 2021 monitoring and assessment findings have shown that no violation or non-compliance was found according to policy and/or Code of Business Ethics and Work Performance Guidelines, and good corporate governance principles.

In addition, the Board promoted the dissemination of good corporate culture and code of business ethics and work performance guidelines to be well perceived and implementable under the principles of good corporate and ethical business operation. In connection to this, the Code of Business Ethics and Work Performance Guidelines Handbook is prepared and disseminated via E-mail, intranet, and the Company's website.

Throughout the year 2021, trainings on introduction to Corporate Governance were provided for all employees including the new recruits for them to be able to transfer to their actual works in a manner that is responsible, transparent, honest, deliberate, and ethical for their own selves, organization, shareholders, and stakeholders. The Board also supports the events organized to promote work related knowledge and virtues under the Corporate Governance Policy, and Code of Business ethics and Work Performance Guidelines.

#### ANTI-CORRUPTION PROCESS INDICATOR 2021

The Anti-corruption Process Indicator of the Thai Listed Companies Association whereby the SEC and the Thaipat Institute has certified the Company's good anti-corruption system encompassing anti-fraud and corruption policy and measures which are made known including training to its employees for compliance. As a result, the Company has been certified membership of **"Private Sector Collective Action Coalition against Corruption."** The Company's Board has a strong intension to develop its good corporate governance as it belief that adhering to good corporate governance system and process shall enable the Company to attain sustainable growth.

#### AGM QUALITY ASSESSMENT 2021

Having been assessed under the **"Annual General Meeting: AGM's Quality Assessment Program"** jointly carried out by the SEC, the Thai Investors Association, and the Thai Listed Companies Association; the Company received a perfect score of 100 points or **"Excellent and Exemplary" for 11 consecutive years (2011- 2021).**

#### CORPORATE GOVERNANCE REPORT OF THAI LISTED COMPANIES 2021

The Company was assessed under the survey program "Corporate Governance Report of Thai Listed Companies 2013" jointly carried out by Office of the SEC, the SET, and the Thai Institute of Directors. The Company received "Excellent or Five Stars" CG Scoring (CG score 90 - 100) for 6 consecutive years (2016 - 2021). In 2021, there were 716 listed companies entered for the assessment whereby the Company received average 93% while the total average of the participated listed companies was 84%.

Corporate Governance Report of Thai Listed Companies Year 2021				
Total Average of Participated Listed Companies	SET100 Index	SET50 Index	SSSC	SSSC
			2021	2020
84 %	92 %	93 %	93 %	93%

The Company remains in the Top Quartile Company in the market-capitalization group of Baht 1,000-2,999 Million.

#### SUSTAINABILITY INVESTMENT ASSESSMENT 2021

The Company had been listed on Thailand Sustainability Investment by the SET for 7 consecutive years (2015-2021) reflecting the Company as listed company with an outstanding ESG performance recognizing social and environmental factors of its stakeholders, having in place the management for sustainability e.g., risk, supply chain, and corporate social innovation development.

In order to uplift the Company's good corporate governance standard and practice to be in accordance with the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), throughout the year 2021, the Board and the Corporate Governance Committee stipulated the policy encompassing principles of the new Corporate Governance for Listed Companies 2017: CG Code as issued by the SEC, shall be applied as seen suitable to the Company's business context. The policy shall be applied as frameworks for development and improvement covering the following 5 sections as hereunder concluded.

1. Rights of Shareholders
2. Fair and Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure of Information and Transparency
5. Accountability of Directors

For more details, please visit the Company's website at [www.ssscth.com](http://www.ssscth.com)

### Section 1. Rights of Shareholders

The Company strongly recognizes shareholder rights by safeguarding and encouraging the exercise of shareholder rights as follows:

- As owner dictating the Company through the election of directors to manage the Company on their behalf.
- To make decision concerning any significant changes of the Company.
- Be provided with opportunity to propose meeting agenda and to authorize representative to attend meeting.
- Be provided with opportunity to pose question both in advance and during the meeting.
- In due cause and before the meeting date, be provided with adequate documents containing detailed and supporting information for decision making against each agenda item.
- Be informed, in due cause, of the meeting rules and procedures.
- The Company shall encourage the exercise of shareholder rights and not abuse or deprive the rights of shareholders.

Apart from the basic or legal rights of shareholders, the Company also realizes the rights and equities of every shareholder. The Company, therefore, promotes the exercise of shareholders' rights.

### Section 2. Equitable Treatment of Shareholders

© The Company firmly attaches to the principles of corporate governance that each shareholder shall be treated with equal treatment to assure shareholders investing with the Company that:

- Every shareholder including shareholder being executive and non-executive, or major shareholder and minor shareholder, and foreign shareholder are treated equally and fairly.
- The Company provides supervision to ensure basic rights of shareholders are equally treated and protected, minor shareholders being violated shall be compensated.
- There is no connected transaction made with relevant companies that may cause significant conflict of interest.

The Board articulates the policy stating **"Transaction shall be executed according to actual fair market value and fair at arms' length"**

© The Company's Board of Directors provides a policy to eliminate conflict of business interests. A structure and composition of the Board is clearly and transparently defined incorporating a declaration of, in an annual report, the personal securities of directors and the management.



© The Company's Board articulates policy concerning information disclosure prohibiting the use of opportunity or information benefitted from being a director, executive, or employee for personal advantages; or running business or associated business to compete with the Company. Neither use nor give internal information for sell/purchase of Company's share. Violation or non-compliance with the said policy, shall be strictly prosecuted. The policy is published in the Code of Business Ethics and Work Performance Guidelines Handbook for employees, executives, and directors to acknowledge and strictly comply with. The policy is also available on the Company's website at [www.sssc.th.com](http://www.sssc.th.com) to assure shareholders, investors, general public, and stakeholders that the information is disclosed in an accurate, clear and fair manner and in compliance with applicable laws.

© The Board stipulates the policy that directors and executives shall notify the Company at least 1 day in advance, via the Company's Secretary, prior to trading their securities, and report at the Board Meeting on a quarterly basis for acknowledgement.

© Directors and executives must report their security holdings, and the holdings of their spouses and minor child/children of the Company's securities. Any change related to sell, purchase, transfer, or receive of the Company's securities must also be reported to Office of the SEC according to section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the date of the change in such holdings.

In 2021, no action of violation or non-compliance with the SET and SEC regulations was reported neither trading securities using internal information to carry out connected transaction nor trading assets. There was no connected transaction with any related company possibly induce any significant conflict of interest, and no transaction providing financial assistance to any non-subsidiary of the Company.

### **Section 3. Recognizing Roles of Stakeholders**

The Company's Board of Directors fully recognizes stakeholder rights as stipulated by law or terms of agreement. The Board realizes the relationship and cordial cooperation between the Company and its stakeholders by encouraging cooperation for prosperity, job creation, and the Company's sustainable growth based on financial stability.

The Company, therefore, implements the policy with fair and accountable treatment to all stakeholders including shareholders or investors, employees, customers, business partners, competitors, creditors, communities where the Company's plants are located, society, environment, government sector, and other concerned agencies. The policy is prescribed clearly in the Code of Business Ethics and Work Performance Guidelines Handbook for all personnel of the Company to adhere to.

The Company recognizes an importance of social responsibility in various aspects. Stakeholders are assured that their legitimate rights as provided by laws and agreements are fairly taken care of. The implementation guidance is stipulated based on honesty, integrity, and transparency without any wrongful act against stakeholder rights. Compensatory measures are enforced for stakeholder being violated. The practice of not seeking personal gains that induce conflict of interest to the Company and stakeholder, is defined including keeping and safeguarding the business confidentiality of stakeholders, and cooperating in the fight against corruption.

Measures relating to the provision of clues to the Board is established concerning wrongful act, accuracy of financial report, deficient internal control system or misconduct. The mechanism for whistleblower rights protection is articulated in the Code of Business Ethics and Work Performance Guidelines Handbook and on the Company's website.

### 3.1 Equality and Respect for Human Rights

The Company fully recognizes basic human rights and dignity of every individual regardless of race, color, gender, language, religious, political will, creed, nationality or social background, property, birth or social status.

The Company has never violated or undermined human rights. It pays great respect for laws, culture, tradition, and international principles of human rights, especially supports and adheres to the United Nations Global Compact: UNGC, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

- Avoid action or involvement that would impact on human rights wherever the Company's operates its business with proper rectification to eliminate any impact (if any) stemming from the Company's operation regardless of condition.
- Accept the conduct that beneficial to society and constantly monitor to ensure the Company's operation not involve in any human rights violation.
- Prevent or lessen impact on human rights stemming from business relationship even though the business itself has nothing to do with the impact.

The Company treats all employees equally and fairly without discrimination against race, nationality, religion, gender, age, educational background, vulnerability, disability or disadvantaged. Every employee receives payment based on equal opportunity. The Company's Board sees the respect for human rights as a fundamental of human resources development with direct relation to business added value and productivity.

The Company, therefore, has announced its Code of Business Ethics Policy on Human Rights as guidelines for ethical business conduct since 2013. In 2021, the Company set forth the whistleblowing process on human rights frameworks, and reviewed the policy as follows:

#### Human Rights and Labor Treatment Policy (2021 Revised Version)

##### Rational

The Company fully realizes that human rights is an equal basic rights and dignity of every individual regardless of race, nationality, religion, gender, age, educational background, vulnerability, disability or disadvantaged; they shall receive payment based on equal opportunity. The Company never involves in any violation of human rights. It pays great respect for law, culture, tradition, and international human rights, especially supports and adheres to the United Nations Global Compact: UNGC, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work.

To ensure the Company's business is free from human rights violation, the Board institutes the policy and guidelines concerning human rights aiming at protecting human rights from any violation stemming from every direct activity of the Company and its business partner in business value chain, joint venture, hence, supplier and contractor.

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### Scope of Application

This policy shall be applied to every business operation of the Siam Steel Service Center Public Company Limited, its subsidiaries, business partners for the promotion of cooperation among those involve in the supply chain who have given priority to respect for human rights.

### Definition of Terms in the Human Rights Policy

Human rights are rights inherent to all human beings, regardless of physical and mental conditions, race, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, educational background, social status, culture, tradition, and other matters according to the law of respective country as well as treaties to which each country is committed to perform. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of expression and association, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.

### Policy

Every director, executive, and employee shall recognize the respect for human rights and press priority on human dignity, liberty, and equality as well as acts in compliance with related international laws and principles. This is to ensure all business activities of the Company and its stakeholders in the value chain are human rights violation free. The Company encourages its trade partner and business associate to apply this policy to their business operation with respect for human rights. It is stated in the policy that:

1. The Company treats all employees equally and impartially without discrimination against origin of birth, race, gender, age, skin color, religion, disability, disadvantaged, family status, education, or any other status not directly related to work operation.
2. Every employee has equal opportunity to work; receive wages, compensation, welfare; career advancement; fringe benefits according to the Company's rules, regulations, articles of association, and orders.
3. The Company has an intension to foster and promote basic human rights in an applicable manner which is stipulated as Company's policy.
4. The Company firmly adheres to the human rights principles, trainings are provided for employees to be able to apply the principles to their actual work and not take part in any activity that would violate human rights.
5. The Company safeguards personal information of employees as confidential; distributing, revealing, transferring of such information to irrelevant person without permission is prohibited.
6. Any sexual harassment either against the Company's employees or others having business with the Company is prohibited, this includes verbal and physical sexual abuse, courtship, obscenity, indecency, acquiring pornography.
7. In all cases, the Company will not have relationship with any office, organization or person that violates human rights or commits human trafficking.
8. The Company accepts social, environmental, legal, cultural diversities; ability to communicate; experiences; training; educational background; disability; etc.
9. The Company assures the aforesaid rights of stakeholders and customers are guaranteed and protected.

### Guidelines

To promote respect for human rights and labor rights at work, and to ensure every employee and stakeholder of all groups is protected and respected equally and fairly, the following guidelines are defined thereof.

1. Pay respect to human rights, treat each other with respect and honor on equality basis regardless of physical and mental status, race, nationality, country of origin, ethnicity, religion, gender, language, age, skin color, education, social status, culture, tradition, or any other.
2. Use caution when performing task and monitor human rights related matters so as to prevent any human rights violation risk stemming from business operation.
3. Foster activities to protect human rights.
4. Communicate, disseminate information to cultivate knowledge and understanding; set guidelines; and give support to business partner in business value chain, supplier, contractor, and joint venture; for cooperation in a fair business operation with respect for human rights and treat every other according to this policy guidelines.
5. Oversee and monitor matter relating to respect for human rights, neither ignore nor overlook whenever find action considered human rights violation relating to the Company. Such person must report to supervisor or person in charge and cooperate in the investigation of truth. In case of any doubt, consult supervisor or person in charge via assigned channel.
6. The Company treats and protects any whistleblower who reports matter of human rights violation relating to the Company by implementing protection measures for whistleblower or informant as stipulated in the Company's Whistleblower Protection Policy.
7. In the case of human rights violation, the Company shall continuously develop and implement the due diligence process of human rights so as to identify and assess risk and its impact for according mitigation and protection measures and plan as well as monitoring and evaluation.
8. The Company shall track and monitor the operation to resolve the human rights violation following the tracking and monitoring process as well as providing support and cooperation to mitigate any impact stemming from or relating to the Company.
9. The Company is committed to create and maintain corporate culture with respect for human rights as stipulated by this policy.
10. Whoever violates human rights shall be deemed acting against the Company's Code of Conduct and shall face disciplinary action and may be subject to legal punishment if the act is against the law.

### 3.2 Intellectual Property or Copyright

The Company articulates policy and guidelines prohibiting wrongful act on breach of intellectual property or copyright of goods which are indicated clearly in the revised Code of Business Ethics and Work Performance Guidelines Handbook 2021 as approved by the resolution of the Company's Board and the Corporate Governance Committee on 25 February 2021 and disclosed on the Company's website.

#### Policy on Non-violation of Intellectual Property or Copyright

1. It is the responsibility of every director, executive, and employee to safeguard and maintain assets and intellectual property of the Company, respect the copyright of the intellectual property owner, use information technology system and communication media beneficial to the Company in compliance with applicable laws.
2. Personnel of the Company have duty to keep trade secret, trade formula, or business methods as most confidential and no leakage whatever.

3. Personnel of the Company shall use only copyrighted computer software. In the case of performing duty using outside computer, such personnel shall make sure the computer is copyrighted and consultation with supervisor is required before using the computer. Installing and operating invalid copyright computer software in the office; using piracy of copyright, patent, intellectual property and/or trademarks of any person are prohibited.

### 3.3 Anti- Corruption

#### Anti- Corruption Policy

The Company conducts its business according to fair competitive strategies focusing on good quality product. Any form of corruption i.e., offering, promising to give, requesting, demanding, giving or receiving bribes, inducing illegal acts or sabotaging trust is not accepted whatever. This shall apply to all businesses and transactions in every country and entity, individual person and group of persons. Such person or group of persons could be executive, or employee of the Company or any outsider involves in illegal act for personal or partisan advantage not limited to the monetary form.

The Company became a member of **Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)** so as to demonstrate its intent and determination to combat all forms of corruption.

The anti-corruption is defined thereof.

1. Directors, executives and employees shall never solicit or receive the benefits or property neither direct nor indirect that would induce the Company's loss or damage resulted from their action or negligence of action under their responsibilities.
2. Directors, executives, and employees shall never offer or give any benefit to outsider and stakeholder that would induce such person to act wrongfully or omit to perform his responsible duty.
3. Any act construing fraud/corruption shall be deemed serious offense and shall face disciplinary action or legal proceedings. This anti-corruption policy shall be applied to every business in every country or agency doing business with the Company. Implementation of this policy shall be carried out regularly including the review of performance guidelines and requirements in alignment with the changing business, regulations, articles of association, and legal requirements.

The Company defines anti-corruption detailed procedures to ensure the compliance with the policy to fight against fraud and corruption. The procedures are reviewed constantly in order to keep track with changing laws, business, and maintain the Company's reputation. This policy shall bide every director, executive, and employee of the subsidiaries, associate companies to comply the same.

#### Definition of Terms in the Anti-corruption Policy

**"Fraud"** is intentional deception to secure unfair or unlawful gain for oneself or other including the followings acts:

1. **Asset Misappropriation** is the intentional, illegal possession of the property, of another person or of another person being co-owner, for one's own or third parties.
2. **Embezzlement** is an act of depriving other person by giving false statement or concealing facts for the purpose of conversion of the assets of whom the assets were entrusted and of the third parties, either to be held or make them to do, withdraw, or destroy any document of right.

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- 3. Financial Statement Fraud** means adjusting accounting numbers by taking advantage of the accounting loopholes and other options in measuring and disclosing accounting data in order to change the information in the financial statements from what should be to what they want to be in the financial report.
- 4. Corruption** means bribe giving irrespective of any forms whatever by offering, giving a covenant, promising to give, giving, demanding, or accepting money, properties or other benefits to government officials, government agencies, private sector, or those with duty, whether directly or indirectly in order to persuade such persons to act or omit to perform their duties. The purposes of giving bribe could be for inappropriately and unfairly acquiring or maintaining the business or any other benefits, self-interest or others, any acts in conflict with business ethics which cause damage on the benefits of others. Except in the case provided by law, regulation, notification, local tradition, or trade custom.

**Bribery** is the offering, giving or receiving gift, award, or any item of value to influence the actions of another person in charge to act or omit to perform his duty or for self-interest or to achieve what they want in a manner that is dishonest, illegal, and against business ethics of the Company.

**Giving Assets or any other Benefits** is a bribe given or offered in any form of privilege such as cash, property, items of value, gift, hospitality, touring, entertaining, or any others as a reward, persuasion, returns or building good relationship or any other which are considered corruption e.g., nepotism, giving internal information or wrongful assistance, collusion.

**State Official** means a person holding political position, a government official or a local officer holding a permanent position or salary, an officer of a person performing work in a State enterprise or a State agency, a local administrator and a member of a local council who is not a person holding political position, an official under the law on local administrative procedures, and shall include committee and a person or a group of persons who exercise power or entrusted to exercise State administrative power in the conduct of a particular act under the law.

**Stakeholder** means related person e.g., shareholder, employee, customer, trade partner, trade competitor, government sector, and other social entities e.g., local community.

**Political Contribution** means providing financial support, or other forms of support either direct or indirect for the purpose of supporting political activities e.g., lending money, giving item or service, advertising in support of political parties, donating money to participate in activities of the organization having close relationship with political parties in a manner that could induce unfair benefits.

**“Facilitation Payment”** means a small fee unofficially paid to government officials to ensure they will carry out according to the process or expedite the performance in which the process does not require the discretion of the government officials as it is the fundamental rights of juristic persons making the payment are legally entitled to receive such as requesting a license, certificate, and public services.

**Personnel of the Company** means director, executive and employee at every level of the Company.

**Person relating to the Company** means employee, representative, advisor or any person acts on the Company's behalf either with or without power of duty provided by policy.

#### **Duties and Responsibilities**

1. Company's Board of Directors approves the Anti-corruption Policy and supervises the implementation of the policy through an effective system supporting the anti-corruption practices. So as to ensure the management is fully aware and give priority to an anti-corruption which is instilled to become a corporate culture. The Board shall have the policy reviewed yearly.
2. Audit Committee reviews financial report, internal control, internal audit and risk management systems to be concise, up to date, and effective according to the international standards.
3. Risk Management Committee regularly assesses potential corruption risks of every process e.g., sale and marketing, procurement, contracts, human resources service, finance and accounting; finds solutions to eliminate or mitigate the impacts.
4. Executive Committee, vice president, executives shall have the responsibilities to institute the system to promote and support the Anti-corruption Policy and have the policy made known to all employees and concerned parties; to review the appropriateness of the systems and measures in compliance with changing business, regulations, articles of association, and legal requirements.
5. Corporate Governance Committee oversees, gives advices, monitors, examines, and reviews the compliance of work performance with the policy guidelines, regulations, and related laws to ensure the suitable and adequate control systems to manage corruption risk with subsequent report to the Board

#### **Anti-corruption Guidelines**

1. Directors, executives and employees must not solicit /accept pecuniary, favor or do anything dishonestly or beyond the norm of any party associate in the business with the Company.
2. Directors, executives and employees must refrain from soliciting/accepting pecuniary, favor, or other benefits from a person or juristic person dealing business with the Company neither for themselves nor others that may induce wrongful acts or lead to the carrying out/omission of their duties, or commit any wrongful act.
3. It is prohibited to give/receive/offer anything for the undue advantages of the third parties e.g., government official, broker, dealer, partner, or decision maker, that may induce particular person to illegally carry out or omit from their duties or professional services, or for exchange of undue privileges. Giving or receiving donation or sponsorship shall be transparent, lawful, and shall be made certain that such donation and sponsorship is not used as an excuse for bribery.
4. In the case of the juristic person or contracting party offering any gift or benefit to executive or employee as a reward, such executive or employee shall discreet if the offer is proper and/or bona fide. They shall also take into discretion the public rules and regulations as well as the impact on business relationship. However, the value of the gift shall not exceed the amount prohibiting public official to obtain.
5. Receiving gifts or assets shall be limited to reasonable and bona fide expenditures. Such gift or asset shall not be a contraband.



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6. In either case, personnel and family members shall not solicit or receive gifts, assets, or any other benefits from contractor, sub-contractor, customer, business partner, or contracting party that may improperly affect the recipient's independence of judgment towards the giver.
  7. Personnel of the Company shall neither bribe nor give equivalent benefits of any form to other personnel of the Company or the third parties especially public officials. Giving gifts, assets or other benefits to public officials either local or international shall not breach any applicable local laws and customs.
  8. Receiving and giving gifts between authorities and subordinates with value exceeding the norm are prohibited.
  9. Directors, executives, and employees as well as family members shall neither receive from nor offer to partners or anyone anything or benefits being involved in the business with the Company. Except the receiving or offering is for the advantage of business operations or practices generally accepted as tradition.
  10. The Company's joint business operations with other organizations e.g., public sector, enterprise, private sector either local or international shall be transparent, fair, and in compliance with applicable Thai and foreign laws as the case may be.
  11. Directors, executives, and employees shall provide knowledge and understanding for customers, business partners, contractors, persons or juristic persons doing business with the Company concerning the Company's intent to anti all forms of corruption neither solicit nor receive nor pay any form of bribery. Those who detects such actions shall report the Company immediately.
  12. The Company articulates that the said policy shall be implemented by the subsidiaries companies, affiliate companies, or the Company's controlled companies including those associated in the business with the Company.
  13. Directors, executives, and employees not binding to the policy are charged as malfeasance and shall be reported to the authority for legal proceedings.

**Terms of Operations**

1. This Anti-corruption Policy shall also apply to human resource processes, including nomination or selection, promotion, training, performance assessment, and remuneration. Supervisors at all levels shall communicate the policy to their line and staff personnel so that they can apply it to business activities within their scope of responsibilities and supervise the implementation according to the policy to ensure efficiency.
2. Any implementation of the Anti-corruption Policy shall be in compliance with guidelines set forth in the Corruption Risk Management Handbook, Code of Business Ethics and Work Performance Guidelines Handbook, Corporate Governance Handbook, stakeholder engagement policy and guidelines, as well as relevant rules and work performance handbooks, and additional guidelines to be formulated in the future.



3. To ensure clarity regarding activities involving high corruption risks, personnel of the Company shall perform with caution and comply with the Company's code of ethics and guidelines as follows:

- 3.1. **Gift and Hospitality**

- Any offering or accepting of gifts and hospitality shall comply with the Company's Code of Business Ethics and Work Performance Guidelines.

- 3.2. **Donation or Sponsorships**

- Any offering or accepting of donations or sponsorships shall be transparent and legal. It must be made certain that such donations or sponsorships shall not be used as a pretext for bribery.

- 3.3. **Facilitation Payment**

- All facilitation payment to government employee is prohibited.

- 3.4. **Political Contributions**

- (1) The Company shall maintain political neutrality and shall not act in the interest of or provide financial or other support to political parties, political coalitions, political figures, or political candidates, either directly or indirectly, either at the local, regional, or national level.
    - (2) Personnel of the Company shall strictly comply with the Company's code of conduct in relation to political action.

- 3.5. **Revolving Door**

- The hiring of government employees who may create a conflict of interest or perform an unfair governance duty to benefit the Company is prohibited.

- 3.6. **Business Relation and Procurement with the Government**

- Any offering or accepting of bribery is prohibited in all business activities. Dealing with the government shall be transparent, honest, and in compliance with relevant laws.

### **Communication and Training**

1. The Company shall communicate and disseminate the Anti-corruption Policy to its personnel through various channels, such as orientation for new director and employee, training or seminar, internal public relations within the workplace, and electronic systems. The Company shall also periodically communicate to its personnel to be well perceive and according implementation on various forms of corruption, risks of being involved in corruption, and whistleblowing.
2. The Company shall communicate and disseminate the Anti-corruption Policy as well as the whistleblowing channels to the public, subsidiaries, and stakeholders via various channels, such as websites, annual reports, and annual registration forms, to foster an understanding and support anti-corruption efforts.
3. The Company's personnel who have any inquiries about this policy may consult their supervisors, Company's Secretary/ Senior Manager of Legal Department, or the Audit Committee.

### **Disciplinary Action**

The Company's personnel who fail to comply with this policy are subject to disciplinary action and may also be subject to legal punishments if they commit an offense under the law.

### **Whistleblowing Measures and Channels**

The Company has established mechanisms for whistleblowing, complaint handling, and processing violation cases against laws, rules, and the Company's code of conduct or any case in suspicious of corruption. The Company has also prescribed appropriate whistleblower protection measures according to the Whistleblowing Policy to provide a clear guideline and enhance the efficiency of complaint handling.

This Anti-corruption Policy has been revised according to resolution of the Board's Meeting and effective since 11 August 2021.

### **Anti-corruption Plan and Targets 2018-2022**

The Company has governed and carried out campaigns through communication and training sessions for all levels of its personnel to understand the said guidelines stipulated in the policy and Code of Business Ethics and Work Performance Guidelines Handbook.

The Compliance Unit is responsible for monitoring and assessing the compliance with laws, and the said measures. **In 2021, there was no report or wrongful act of corruption in relation to the Company.**

### **Receiving and Offering Gifts, Assets or Other Benefits**

Gift, asset or other benefit can lead to corruption risk or embarrassment affecting decision making and posting negative impact on the Company.

In this regard, a set of guidelines for receiving and offering gifts, assets, or other benefits has been developed and prescribed in the Good Corporate Governance Handbook and Code of Business Ethics of the Siam Steel Service Center Public Company Limited for practices in compliance with the Company's Anti-corruption Policy.

### **Guidelines**

#### **1. Offer of Gifts, Souvenirs, or Other Benefits**

- 1.1. Offering gifts or customary gifts on some special occasions is acceptable but must not contravene relevant laws. The gift value shall be in compliance with regulations and not extravagant. Personnel shall refrain from offering gifts if such offering would influence business decision making. On some occasions, offering gifts in the form that enhance image of the Company is acceptable.
  - 1.1.1. Calendars or diaries.
  - 1.1.2. Gifts that bear the Company's corporate logo/corporate brand.
  - 1.1.3. Products from projects under the royal initiatives, products from local communities nearby the Company's operating areas, or products intentionally made for charity of those that support sustainable development.
- 1.2. Giving gifts and souvenirs should be based on a single standard to avoid discrimination.
- 1.3. It is prohibited to offer gifts, souvenirs, assets, or other benefits to spouse, children, or those having acquaintance with government officials, customers, business partners, and those come into contact with. This will be considered receiving gifts via an intermediary.
- 1.4. It is prohibited to giving bribes or the likes to the Company's personnel or outsiders especially government officials to motivate misconduct.

## 2. Receiving Gifts, Souvenirs, or Other Benefits

- 2.1. Personnel of the Company shall avoid accepting gifts, souvenirs, or other benefits under any circumstances. In connection to this, they are required to inform outsiders about the Company's policy.
- 2.2. In the case whereby refusal to accept gifts, souvenirs, or other benefits is not appropriate while such gifts, souvenirs, or other benefits cannot be returned to the giver, the Company shall assign personnel to collect all the items received and donate them to persons or organizations outside the Company for charity or for the common good. Exceptions are made for the followings:
  - 2.2.1. Consumables should be at the discretion of direct executive overseeing department receiving the goods.
  - 2.2.2. Personnel are allowed to receive calendars or diaries made as a company's corporate gift for personal use.
  - 2.2.3. In the case of receiving item of value not exceed 3,000 Baht but not in alignment with local custom whereby refusal to accept gifts may induce dissatisfaction or negative impact on business relationship, such personnel shall inform their direct supervisor/executive for discretion and fill in the gift receiving form sent to Corporate Governance Department.
  - 2.2.4. If the supervisor/executive discretion is concluded not to accept the item received, such item shall be returned to the giver immediately. If the item cannot be returned to the giver, it shall belong to department receiving the item who is required to seek alternatives to manage the gift received such as charitable donation.
- 2.3. In any circumstance, the Company's personnel and families are prohibited to solicit or receive gifts, assets, or other benefits from customers, or those dealing business with the Company. This shall include any action inducing non-compliance with ethical or professional standards which may affect authorized decision making or induce conflicts of interest.

Personnel of the Company is required to comprehend and comply with good practice concerning receiving and offering gifts, assets, or other benefits. If in doubt or any information be required, contact the Compliance Unit of the Legal Department at Tel: 02 394 2897 or E-mail: hiran@sssc.th.com.

### Whistleblowing Policy

The Company runs its business with transparency under legal framework, ethical principles, and good corporate governance. The Company supports the fight against all forms of corruption. It has established the whistleblowing policy to facilitate all directors, executives, employees, and stakeholders with channels for lodging/reporting complaints, comments, and clues of any wrongful acts, corruption, fraud, impartial acts, lack of diligence and care, and matters relating to corporate governance and code of ethics of the Company. The policy aims at encouraging all personnel to collectively improve or operate in the manner that create righteousness, proper, transparent and fair. Personal information of the whistleblowers and the reported clues are deemed confidential and shall not be abused.

### Scope of the Policy

The policy is established to encourage employees to disclose information regarding violation of law, rule/regulation, and code of business ethics of the Company concerning to followings:

- Corruption;
- Fraud, misappropriation, theft;
- Fraud for the benefit of oneself or others;
- Harmful acts to health, safety, and environment;
- Intentional acts causing damage or loss to the Company;
- Obvious violation of business ethics;
- Fostering violation of law, rule/regulation, business ethics including concealing or helping to conceal such actions.

### Safeguarding Confidential Information

The policy in this regard is established to assure employees or complainants that the Company takes all complaints seriously without any suffer on the employee or complainant who honestly files or reports the complaint. Information of employee or complainant is always confidentially kept. However, employee or complainant shall take cautions that right information is gathered before making complaints.

#### Channels for Lodging Complaints and Clues

- Independent Director, e-mail: id@ssscsth.com
- Mr. Boonchai Chiencharoenthanakij, Senior General Manager, Accounting, Finance and Administration Department, e-mail: boonchai@ssscsth.com.
- Mr. Hirun Komolhirun, Manager Legal Department, and the Company Secretary, E-mail: hiran@ssscsth.com.
- By post to Legal Department, Siam Steel Service Center Plc., 51/3 Moo2, Poochao Road, Bangyaprak District, Amphur Phrapradang, Samutprakarn 10130.

## 3.4 Shareholders

The Company attaches importance to the rules and regulations of the SET and Office of the SEC, and other related laws in signifying the rights of stakeholders.

- The Company operates its business with transparency, commitment to growth and advancement, and continual and long run good returns of investment to shareholders.
- All duties are performed with honesty, integrity, fairness, with concerns of major and minor shareholders for the best returns to all related groups.
- The Company maintains and safeguards all assets to prevent them from lost, damage or waste.
- The Company earnestly and constantly discloses adequate, transparent, reliable, and timely information of financial report and other matters concerning business and performances of the Company.

### 3.5 Employees

The Company regards every employee as valuable asset and significant factor driving the business to attain its goals. For all employees to be competent and happy at work which adversely affect the continuing development of the Company. In this regard, the policies and guidelines in relation to employees are defined and stipulated.

#### 1. Policy on Compensation and Welfare

- Fair recruitment that is lawful and comply with rules and regulations under labor law (e.g., employment, termination of employment), welfare, and equal treatment of employees.
- Provision of opportunity for all employees to maximize their talents with fair and appropriate competency-based remuneration.
- Regular performance and career advancement assessment by which the results are used as inputs for development and improvement of work processes. The development and improvement are in line with vision, strategy map, key performance indicators, objective, target, as well as short- and long-term action plans that lead to sustainable growth of the Company and attainable returns for employees.
- Policy for fair compensation to employees is based on short - long term performances of the Company; expertise, knowledge, competence, experiences, position, responsibility, and work performance of individual employee; performance of the Company; and socio-economic circumstances.
- Policy on fair compensation and equal opportunity; no privilege or deprivation of rights of employees against race, nationality, tribe, skin color, class, religious, social status, gender, age, disability or handicapped, political ideology, marital status; measures on protection from and solution for sexual abuse.
- The compensation is paid based on the KPI as defined by each employee and incorporated in the Action Plan submitted to their respective line of command.
- The long-term compensation is paid in the form of provident fund.
- Appointing, transferring, rewarding, and punishment are carried out in good faith based on knowledge, competency, suitability, fairness, and impartiality.
- Benchmarking the benefits and welfares given to employees with other firms in the same or similar industry and in accordance with applicable laws e.g., medical expenses, monthly/yearly diligent allowance, uniform cloth, shuttle, financial assistance, etc.
- Personnel development is continuously and constantly promoted to enhance knowledge, skill, and potential of all employees beneficial to their career advancement.
- Safe and healthy work environment for life and property of employees are regularly maintained.
- Proper facilities and welfare for employees with disability are provided.
- Employees are encouraged and fostered to live better life qualities and self-reliance following sufficiency economy guidance.
- The Board establishes clear policy and guidelines to promote learning and training for employees concerning environment, conservation, energy saving, safety and health in the workplace.
- Employees' participation and association rights are promoted and respected concerning comments or recommendations in relation to operational guidelines and/or work agreement. This shall be beneficial to all as well as create good relationship and collaboration. Channels to receive complaints and clues are available including fact finding guidelines and whistleblower protective measures.

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- Work culture and norm toward good cooperation and unity in the organization are promoted.
  - Business operation is managed with deliberation to avoid any unfair action that might cause negative impact on job stability of employees.

## **2. Policy on Management System of Quality of Work Life**

- Appropriately and continuously implements and develops Management System of Quality of Work Life according to the rules and guidelines provided.
- Promotes personnel training and development to ensure employees gain proper knowledge and skills.
- Ensures employees' happy work life with unity and care.
- Bolsters morality of all personnel.
- Conducts work related threat analysis in various dimensions for according mitigation and/or prevention measures.
- Develops human resources to become valuable assets of the organization.
- Ensures regular performance assessment according to the policies.

## **3. Policy on Occupational Safety, Health and Environment of the Workplace**

- The Company shall be committed to creating safe and pleasant work environment so as to protect employees from work related injuries and illness. Workplace environment is created in accordance with the law and requirement pertaining to risk in the workplace and workers who work on the behalf of the workplace.
- It is a responsibility of all employees to cooperate in workplace's activities on the occupational safety, health and environment.
- Risk assessment and improvement shall continuously be conducted including other related activities to prevent any accident in the workplace. Key Performance Indicator-KPI shall be identified for every employee to Completely Check Completely Find out - CCCF. In connection to this, every employee shall observe and look for any danger incurred from his/her work operations (CCCF for factory =2 items/person/year, for office = 1 item/person/year). Whereas KPI of every unit/department shall be at zero accident.
- Campaign shall be conducted to promote of life quality and good health for employees.
- The Company shall support sufficient and suitable resources to bolster compliance with standards and practice concerning occupational safety, health and environment in the workplace
- The Company welcomes delegations paying study visit to observe safety, occupational health, and working environment as well as disseminates related information in this regard to public and concerned parties.

#### 4. Policy on Industrial Sufficiency Economy (TIS 9999)

The Company has applied, to its business management and operations, the principles of Sufficiency Economy: the Moderation, Reasonableness and Self-immunity. In this regard, personnel shall possess knowledge and virtue promoting development that balances social, economic, and cultural aspects so as to sustain growth, stability, happiness, ability to take on all internal and external changes as well as environmental uncertainties. Implementation in respect to this includes:

- Encouraging employees' participation through instilling awareness of learning with morality in order to live life that is; moderate, well rounded, discreet, honest, diligent, tolerate, united, and shared;
- Respecting stakeholders' benefits and legal rights in a proper and fair manner;
- Developing holistic and systematic management to drive the organization, planning, implementation, monitoring, improvement, and information system toward achieving effective and efficient business outcomes;
- Promoting learning and understanding the value of natural resources and eco-system including soil, water, forest, and bio-diversity so as to uplift the spirit, living and interdependence.

#### 5. Policy on Environmental Management

So as to exhibit its commitment to future environment, the Company's management articulates the policy on Environmental Conservation and Rehabilitation dedicating to social and environment. Actions in this regard are within the frameworks of Environmental Management System ISO 14001 to prevent the continuing exploitation of environment, and to cooperate with other organizations. The policy was revised in 2020 as followings:

- Implements according to the objectives, context, nature, size of the Company's activities, products and services on environment;
- Commits to protection of environment, prevention and control of pollution;
- Ensures the practice is in accordance with the mission and regulations in relation to environmental management;
- Emphasizes and promotes the participation in pollution reduction, resource conservation and environmental protection;
- Develops and improves environmentally friendly manufacturing process;
- Continuously assesses, reviews and revises according to the set objectives and goals.

### 3.6 Community and Society

Being part of society and community, the Company is earnestly committed to the development and improvement of its Environment Management System (ISO 14001:2015) so as to give back to society and community. Cooperation is given to organizations dealing with environmental issues for development of quality of life and environment. The Company, therefore, articulates the environmental management policies as follows:

#### 1. Environment and Corporate Social Responsibility for Sustainability

The Company is committed to conduct its business with social and environmental responsibilities for sustainable development with clear operational guidelines. The Company, therefore, articulates the Corporate Social Responsibility and Environment for Sustainable Development Policy as follows:

- The Company strives to conduct its business recognizing Environmental, Social, Governance (ESG) as well as promoting effective management that is transparent, auditable, fighting against all forms of corruption, respecting for human rights, and caring for all sectors of stakeholders;

- The Company continuously strives to improve quality of work life; environment management; management of occupational safety, health and environment of the workplace in compliance with relevant laws, rules/regulations and international practices. The Company attaches its business practices to various standard systems including MS-QWL, ISO 14001, ISO 45001, ISO 9001, IATF 16949, ISO 5001 and ISO 56002; related laws and legal requirements or international standards; and the Industrial Standard Following Sufficiency Economy in Industrial Sector (TIS 9999). Such standard systems have been integrated and applied inside and outside the organization toward achieving sustainable development goals (SDGs);
- Promotes the integration of vision, mission, and goal as well as work practices for sustainable business operation;
- Ensures the presence of strategies, work practices and operating results are effectively and efficiently responsive to organization challenges;
- Promotes analytic study of causes, driving forces, risks, and possible opportunities contributing to sustainability;
- Reviews and assesses sustainable social environmental business development goals and plans, at least once a year.

## 2. Policy on Energy Conservation

The Company attaches an importance on efficient energy usage in manufacturing process, the Company, therefore promotes continuous participation among employees on sustainable energy management. The key objective is to promote employees' awareness of effective and efficient use of energy as well as to constantly and sustainably lower energy costs. The Company, therefore, improves its energy management system by:

- Appointing the energy management working group comprising representatives from various units within the organization;
- Preliminary reviewing energy management;
- Articulating energy conservation policy;
- Assessing capacity on energy conservation;
- Setting targets and action plan for energy conservation, and reviewing and analyzing the implementation accordingly;
- Implementing energy conservation plan, reviewing and analyzing operations against the set targets and plans;
- Monitoring and assessing energy management;
- Reviewing, analyzing and revising energy management plan and targets.

The Company has strived for international standard under the program on Development of the Thai Energy Management toward International Energy Management Standards ISO 50001. Accordingly, the Company was certified ISO 50001 in 2017.

In 2020, the Company's Energy Conservation Policy was revised in alignment with Energy Management Standards ISO 50001. Trainings and activities concerning energy conservation were conducted regularly for executives and employees at every level to better understand and to be more aware of energy conservation and saving. As a result of such practices, the Company can constantly save energy across its organization.



Policy guidelines are articulated for energy conservation of the Company.

- The Company determines energy conservation as part of its operation through development for proper energy management system in line with related laws and regulations.
- The annual energy conservation plan and targets shall be formulated and made known to every employee for common understanding and actions.
- The Company shall support the purchase of energy saving products and services designed for energy capacity improvement.
- The Company shall continuously improve technology and energy consumption for effective and proper use in the business.
- The Company regards energy conservation as duty and obligation of executives and employees to cooperate and comply with the stipulated measures.
- The Company shall promote and provide resources as needed including personnel, budget, work hours, training, awareness instillation, idea sharing of employees for efficient development of energy related work operations.
- The energy conservation plan and targets shall be revised every year by executives and the Working Group.

All personnel cooperate and act actively in compliance with the policy and mission statement that says:

**“Safety First, Satisfaction, Social Care, Continual Improvement”**

As results of good relationship of the Company’s executives and employees with surrounding communities, the Company has received the certificates as follows:

- Standard for Corporate Social Responsibility (CSR-DIW) from the Department of Industrial Works and has been certified Green Industry recognizing the Company’s systematic environmental management, and monitoring, evaluation and review for continuous development;
- Standard on Workplace Prevention and Solution of Drugs related Problems from the Department of Labor Protection and Welfare;
- Safety Standard ISO 45001
- Quality Management Standard ISO 9001 and IATF 16949;
- Environmental Management Standard ISO 14001;
- Energy Management Standard ISO 50001;
- Certificate of Standard on Workplace Prevention and Solution of Drugs.

#### **Section 4 Disclosure of Information and Transparency**

To ensure the important information of the Company including financial status, performances, ownership, and corporate governance process are disclosed as accurate, adequate, timely, and transparent; accordingly, the following guidelines for practices are instituted by the Board.

- The disclosure of Company’s important information including financial and non-financial e.g., market shares, customers’ satisfaction, shall be accurate, adequate, timely, transparent, and conformed to the notifications of concerned government offices.
- The Company regularly reports, in Thai and English, important data and information using Form 56-1 and annual report, to shareholders and general investors via various channels e.g., electronic media (SET Community Portal - SCP), website of the SET (<http://www.set.or.th>), and the Company’s website at [www.ssscth.com](http://www.ssscth.com).

- Not only disseminating the Company's Good Corporate Governance Policy on the Company's website, but also the Company's memorandum, certified letter, and the Company's articles of association.
- The Company establishes Audit Committee comprising 4 independent directors not being executives, to oversee the quality of financial report and internal control system.
- There shall be the disclosure of roles and duties of the Board and of the Audit Committee, number of meetings held, and number of meetings attended over the previous year of each director/committee member as well as opinions on the execution of duties.
- There shall be the disclosure of securities holdings of the directors and executives, and to institute the policy binding directors and executives to report the followings:
  1. Sale - purchase of Company's shares/securities holdings;
  2. Connected transaction and report of stakeholding of directors and executives.
- In order to avoid potential conflict of interest, directors and executives are required to report to the Chairman of the Board and present such report at every quarterly Board's meeting for acknowledgment.
- Any sale-purchase of the Company's shares, the directors and top executives shall report to the Board at least 1 day before the day of selling or purchasing.

## USE OF INSIDE INFORMATION

### Policy on Confidentiality, Safeguarding and Use of Inside Information

The Company's Board is committed to conduct business in manner that is honest, transparent, fair, and impartial to all stakeholders. The policy to safeguard confidential information from leaking to irrelevant persons is in place especially information that may affect the Company and its stakeholders. Directors, executives, and employees must not use information of the Company for self-interest.

This has been in alignment with Code of Ethics for Confidentiality, Safeguarding and Use of Inside Information illustrated in the revised the Code of Business Ethics and Work Performance Guidelines Handbook 2021 as approved by the resolution of the meeting of the Company's Board and Corporate Governance Committee on 24 February 2021.

1. The Company shall establish levels of confidentiality and applicable procedures whereby all personnel must understand each confidentiality level. They shall seal confidential information of their respective responsibilities from being viewed by other persons including personnel of irrelevant companies.
2. Personnel shall not disclose confidential information even after their retirement, resignation or termination of their position at the Company.
3. The Company shall maintain customer and trade privacy. Personnel shall not disclose private information to the unauthorized personnel of the Company and outsiders unless it is required by law, for court cases, or approved by the Board.
4. Inside information is operational and managerial confidential information that is not yet ready to be disclosed to the public. If such information is disclosed, it would impact the Company, particularly the trading prices of the Company shares on the stock exchange. Personnel of the Company must maintain the confidentiality of inside information and shall not disclose, exploit for self-gain or to affect the Company's benefit.
5. Personnel shall receive warnings notices and campaigns regarding the use of inside information via Company's channel of communication, especially in relation to important situations such as the issue of Company shares or debentures.

6. When employing candidates who have previously worked with competitors or the government, the Company shall enquire and study any confidential agreements the candidates may have had with their previous employers. The Company shall not force the candidate to break their agreements with trade competitors or the government, which might give rise to consequent legal actions
7. Information shall only be disclosed by authorized personnel of the Company. Unauthorized personnel shall not disclose the information to ensure the correctness and consistency of the disclosed information.
8. Directors, executives, and employees shall make copies, send facsimile, or store information properly and safely to prevent access of information or confidentiality by irrelevant persons.
9. Besides the disclosed information to the public, the Company assumes that all information is only for internal use. Directors, executives and employees must use such information within their scope of assigned duties and responsibility.
10. Executives shall not use undisclosed information to trade Company's securities before such information is disclosed to the public. They shall not also disclose the essence of such information to other persons.
11. Sanction will be imposed on any director, executive who violates this policy and causes defamation damage to the Company. The Company will cooperate with related governance entities for legal action to be undertaken.

### **Securities Trading Policy of Directors, Executives and Employees**

So as to ensure securities trading of directors, executives, and employees are carried out in a transparent manner and under good corporate governance principles; the Company's Board has prepared and put in place the Securities Trading Policy of Directors, Executives and Employees (Trading Policy) as guidelines for practices.

### **Scope**

This Policy shall be enforced on directors, executives, employees and any other designated persons as specified by the Company including spouses or cohabitating persons, minor children or adopted children of such person. This policy shall cover trading of the Company's securities which are registered in the Stock exchange of Thailand.

### **Definition**

Any statement or wording being used in this policy shall have the following meanings unless such statement is being displayed or explained in other contexts.

1. "Securities" means shares (common and preferred), debentures, stock options, derivatives (e.g. futures and options), warrants and any other financial instruments which is eligible for trading, transferring, accepting transfer and/or exchanging in the financial market.
2. "Trading" means purchase, sell, transfer or accept transfer of any benefits under the law including exercise the rights under stock options or warrants.
3. "Inside Information" means any material facts, which could influence any changes in securities prices, and is not being disclosed to the public. Examples of Inside Information are, for instance:
  - a) Financial status and operating results of the Company;
  - b) Business plans including strategic plan, marketing plan, and fundraising plan;
  - c) Joint venture, merger & acquisition, acquisition of business and/or material assets;
  - d) Announcement of payment or non-payment of dividend or announcement of profit or losses;
  - e) Changes in par value;
  - f) Acquisition or loss of material commercial contracts;

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- g) Launching of key new products;
  - h) Changes to controlling power or material changes to the Board of Directors and executives;
  - i) Redemption of securities;
  - j) Taking out significant amount of loan which has material impact to financial status and operating results;
  - k) Issuance of right offerings in significant amount by offer for sale to the public or specific persons;
  - l) Material legal disputes;
  - m) Acquisition or disposal of material assets;
  - n) Significant changes to investment capital;
  - o) Amendment to the Company's objectives;
  - p) Tender of other listed company's securities;
  - q) Material changes to accounting policy.
4. "Executive" means executive as defined by the Capital Market Supervisory Board TorChor 23/2551 shall mean the manager or the next four executives succeeding the manager, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments. Such persons shall be entrusted by the Company's Board with responsibility for the management of the Company.
5. "Designated Person" means an employee holding a position, or having a duty that permits them to retrieve or possess the inside information of the Company (including spouses or cohabitating persons and minor children or adopted children).
- 1) Directors.
  - 2) Top four executives or equivalent.
  - 3) Executives and employees of the key units of the Company including but not limited to finance and accounting, business development, investor relations, internal audit, risk management, and Company's Secretary.
  - 4) Any persons who participated in the Board's meeting and/or committee's meetings, which engage in discussion or negotiation about the financial and inside information of the Company and its subsidiaries.
  - 5) Other persons as designated by the Board.

The Company's Secretary is responsible for keeping the name list of the designated persons and informing any person being added in/deleted from the list.

#### **Duties and Responsibilities**

- 1. Board of Director shall supervise this policy so as to ensure every director, executive, employee, and any other as designated by the Company are in compliance with the specified requirements and practice guidelines concerning trading of Company's securities.
- 2. The Company's Secretary has a duty to enforce and implement this policy including conduct a follow-up on the efficiency of this policy as well as clarifying any issues, responding to questions and providing interpretation in case of doubts.
- 3. All executives have duties to ensure that their subordinates recognize the importance, understand and abide by this policy.
- 4. All directors, executives, employees, any others as designated by the Company shall strictly comply with this policy concerning trading the Company's securities. They shall also communicate to their spouses, cohabitating persons, and minor children or adopted children to acknowledge and comply with this policy.

## Policy and Guidelines

### 1. Prohibition on Using Inside Information to Trade Securities

All directors, executives, employees, any others as designated by the Company shall comply with the requirements concerning prohibitions to use inside information to trade securities which is prescribed under Section 242 of the Securities and Exchange Act B.E. 2535 that “Any persons, who are aware or possess any inside information related to issuer, are prohibited to undertake the followings:

- 1.1. Purchase or sell securities or enter into futures contract related to securities whether for themselves or others.
- 1.2. Discloses any inside information to third parties, whether directly or indirectly, or by any other means provided that such person is aware or should be aware that the recipient may use such information to purchase or sell securities or enter into contract to purchase or sell relating to securities, whether for themselves or others, except such person is acting in the manner deemed as not taking advantage of others or in the manner specified by the Notification of the Securities and Exchange Commission.”

### 2. Blackout Period

- 2.1. Designated persons are prohibited from trading Company’s securities within the period of 30 days prior to the disclosure of quarterly and annual financial statements and during the period as specified by the Company. They are allowed to trade the securities at least 24 hours after the disclosure of such information.
- 2.2. In special circumstances, designated person may sell Company’s securities during the blackout period if being in critical situations, for instance, serious financial difficulties or compliance with legal requirements or subject to court’s orders provided that such designated persons shall prepare a written memo stating reasons for approval from the following persons:
  - (1) Chairman of the Board of Directors (in case the seller is the director, executive, or Company’s Secretary);
  - (2) Chairman of the Audit Committee (in case the seller is the Chairman of the Board of Directors);
  - (3) Chairman of the management (in case the seller is a designated person).
- 2.3. The Company’s Secretary shall announce the blackout period in advance along with annual meeting date. In this regard, advance notice shall be provided before the blackout period of each quarter. This is to ensure the designated persons have known about the Company’s blackout period and act accordingly.

### 3. Reporting of Securities Holdings

- 3.1. For the first-time reporting, directors and the top 4 executives or equivalent shall prepare and submit the report of their securities holdings (including securities holdings of their spouse, cohabitating persons, minor children or adopted children, and juristic person in which such persons are joint shareholders with the holdings exceeding 30%) via the electronic filing system of the SEC within 7 working days from the date of purchasing, selling or transferring the securities under the Securities and Exchange Act B.E. 2535 (Section 59).
- 3.2. Reporting on changes to securities holdings, directors and the top 4 executives shall prepare and report such changes of themselves (including the changes to securities holdings of their spouses, cohabitating persons, minor children or adopted children, and juristic person in which such persons are joint shareholders with the holdings exceeding 30%) via the electronic filing system of the SEC within 3 working days from the date of purchasing, selling or transferring the securities under the Securities and Exchange Act B.E. 2535 (Section 59)

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**Trading Exemptions**

Reporting on changes to securities holding is not required in the following circumstances:

1. Rights offering;
2. The exercise of the conversion rights of the convertible bonds;
3. Accepting the tender offer of stocks or exercising stock option warrants which are obtained under the Employee Stock Option Program “ESOP”, or the Employee Joint Investment Program EJIP;
4. Inheritance;
5. Transferring and receiving of securities from placing as collateral for futures contracts.

**In Case of Doubts**

If any director, executive or employee has any questions or doubts regarding this policy or is unclear whether or not the inside information which is material or has been disclosed to the public or whether such securities are eligible for trading under certain circumstances, such person may consult the Company’s Secretary prior to taking any action.

**Violation of Policy and Related Laws**

Any director, executive or employee who violates this policy shall face disciplinary action. This may include civil and criminal liabilities.

Pursuant to Securities and Exchange Act B.E. 2535 (Section 275) providing that “Any person who has the duty to prepare and disclose the reports under Section 59 contravenes or fails to comply with Section 59 or the rules or procedures as prescribed thereunder shall be liable to a fine not exceeding THB 500,000 (five hundred thousand baht) and a further fine not exceeding THB 10,000 (ten thousand baht) for everyday during which the contravention continues.”

This Securities Trading Policy was considered and approved by the Board of Directors on 14 August 2019 and has been effective since.

**Section 5. Responsibilities of the Board of Directors**

The Company’s Board of Directors consists of those well-versed and experienced with competent in vision and strategy formulation, be able to devote time and perform duties with full dedication to the Company. The Board governs business operation via the management team and committees recruited and assigned for particular matters. The Board also provides efficient systems to monitor and evaluate the management performances.

**The Company’s Board Diversity Policy**

The Company recognizes and embraces the benefit of having diverse Board to create equilibrium of thought and performance quality, effective decision making of the Board to further benefit the Company’s business performances. The Company’s Board diversity aims at:

1. Promoting discussion at the Board’s meeting;
2. Promoting creative thinking of the Board’s directors beneficial to the Company;
3. Enhancing effective performance of the Board;
4. Applying for recruitment to diversify the Board of Directors

The Company specifies the Board's composition to include and make good use of persons with differences in knowledge, skills, experiences, and background in alliance with business strategies and operations. Such persons shall possess personal virtue, good attitude of the Company, broad perspective, leadership; be dedicated, impartial; nondiscriminatory against origin of birth, race, gender, age, skin color, religious, family status, educational background, or other statuses irrelevant to work operation, professional skills, and expertise.

The Company also specifies the Board Skill Matrix in 12 areas for the recruitment of directors of the Board:

1. Business and Management;
2. Direct and Indirect Industrial Corporation;
3. Engineering and Civil Engineering;
4. Strategic Planning for Competitive Advantage;
5. Business Related Laws;
6. Accounting and Auditing;
7. Economics;
8. Finance and Investment Management;
9. International Marketing;
10. Information Technology;
11. Risk and Crisis Management;
12. Good Corporate Governance.

The said Board Diversity Policy is instituted to maintain the best interests of the Company with transparency and to building trust among employees, customers, shareholders, stakeholders, society, and domestic and international investors.

## **NOMINATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER**

### **Nomination of Directors**

The Company's Board designates the Nomination and Remuneration Committee to set forth the criteria and policy for recruitment of directors, committee members, taking into the determination an appropriate number to be recruited, structure and composition of the Board/committees, and qualifications. With respect to the selection process, high priority is given to the competent nominees with knowledge, competent, experiences, board diversity, high work profile, leadership skills, broad vision, integrity, positive attitude to the organization, and be able to dedicate time to act in the Company's best interest and transparency.

The Nomination and Remuneration Committee selects and nominates, qualified person to fill the terminated or vacated or new director position, taking into determination skills being required by the Board and criteria set by the Company. The nomination is proposed to the Company's Board and/or shareholder meeting as the case may be. In this regard, details suffice to decision making shall be provided for the Board and shareholders.



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### **Nomination Policy and Criteria for Director of the Board**

The Nomination and Remuneration Committee nominates qualified knowledgeable person as required by the Company, applicable laws, and governing bodies to replace either retiring director or director being retired by termination of terms of office or by other means. The determination takes into account knowledge, diversity of experiences relating to e.g., financial, management, strategic, legal, investment aspects. Qualified person shall also possess skills and expertise relating to business nature of the Company including leadership, ability to express idea, rational decision making, be ethical with clean and high work profile. This is to ensure the strength and diversity of the Board capable of driving the Company toward business goals through international accepted good corporate governance.

### **Nomination and Election of Director of the Company's Board**

The nomination or selection of director of the Company's Board, the Nomination and Remuneration Committee shall take the following criteria into consideration.

1. Determining appropriate number, composition, and diversity of Board structure compared to nature and size of the business. Board Skill Matrix is drawn to demonstrate qualifications as required taking into conditions the qualifications being needed by the Board in alliance with business operation strategies.
2. Nominee either from within or outside the Company shall be executive possessing qualifications as required. Nominated person can be either a person selected from the data base of IOD Chartered Director or qualified person nominated by shareholders at the AGM. Shareholders are informed of the nomination information via the SET and the Company's website in advance.
3. The Nomination and Remuneration Committee approaches a qualified person, conducts interview, and consults with such person to seek confirmation for director position once approval is granted by the Board or the AGM as the case may be.
4. The Nomination and Remuneration Committee nominates individual person passing selection criteria to the Board for appointment or concurrence prior to submitting to shareholders' meeting for appointment.

### **Election of the Audit Committee/Independent Directors**

The Board of Directors and/or the shareholder meeting elects Audit Committee/independent director among persons with qualifications according to the Notification of the SET. One-third, and no less than 3 persons of all members of the Committee shall be independent committee members. The Committee must have at least 3 Audit Committee members all of whom are independent committee members. At least 1 Audit Committee member shall possess knowledge and experiences suffice for reviewing the reliability of financial statements. The Audit Committee shall be in service for 2 year per term as from the date appointed. Once the term of appointment is expired, the Audit Committee member is eligible for re-appointment. The current Audit Committee /independent director comprises 4 members.

### **Succession Plan**

The Board sets up a succession plan for the management and line positions taking into determination the performances and potential of each individual.

The employee performance assessment applies the Management by Objective model. Employee key performance index (KPI) are cascaded from the Company's KPI to allow employees to realize the importance of self-defined work targets. Such targets serve as criteria for performance and competency assessment. The assessment results are subsequently used to justify the compensation and career advancement planning.



Pre-promotion programs are in place for the development of potential persons to acquire skills and competencies required for any key position when needed e.g., President of the Company, Vice President, and executive so as to strengthen the continuity of management and performance of the Company.

### **Succession Policy**

The Company assures the selection of personnel to fill key positions is appropriate and transparent to ensure professionalism. The Nomination and Remuneration Committee is entrusted with formulating the succession plan for the positions of President, Vice-president, and executives for submission to the Board for consideration and appointment.

The Nomination and Remuneration Committee monitors and evaluates the succession plan on the following positions.

#### **1. Recruitment Criteria for the Positions of President or CEO/Vice President**

To fill the positions of the Company's President and Vice-president either when the position is vacant or the person in the position is unable to perform duties, executive of the similar level or deputy to the vacant position shall perform as Acting President or Vice-president as the case may be. The acting shall remain until the recruitment and selection of qualified person according to the criteria set by the Company is done. The selected person shall possess qualifications of broad vision, be competent with experiences suitable for corporate culture. The Nomination and Remuneration Committee is responsible for selection process and submission the selection result to the Company's Board for consideration and approval.

In connection to this, the Nomination and Remuneration Committee taking into determination the following criteria:

- Being director according to the Company's Articles of Association;
- Possession of knowledge, business management competencies, skills, experiences, a wide range of profession, and specifications most needed and beneficial to the Company's business.
- Possession of direct and indirect experiences of related business industries and organization management;
- Experiences in corporate leadership;
- Be approved by the Board;
- Be able to deal with conflicts of interest.

### **Qualifications of the President or CEO**

The President or CEO of the Company shall possess qualifications of the Board of Directors as mentioned in para. 5.1, as well as the following specifications:

1. Characteristic;
  - Integrity and accountability,
  - Informed judgment,
  - Leadership maturity and stability, be a good listener, take on challenges with appropriate independence,
  - Commitment to working principles,
2. Knowledge and competency of business operations; a wide range of professional skills, experiences, and other specifications most needed and beneficial to the corporate business,
3. Qualifications as specified by the SEC and SET,

4. Experiences in business of metal fabrication and parts manufacturing used in various industries, management of organizational capacity buildings to enhance effective business operation and competitiveness for the Company,
5. Excellent leadership skills, and a broad vision,
6. High competent in strategic planning and organization management,
7. Professional in personnel management, be able to motivate individuals to fully use their own potential,
8. Soft skills for work,
9. Wide range of professions, finance, IT, and etc.,
10. Well recognized by peer companies.

## 2. Executive

When the executive position is vacant or person in the position cannot perform duties, the Company shall nominate the selected successor to the Board. Process of succession plan formulation is as follows:

- Situation analysis of the Company concerning strategy, policy, investment and expansion plans.
- Manpower availability and compatibility assessment against the Company's short- and long-term strategies.
- Manpower plan formulation for development and recruitment of employee to replace the retiring personnel.
- Recruitment plan formulation and provision of training prior to retirement or early retirement.
- Competency description illustrating required knowledge, skills, personality, and attitude for certain positions, and individual development plan (IDP) formulation.
- Selection, competency-based performance assessment.
- Personal testing and evaluation tools for potential analysis.
- Successor identification based on potential and performance assessment whom shall be notified in advance so as to prepare for the assignment and job learn, reserved person for the position is also identified just in case.
- Personnel development and performance appraisal of potential successor to ensure expected performance is fulfilled or else recruit the reserved person into the position.

## Development of Directors and Executives

The Board recognizes an important of being a knowledgeable director with full understanding of respective duties, responsibilities, and the Company's business characteristics. Therefore, trainings are provided continuously and constantly to the newly appointed directors and the existing ones, coupled with the dissemination of rules, regulations, and guidelines provided by the SET and Office of the SEC as well as applicable laws and principles to facilitate the execution of director and executive functions.

### 1. Orientation of New Director

The Company's orientation policy aims at providing training for every new director to be well equipped with knowledge and understanding of the Company's business nature and operations. The training contents are inclusive of business policies and characteristics, business overview, and performances.

The orientation provides essential information for director including:

- Matters binding the Company to act according to the applicable laws e.g., sale-purchase of Company's shares, personal stake and the holdings of spouse and next of kin being major shareholders, managing directors of other businesses, and relationship with the companies;

- Memorandum and Articles of Association;
- Scope of duties and responsibilities of the Board and committees;
- Minutes of the meetings and meeting schedules;
- Corporate Governance Policy;
- Safeguarding the use of inside information;
- Risk Policy;
- Internal Control;
- Connected Transaction;
- Code of Business Ethics and Work Performance Guidelines Handbook;
- Whistleblowing;
- Legal Dispute (if any);
- The Company' improvement as recommended by the corporate governance bodies; The Company's Secretary is in charge of compiling related documents in this regard.

## 2. Knowledge Development

All directors possess qualifications as required by the SET. They are knowledgeable and competent. However, various trainings are provided to enhance the continuing work performance improvement. The Company facilitates directors, executives, and Company's Secretary to attend various trainings e.g., trainings as conducted by the Thai Institute of Directors (IOD), the SET, and Office of the SEC including Director Accreditation Program (DAP), Director Certification Program (DCP), and Company Secretary Program (CSP). Other trainings include training programs conducted by the Vocational Institute under the Patronage of His Majesty the King, independent agencies, and /or other educational institutes e.g., the Thai Listed Companies Association, the Thai Investors Association.

### Remuneration Policy for the Company's Board, Committees, and Top Executives

On 28 February 2012, the Company's Board resolved for the approval of nomination and remuneration criteria for directors of the Company, and have the criteria reviewed yearly since then. The 1/2021 Board's Meeting on 25 February 2021 resolved for the Nomination and Remuneration Committee to review the policy concerning the compensation and other benefits of the Board of Directors, committees, and top executives in accordance with the SET's guidelines, the Company's operating results as compared with its peer companies of a size and complexity comparable to the Company, and the performance of each executive. The Nomination and Remuneration Committee also take into determination the IOD's Director Compensation Survey as well as the following guidelines:

#### 1. Remuneration for Directors

Compensation for the Board of Directors shall be considered taking into account scope of responsibilities of the Board and performance of each director with approval from shareholders.

The Nomination and Remuneration Committee determines the type, payment criteria and amount of compensation and other benefits. As for the remunerations for the Board, Committees, and top executives; there are considered in respects of appropriation of respective responsibilities, the Company's operating results, performance of top executive, and market conditions prior to submission to shareholder meeting for approval.

The annual remuneration in cash and non-cash of each director of the Company's Board, the Nomination and Remuneration Committee takes into determination the alignment of the remuneration package with respective responsibilities, dedication of director, peer companies of a size and complexity, market conditions and competitors. Nonetheless, remuneration in this regard shall be in appropriation of respective duties and responsibilities, performance, and sufficient to attract and retain qualified directors.

## **2. Types of Remuneration**

- 2.1 Meeting allowance paid to, non-executive director or non-salaried director, to reflect performance of the director and to incentivize non-executive director to regularly attend the meetings.
- 2.2 Monthly compensation paid only to executive director to reflect duties and responsibilities of director.

## **3. Payment Methods**

- 3.1 Meeting attendance fee paid to non-salaried directors including audit committee member, independent director, and member of committees.
- 3.2 Fix compensation paid monthly to director to reflect duties and responsibilities as executive and director.

## **Conflict of Interest**

The Board sets forth the policy concerning conflicts of interest and published in the Code of Business Ethics and Work Performance Guidelines Handbook binding all directors, executives and employees to perform their duties with integrity and fairness for the Company and all group of stakeholders. The Company regards this policy as essential for directors, executives, and employees not to seek for personal gains.

The Company also establishes the policy concerning connected transaction that "any connected or related transaction made in non-compliance with the general accepted trade practice shall seek consent from the Audit Committee along with rationality and appropriateness of such transaction to be made. In this regard, approval from the Company's Board is required prior to making the transaction.

In the case whereby the connected or related transaction is made in accordance with requirements and principles provided by the SET & SEC, the Company strictly complies accordingly.

So as to prevent any conflict of interest, the Company stipulates the requirements of the following reports:

### **1. Report of disclosure of connected transaction with possible conflict of interest**

The Company's Board stipulates that there shall be the disclosure of any transaction with possible material conflict of interests. Reporting in connection to this shall include profile of persons having interests, relationship, transaction characteristics, conditions, price policy, total value, rationality, and opinion of the Audit Committee/ the Company's Board. The said information shall be disclosed in the 56-1 Form and the Company's annual report as details shown under "Connected Transaction" heading.

In 2021, there was not any non-compliance with the SET principles on making connected transaction in relation to the Company.

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**2. Report of stake of directors, executives, and connected persons**

The directors and executives shall report, to the Company, the description and scope of their stake and stake of the connected persons in relation to corporate management of the Company and subsidiaries. The reports serve the Company as information for its operation concerning the execution of connected transaction that may cause conflict of interest and lead to siphoning of interest of the Company and its subsidiaries. They also serve as information for monitoring the interest of the Company's Board and executives. The reports must be made and submitted once every calendar year and within 30 days as from the end date of December. Resubmitting is required whenever changes incurred which portrayed differences from the report previously submitted. The reports shall be sent to the Company's Secretary who shall compile and deliver to the Audit Committee Chairman and Chairman of the Company's Board.

**3. Report of securities holding and changes in securities holding**

The Company's Board set forth the policy binding the directors and executives (as defined by the SEC and the SET), including securities holdings of their spouses or minor children and/or connected persons according to Section 59 of the Securities and Exchange Act, shall report the Company's securities holdings as follows:

- First-time reporting using the 59-1 Form within 30 days from the date appointed as director or executive;
- Reports of changes in the Company's securities holdings using 59-2 Form within 3 working days as from the date of purchasing, selling or transferring of the securities. They shall also send copies of the reports to the Company the same day as sending to the SEC.

The directors are required to report of securities holdings to the Company's Board via the Company's Secretary every quarter. The Company's Secretary shall summarize and present, on a quarterly basis, the reports of securities holdings as well as changes in securities holdings of the directors and executives to the Company's Board for acknowledgement. Such reports shall be disclosed in the 56-1 Form and the Company's annual report.

Director or executive having stake in making connected transaction or any employee involved, they are not allowed to involve in the decision-making process of transaction made between the Company and the said stakeholding person or employee involved.

The Company's Board stipulates that director and executive shall disclose any transaction with potential conflict of interests on a yearly basis.

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## INTERNAL CONTROL AND INTERNAL AUDIT

### Internal Control

The Company's Board of Directors gives high priority to a good internal control system. The policy is in place to ensure the adequate and appropriate systematic and holistic internal control management. The practices based on corporate management focusing on righteousness and transparency in alliance with good corporate governance principles regarded as solid foundation of the Company's effective and efficient internal control.

The Audit Committee is entrusted with the consideration of the examination, control, and governance plan, independence of the Internal Audit. Other duties include giving consent on appointing, transferring, terminating of the Internal Audit Head as well as ensuring independency of the Internal Audit concerning the checks and balances standard of performances. The internal auditing report shall be submitted to the Internal Audit Committee at least once every quarter to ensure circumspection of the internal system and control without any negative effect on shareholders.

The Company's Board arranges for evaluation of the adequacy of the internal control system at least once a year with extra review where irregularity occurred that may affect significantly on the Company's operation. The Audit Committee and the Board exchange views and give recommendations for suitability and adequacy of internal control system to help designing appropriate practical guidelines for the Company. In connection to this, the Internal Control Sufficiency Evaluation Form as suggested by the SEC is applied. The form is divided into 5 sections and 17 headings as shown on the Company's website at [www.sssc.th.com](http://www.sssc.th.com)

The 1/2021 Company's Board meeting and the 1/2021 Audit Committee meeting on 25 February 2021 evaluated and came up with the conclusion that the Company has in place the internal control and risk management systems which are adequate, suitable and efficient. In connection to the systems, no material defect has been detected.

**Code of Business Ethics and Work Performance Guidelines Handbook**  
**2021 Revised Version**

(As approved by the resolution of the Board's Meeting on 25 February 2021)

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The Company's Board of Directors realizes the significant of the management and good corporate governance principles. The Company, therefore, applies as considered suitable to the Company's business context, the new Corporate Governance Code for Listed Companies 2017: CG Code) suggested by the Securities and Exchange Commission and the Stock Exchange of Thailand. The application aims at strengthening confidences of all stakeholders i.e., shareholders, investors, customers, business partners, creditors, employees, and general public so as to create value and sustainable growth. While assuring the Company's full adherence to good corporate governance with management responsibility that is transparent, fair, just, efficient, and auditable leading to business growth recognizing environment, social, and governance: ESG considered as a crucial fundamental to continuingly and sustainably strengthen business potentiality and growth with long terms benefit to investor.

The Board has instituted the Company's governance mechanism and entrust the Corporate Governance Committee with responsibility for oversight of management principle and business operation in compliance with good corporate governance policy and the principles of good corporate governance set forth by the Organization for Economic Co-operation and Development (OECD), and within the framework of SET's regulations. The social and environmental issues are integrated in the business process including setting direction, vision, mission, strategies, operation process; assessment and reporting. The setting facilitates the committee members as framework for oversight operation process responsive to social and environment while creating sustainable business value.

So as to ensure all employees acquire proper knowledge and have good understanding of rules, regulations, and articles of association as well as code of business ethics and work performance guidelines, the Company regularly carries out related activities and trainings. The trainings require employees to do the pretest-posttest as an evaluation of their learning on the said matters. The evaluation results are regarded as KPI of employees and used as inputs to improve the trainings and communication as well as to ensure employees are fully aware of their duties.



**Mr. Wanchai Kunanantakul**  
Chairman



**Mr. Surasak Kunanantakul**  
President

*This Code of Business Ethics and Work Performance Guidelines Handbook was approved by the resolution of the Company's Board of Directors and the Corporate Governance Committee Meeting on 25 February 2021 and effective since 1 March 2021 until further changes.*

## CODE OF BUSINESS ETHICS AND WORK PERFORMANCE GUIDELINES

### Business Ethics/Objectives

The Company's Board establishes the corporate governance policies, code of business ethics and work performance practices which are revised and improved annually or as appropriate so as to keep up with current situations and business environment while conforms with guidelines set forth by the SET, SEC, and relevant governance agencies. In so doing is to uplift the Company's corporate governance (CG) practices to meet international standards, to better create long-term good performances; be able to take on all changes, create value, and responsive to shareholders, stakeholders, and society.

In addition, the Company integrates into its business operations, the 3 principles of Sufficiency Economy: the Moderation, Reasonableness and Self-immunity; as well as knowledge and virtue. Since 2013, the Board has employed, to the Company's practices, the Industrial Product Standards and the Sufficiency Economy Guidelines for Industrial Sector (TIS 9999 volume 1-2556 B.E.) toward economic, social, environmental development for sustainable growth and happiness. Since 2013, the Company has been one among the first group of the companies signing the memorandum of agreement with the Ministry of Industry, the Thai Industrial Standards Institute (TISI), and the Management System Certification Institute (MASCI) to join the program on "Promoting the Sufficiency Economy in Industrial Sector (TIS 9999 Vol. 1-2556) for Sustainable Growth". The Company's personnel participating in the program have gained better knowledge and understanding relating to sufficiency economy guidelines for industrial sector, and have applied to organizational development practices that create equilibrium, sustainability, stability, happiness, and highest returns to shareholders. The clear development procedures are in line with the Sufficiency Economy Principles and Integrative Guidelines for Industrial Sector (TIS 9999 Vol. 1-2556). As a result, on 30 March 2015, the Company received certificate from the Ministry of Industry and the MASCI in collaboration with TISI certifying the Company's application of the Sufficiency Economy in Industrial Sector (TIS 9999 Vol. 1-2556) to its business operations. This has been considered material factors driving the Company toward balanced growth, stability, sustainability with happiness and best returns to shareholders.

### Monitoring Process

The Board stipulates that it is a responsibility of every director, executive, and employee to acknowledge, comprehend and strictly comply with the policies and practices as determined by the Code of Business Ethics and Work Performance Guidelines. The Company has no desire of any unlawful act or act in contrary to the ethical principles be committed.

### Compliance Unit

The Legal Department shall monitor and evaluate the compliance with legal requirements at least once a year and present the results to the Corporate Governance Committee/Audit Committee for subsequent submission to the Company's Board. This is to ensure full compliance with legal and other requirements including business ethics and anti-corruption measures.

For all employees to operate the Company's business in the same direction, the Company's Board set forth this Code of Business Ethics as part of the Corporate Governance Policy binding all employees to strictly adhere to ethical conducts, respect and treat stakeholders equally, fairly, and be auditable covering material matters including:

1. Director, executive, and employee accountability for stakeholders
2. Treatment of trade competitors



3. Stakeholding and conflicts of interest
4. Respect for law and international human rights principles
5. Confidentiality, safeguarding, use of inside information
6. Procurement, treatment of trade partners and their trading practices
7. Social and community responsibilities
8. Treatment of employees
9. Political support
10. Internal control and internal audit
11. Receiving and offering gifts, assets or other benefits
12. Money laundering prevention and suppression
13. Safety, health, and environment
14. Intellectual property, and use of information and communication technology systems
15. Personal data protection

## **1. Ethics for Director and Executive**

### **1.1. Director and executive for shareholders**

- Operate business with transparency; commitment to growth, progress, and constant best returns to shareholders.
- Perform duties with honesty, integrity, and fair beneficial to major and minor shareholders as well as all related groups.
- Maintain and safeguard Company's assets from lost, destroyed, waste in vain.
- Regularly disclose adequate, transparent, reliable, complete, and timely information including financial report and other matters related to the Company's business and performances.
- Never disclose any confidentiality of the Company to outsider especially the competitors.
- Never use any corporate information that has not been made public for personal and related persons' interests.
- Not taking any action in a manner that may cause a conflict of interest to the organization.
- Respect shareholder rights in obtaining necessary information, and treat shareholders equally.

### **1.2. Director and executive for employees**

The Company regards all employees as valuable assets and key factors driving the Company toward corporate goals. So as to facilitate work practices of all employees to be effective and enjoyable which in turn creating continuous development, the Company, therefore, determines compensation policy or wage management for employees as follows:

#### **1) Compensation policy or wage management for employees**

- The Company regards all employees as valuable assets who shall be treated equally with appropriate and fair benefits and welfare paid in consistent with their duties, responsibilities and competence.
- The Company determines payment structure which no less than the minimum wage set by the government and compared with payment standards in the same or similar business.
- To ensure job stability for employees, the Company establishes the provident fund consisting of employee's saving and the Company's contribution according to the set proportions.

In addition, the Company has submitted for the certification of Management System of Quality of Work Life (MS-QWL 1:2008) as introduced by the Institute of Human Capacity Building of the Federation of Thai Industries, and the Thai Health Promotion Foundation. The system being adopted serves as an operational framework and according Development of Management System of Quality of Work Life Policy to promote good and healthy life covering 4 well beings: Physical, Emotional, Social, and Spiritual.

## **2) Management System of Quality of Work Life**

- Appropriately and continuously implements and develops Management System of Quality of Work Life in line with the rules and guidelines provided.
- Promotes personnel training and development to ensure employees gain proper knowledge and skills.
- Ensures employees' happy work life with unity and care.
- Bolsters morality of all personnel.
- Conducts work related threat analysis for mitigation and/or prevention.
- Develops human resources to become valuable assets of the organization.
- Ensures the continuity of performance assessment in accordance with the policies.

## **3) Occupational Safety, Health and Environment of the Workplace**

- The Company shall be committed to creating safe and pleasant work environment so as to protect employees from work related injuries and illness. Workplace environment is created in accordance with the law and requirement pertaining to risk in the workplace and workers who work on the behalf of the workplace.
- It is a responsibility of all employees to cooperate in workplace's activities on the occupational safety, health and environment.
- Risk assessment shall be carried out regularly with according improvement to meet required standards so as to prevent workplace and other related accidents;
- Campaigning to improve quality of life and health of employees;
- Supporting sufficient and appropriate resources to enhance operational awareness in accordance with occupational safety, health and environment in the workplace standards and methods.

## **4) Industrial Sufficiency Economy (TIS 9999)**

The Company has applied, to its business management and operation, the principles of Sufficiency Economy: Moderation, Reasonableness and Self-immunity. Personnel shall possess knowledge and virtue for balanced development covering socio-economic, environmental, and cultural aspects so as to sustain growth, stability, happiness, ability to take on all internal and external changes as well as environmental uncertainties.

- Encouraging employee participation through instilling awareness of being knowledgeable and morale person who is moderate, well rounded, discreet, honest, diligent, tolerate, united, and shared;
- Respecting stakeholders' benefits and legal rights in a proper and fair manner;
- Developing holistic and systematic management to drive the organization, planning, implementation, monitoring, improvement, and information system toward achieving effective and efficient business outcomes;

- Promoting learning and understanding the value of natural resources and eco-system including soil, water, forest, and bio-diversity to foster spiritual upholding, living and interdependence.

### 1.3. Director and Executive for Customers

The Company fully realizes in and is committed to competency-based development and improvement in various fields by establishing, within the Company, quality systems with reference to the rules governing the Quality Management System ISO 9001 and the current Quality Management System for Automobile Sector IATF16949. The policy states that:

“Customer Satisfaction, Quality Orientation, Commit to Organization Development”

The Company is strongly committed to building quality and satisfaction to serve customers’ needs which is regarded as significant factor fostering business operation. To achieve this, the Company sets up policy guidelines to:

- Place utmost importance on quality to meet customers’ satisfactions;
- Give empathy to truly realize customers’ needs and supply products and services accordingly;
- Commit firmly to constant quality development of products and services to ensure the highest efficiency in every procedure of production process, and timely products delivery;
- Conduct and maintain efficient quality management to meet customers’ needs and the Quality Management Standard ISO 9001:2015 และ IATF 16949:2016;
- Continuously promote personnel development;
- Provide control system to ensure the Company strictly, attentively, honestly, and regularly adheres to the terms of agreement made with customers;
- Provide control system to maintain the confidentiality of customers as if the Company’s own, and to prevent any use of such confidentiality from any frauds.

### 1.4. Director and Executive for Trade Partners

- The Company treats all partners equally and fairly.
- The Company neither solicits nor accepts nor pays any benefits that would cause dishonest or non-transparent acts to its business partners.
- The Company strictly adheres to the promises given to its partners, whenever the promises could not be kept; partners are informed promptly for mutual resolution.
- The Company provides control system to prevent any disclose or use of its partners’ confidentiality for illegal business operation.

### 1.5. Director and Executive for Creditors

- Compliance supervision system is in place to ensure actions taken are firmly complied with terms and conditions of contract and agreement made to the creditor taking into account the reputation of the Company.
- In the case where the Company fails to fulfill contractual obligations, the creditor shall be informed promptly for mutual resolution.

#### 1.6. Director and Executive for Public Sector

- Maintaining good relationship and cooperation with public sector to the extent considered as appropriate.
- Ensuring strict compliance with laws, rules, and regulations issued by the governance bodies.
- Not helping or supporting or be used as a tool of any non-compliance with laws or regulations.
- Cooperating with governance bodies, and reporting information in relation to violation or non-compliance with law or regulation.

#### 1.7. Director and Executive for Environment, Society, and the Public

Being part of society and community, the Company is earnestly committed to the development and improvement of its Environment Management System (ISO 14001:2015). Cooperation is given to organizations dealing with environmental issues for development of quality of life and environment. The Company, therefore, articulates the environmental policy as follows:

- Implementing pollution prevention and control in compliance with environmental laws, regulations, and requirements;
- Promoting employee participation in pollution reduction with awareness of conservation of natural resources and environment;
- Developing and improving every procedure of the production process recognizing impact on environment;
- Continuously evaluates and reviews for environmental improvement in line with the set objectives.

The Company is committed to conduct its business with social responsibility for sustainable development of standard systems. In this regard, Corporate Social Responsibility Policy is developed encompassing energy conservation as guidelines for CSR implementation.

- The Company strives to run its business under ethical principles and good governance. Also, to take good care of society and environment and be qualified for CSR certification.
- The Company is committed to develop and improve environmental management system standards; and occupational health and safety management system. Implementation in this regard is under the Environment Management System Standards ISO 14001 and Occupation Health and Safety Management System Standards ISO 45001. Also, continuingly maintains the Quality Management System ISO9001. All aim at sustainable growth along with CSR, environment, and occupational safety;
- The Company shall promote and provides resources as needed including personnel, budget, work hours, training, exchanging ideas for the sustainable development of CSR.
- The Company shall conduct the evaluation of CSR plan and targets at least once a year.

In addition, the Company attaches an importance on efficient energy usage in manufacturing process, the Company, therefore promotes continuous participation among employees on sustainable energy management.

The Company, therefore, stipulates the Energy Conservation Policy as follows:

- The Company shall appropriately develop energy management system by articulating energy conservation as part of the Company's operation which shall be in alignment with related laws and requirements.
- The Company shall continuously improve energy usage to be more effective and suitable to business technology being employed as well as best practices and applicable laws.
- The Company shall formulate energy conservation plan and targets annually and made known to every employee. The Company shall ensure employees understand and act accordingly.
- It is deemed as a responsibility of every executive and employee to cooperate and comply with the set measures.
- The Company shall promote and provide resources as needed including personnel, budget, work hours, training, exchanging ideas for the effective development of energy work;
- The executives and working groups shall review the energy management policy, plan and targets annually.

## **2. Ethics for Employee**

### **2.1. Employee to the Company**

- Employees shall strictly comply with the Company's current articles of association, rules, regulations, and orders.
- Employees shall perform their duties with integrity, devotion, dedication; safeguard Company's property.
- Employees shall be loyal to the Company, not break the law and commit immoral action.
- Employees shall maximize time and asset of the Company and neither directly nor indirectly use for self-interest.
- Every employee shall reveal his/her relationship with the organization, external business institute, or kinship so as to avoid any act that would induce conflict of interest.
- Employees shall conscientiously keep confidentiality of customers and the Company, never use inside information of the Company or customers for self-interest or interest of others.
- Employees shall be careful with comments to external persons concerning matters that may affect the Company's reputation and operation.
- Employees shall not misuse information obtained from the performance of duties or disclose such information to any irrelevant person.
- Employees shall perform on the basis of integrity, ethical conduct, fairness to all, and never in contrary to the laws and good morals. They shall adhere to the cruciality and utmost benefits of the customers as well as of the Company.
- Every employee shall perform the work with discretion and reasonability for the utmost benefits of customers and society.
- Every employee shall perform his/her duties in compliance with general accepted standards, regulations, criteria or other related standards.
- Employees shall acquire adequate and complete information of customers so as to be aware of customer status and needs and be able to properly give advice on each service offered by the Company. They shall keep customers' confidentiality.
- Employees shall not involve in any acts or activity leading to defamation of the Company.

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**2.2. Employee for Supervisor, Subordinate, and Colleague**

- Employees shall not provoke, slander or be the cause of quarrels that promote disunity among colleagues. They shall maintain and promote unity and cooperate in a way that is favorable to the work and to the Company.
- Respect for the rights of other employees, not criticize in a destructive manner, and not use other people's work to impersonate one's own work.
- Listen to opinion and recommendation of the subordinate concerning work on duty, listen to supervisor's advice and do not work over supervisor.
- Every employee shall report fact whenever there is an unethical behavior or there is a reason to believe that what has been done is inappropriate which may impact on the Company. The Company shall keep such report as confidential.
- Significant fact from operation must be reported to the supervisor. In particular, if failure to report such information will affect the operation of the customer and/or the Company, or to conceal illegal action.
- Do not slander another executive or employee without fact.
- Employees must not act in violation or threat whether verbal or acting against others on the basis of race, gender, religious, age, physical and mental disabilities.

**2.3. Employee for Oneself**

- Employees must uphold honesty and not receive valuable item or any form of benefit e.g., money, gift from colleague, customer, trade partner or contracting party which may affect discretion and decision of duties or weaken the independence of justice.
- Employees shall perform their duties to the best of their ability and with honesty, integrity, due diligence and accountability.
- Employees shall have a sense of accountability for themselves and their respective duties.
- Employees shall constantly pursue knowledge and improve their work methods to become proficient and effective.

**2.4. Employee for Customers**

- Employees shall keep confidentiality of customers and the Company known from their performance of duties. They must not use such confidentiality for personal gains or for others or act in conflicts with the interests of customers and the Company, or contrary to the laws.
- Employees must not use customer's information for personal gains or for others which lead to action or decision with conflict of interest of customer, the Company, and shareholders, as the action and decision could incur bias that abstains them from performing their duties with free mind and fairness.
- Employees must not use any inside non-public message or information for personal trading or investment that could cause benefit loss to customers.
- Employees must not disclose any business information or documents given by the customer to outsider or any unauthorized personnel of the Company except as required by law.
- Employees must not exercise power of Company's duties to exploit profits in private trading or investment.

- Employees shall strictly comply with the terms and conditions made with customer, if unable to comply with any of the terms and conditions, they shall inform the customer immediately in the manner that ensures customer's most satisfaction.
- Employees shall attentively give service to customers with a willingness and courtesy. They shall provide useful information and advice beneficial and responsive to customers' requests and problems.

### **2.5. Employee to Public Sector**

- Employees shall strictly comply with public rules and regulations.
- Employees shall cooperate with public sector.
- Employees shall not cooperate with whoever violate official rules and regulations.

## **3. Ethics for Practices with Business Competitors or Anti-unfair Competition**

The Company sees the importance of growing sustainably together with stakeholders and all related groups. The Company, therefore, is committed to fair business operation in compliance with laws. Policy and guidelines for anti-unfair competition practices are articulated to prevent monopoly on trade while promote trade competition in compliance with applicable laws. In this connection, executives and employees of the Company and its subsidiaries shall comply with and be aware of the followings:

1. The Company operates its business by free and fair competition. Untruthful accusations, libel, unreasonable or doubtful information to discredit competitors shall not be tolerated.
2. The Company shall promote beneficial cooperation with its business competitors when it benefits consumers. Cooperation between the Company and its business competitors shall not take the form of monopoly, trade cartels, decreasing the quality standards of products and services, or price fixing. Personnel of the Company shall, in all circumstances, associate carefully with business competitors and their personnel and shall not disclose confidential information either intentionally or negligently to trade competitors.
3. Any merger or acquisition between the Company and its business competitors shall be transparent and after such transaction, the Company shall not use its dominant market power in any way that would harm consumers' interests.
4. The Company treats its competitors according to international trade competition principles and legal frameworks.
5. Controlling system is in place to prevent any illegal acquisition of trade confidentiality of the Company's business competitors.
6. Do not seek confidentiality of business competitors by dishonest or improper means.
7. Do not try to defame or discredit business competitors by untruthful accusations.
8. Price determination for products and services shall not take the form of predatory pricing, trade cartels including price fixing, bid rigging, market sharing, etc. The Company shall make sure any merger does not create monopoly in the market or unfair competition. It shall also avoid unfair trade practice or use trade bargaining power or dominant market power to set conditions that limit the opportunity or choice of business partners.

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#### 4. Ethics for being Stakeholder and Conflicts of Interest

Directors, executives and employees shall carry out their duties for the utmost benefit of the Company without any regard for personal interest, family or close relationships, and shall not act in conflict with the Company's interest.

Any action creating conflict of interest between the personnel and the Company may weaken effectiveness and incur bias or distrust affecting ability to perform duties ethically. Personal interest may include business activity operated outside the Company, financial benefit or personal relationship.

Conflicts of interests include the following actions:

- Using personal authority for self-interest;
- Using personal authority to assist relatives and close relationships;
- Gaining direct benefit;
- Exchanging benefit by using personal authority;
- Taking property of the agency for personal use;
- Using confidential information of the agency for personal use;
- Doing another job where interest conflict with the original one;
- Having conflict of interest from changing workplaces;
- Exercising authority to hide their guilts.

The actions mentioned above shall include receiving benefits in the form of privileges or reciprocal benefits which shall be in compliance with the following practices:

1. The Company's personnel are prohibited from using personal influence of authority in executing transactions between the Company and themselves; any partnership or other legal entity; to which they may belong or their relatives beyond the ordinary welfare and benefits that Company's personnel deserve. Exceptions may be made if conflict of interest is disclosed, and approval is specifically granted, or approval is obtained in principle.
2. Directors, executives, and employees must not be partners or shareholders with decision power or be a director or executive in a competitive business or similar to the Company. In the event that cannot be avoided, they shall report their supervisor immediately. Directors, executives, and employees shall report, to their supervisors, every conflict of interest that may arise involving themselves and/or their relatives.
3. The Company's personnel and their relatives may enter normal business agreements not influenced by the Company's personnel and such business terms and conditions shall be conducted at arm's length with the Company or its subsidiaries.
4. Directors, executives, and employees must not receive money or any benefit personally from the Company's customers, partners, or any others due to their working on behalf of the Company. Any order given for the benefit of the giver is prohibited.
5. When agenda items are raised during the meetings, any person with a conflict of interest shall temporarily leave the meeting to allow other attendees to consider, analyze and discuss the item without the influence of such person.
6. The Company's Board of Directors and the management shall consider connected transactions between the Company and its subsidiaries or affiliates independently with prudence and honesty, and ethically taking into account the benefits to the Company.



7. Directors, executives, and employees shall not seek benefits for themselves or for related persons using the Company's undisclosed information. They shall not act in conflict with the Company's interest.
8. Secondment to the Company's subsidiaries or affiliates is allowed with approval from supervisor, management, and director. The Company's personnel shall not accept any temporary or permanent external engagements considered as competing with the Company's business operation or that might cause any conflicts of interest. Exceptions may be made with the specific approval of the supervisor and director of the Company.
9. The hiring of relative of the Company's personnel shall be undertaken on a transparent and fair basis, as with others with the same qualifications. The Company's personnel shall not intervene in, influence or facilitate the hiring of their relatives.

## 5. Ethics for Compliance with Laws and Regulations and Human Rights Principles

The Company pays great respect for laws, culture, tradition, and international principles of human rights in every area where its business is operated, and constantly monitor to ensure the Company's operation does not involve in any human rights violation by adhering to practices beneficial to the society.

Directors, executives, and employees shall act in compliance with the Company's articles of association, rules, regulations, and orders as well as laws and international human rights principles related to the Company's business. Accordingly good practices are defined as outlined below:

1. The Company is committed to human rights principles and respects for rights and dignity of directors, executives, and employees. Equal employment opportunities are provided without discrimination, labor deprivation, harassment, or intimidation due to nationality, race, class, gender, age, religious, belief, and social status.
2. Executives and employees are provided with equal opportunities for training to improve capacity as required by job positions.
3. The Company's personnel shall understand and abide by laws related to his/her roles and responsibilities. In case of doubt, they must consult the Legal Department. When doubt arises, do not proceed without taking legal advice.
4. Directors, executives, and employees shall perform their respective duties with integrity, recognizing ethical benefit of the Company despite loopholes in articles of association, regulations and orders of the Company.
5. Directors, executives, and employees shall be polite and impartial regardless of nationality, race, class, gender, age, religious, belief, and social status.
6. Directors, executives, and employees shall respect for the Thai traditions and culture as well as the good traditions and culture of countries to which the Company doing the business with. Any operation shall be suitable to the socio-economic situations of such countries so as to ensure operation is in compliance with laws, traditions and culture of respective country of destination.
7. Directors, executives, and employees shall respect for stakeholders' rights equally and without violating personal rights, dignity, and discrimination of educational background, rank, race, nationality, religious, and gender.
8. The Company strictly adhere to the principles of human rights. International principles of human rights are given to employees to integrate into their respective duties and not to support any business that violates human rights principles.

9. Whenever detecting any irregularity which may impact workplace safety, executives and employees shall immediately report to personnel in charge for resolution.

Besides, the Company is committed to perform as suggested by the UN Guiding Principles on Business and Human Rights: UNGPs encompassing 3 pillars: 1. Protect, 2. Respect, and 3. Remedy. The Company also uphold the 10 international principle of the UN Global Compact which are:

#### **Human Rights**

- 1) Support and respect the protection of internationally proclaimed human rights;
- 2) Make sure that they are not complicit in human rights abuses.

#### **Labor**

- 3) Uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4) Elimination of all forms of forced and compulsory labor
- 5) Effective abolition of child labor;
- 6) Elimination of discrimination in respect of employment and occupation.

#### **Environment**

- 7) Support a precautionary approach to environmental challenges;
- 8) Undertake initiatives to promote greater environmental responsibility;
- 9) Encourage the development and diffusion of environmentally friendly technologies.

#### **Anti-corruption**

- 10) Work against corruption in all its forms, including extortion and bribery.

The Company, therefore, set forth a surveillance process of human rights and review the policy as follows:

1. Treat every employee equally and impartially regardless of place of birth, race, gender, age, skin color, religion, disability, disadvantaged, family status, education or any other statuses not directly related to the work operation.
2. Provide equal working opportunity, wages, compensation, career advancement, fringe benefits according to the rules, regulations, articles of association, and orders of the Company.
3. Foster and promote basic human rights in an applicable manner which is stipulated as the policy guidelines.
4. Firmly adhere to the human rights principles, trainings are provided for employees to be able to apply the principles to their actual works and not take part in any activity that would violate human rights.
5. Safeguard personal information of employees as confidential; distributing, revealing, transferring of such information to irrelevant person without permission is prohibited.
6. Any sexual harassment either against the Company's employees or others having business with the Company is prohibited, this includes verbal and physical sexual abuse, courtship, obscenity, indecency, acquiring pornography.
7. In all cases, do not have relationship with any office, organization or person that violates human rights or commits human trafficking.
8. Accept social, environmental, legal, cultural diversities in the Company.

9. Accept the limitation of language barrier in communication, experience, training, educational background, disability, etc.;
10. Assure the aforesaid rights of stakeholders and customers are guaranteed and protected.

## **6. Ethics for Confidentiality, Safeguarding and Use of Inside Information**

The Company shall maintain confidential information from leaking to irrelevant person especially information that may affect the Company and its stakeholders. Directors, executives, and employees must not use information of the Company for self-interest according to the following guidelines:

1. The Company shall establish levels of confidentiality and applicable procedures whereby all personnel must understand each confidentiality level. They shall seal confidential information of their respective responsibilities to keep it from being viewed by other persons including personnel of irrelevant companies;
2. Personnel shall not disclose confidential information even after their retirement, resignation or termination of their position at the Company;
3. The Company shall maintain customer and trade privacy. Personnel shall not disclose private information to the unauthorized personnel of the Company and outsiders unless it is required by law, for court cases, or approved by the Board;
4. Inside information is operational and managerial confidential information that is not yet ready to be disclosed to the public. If such information was disclosed, it would impact the Company, particularly the trading prices of the Company shares on the stock exchange. Personnel of the Company must maintain the confidentiality of inside information and shall not disclose, exploit for self-gain or to affect the Company's benefit;
5. Personnel shall receive warnings notices and campaigns regarding the use of inside information via Company's channel of communication, especially in relation to important situations such as the issue of company shares or debentures;
6. When employing candidates who have previously worked with competitors or the government, the Company shall enquire and study any confidential agreements the candidates may have had with their previous employers. The Company shall not force the candidate to break their agreements with trade competitors or the government, which might give rise to consequent legal actions;
7. Information shall only be disclosed by authorized personnel of the Company. Unauthorized personnel shall not disclose the information to ensure the correctness and consistency of the disclosed information;
8. Directors, executives, and employees shall make copies, send facsimile, or store information properly and safely to prevent access of information or confidentiality by irrelevant persons.
9. 9) Knowledge shall be provided to directors and management teams concerning report of securities holdings of themselves, their spouse and minor children. Penalty in relation to this as stipulated by the Securities and Exchange Act B.E. 2535 (1992), and as amended as well as the SET's requirements.
10. Executives shall report on the change of their securities holdings to the SEC in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992). The report shall be submitted to the Company the same day as submitted to the SEC.
11. Directors and top 4 executives shall prepare stakeholder report of themselves and their related persons to the Chairman of the Company's Board of Directors and Chairman of the Audit Committee according to the Securities and Exchange Act B.E. 2551 (2008). So as to ensure the transparency, fairness, impartiality, the reporting shall be submitted once every calendar year and within 30 days from the end date of December.

12. Executives shall not use undisclosed information to trade Company's securities before such information is disclosed to the public. They shall not also disclose the essence of such information to other persons.
13. Directors, executives, employees or designated persons shall not trade securities at least 1 month prior to the disclosure of quarterly and annual financial statements to the public.
14. It is prohibited to take opportunity or use of any information from being director, executive or employee for self-interest or running business in competition with or related to the Company.
15. Sanction will be imposed on any director, executive who violates this policy and causes defamation damage to the Company. The Company will cooperate with related governance entities for legal action to be undertaken.

## **7. Ethics for Procurement and Practices with Trade Partners**

1. Personnel of the Company who need to procure products and services shall consider needs, value, prices and quality. The procurement process shall be transparent. All vendors shall receive information equally and accurately. The vendor selection shall be made with fair treatment, fair competition and without bias. Selection shall be in accordance with academic standards, with care and suited to the circumstances. Trade partners shall obtain product and service testing as much as possible.
2. When contracting with suppliers, Company's personnel shall retain documents relevant to negotiations, drafting, contract making, and contract monitoring as supporting evidence for a specific period.
3. The Company promotes fair treatment with and among its suppliers. When procuring products and services. Personnel of the Company should not rush to completion, and shall allow suppliers adequate time for preparation. Contracts shall be fair and drawn up in the presence of a lawyer.
4. Negotiation shall be transparent and internal which allows executives to verify.
5. Personnel of the Company shall not request for or acceptance of benefit relevant to the procurement. They shall remain neutral, and refrain from close association with suppliers to the extent that might influence their decision making. The personnel must comply with the good practices outlined in the Ethics of being Stakeholder and Conflict of Interest.
6. The Company strictly adheres to contractual agreements. If found that either the Company or suppliers fail to comply with the agreement terms and conditions or circumstances arise that render compliance impossible. If possible and without detriment to either the Company or its suppliers, personnel of the Company shall discontinue their work and communication with the suppliers and promptly report to their supervisor to seek corrective action.
7. Directors, executives and employees should provide complete factual information for subcontractors, trade partners, suppliers, and co-workers.
8. Directors, executives, and employees should refrain from accepting gift; asset; invitation to party, reception, event held for a specific individual or group which the expense is paid by the customer. This is to prevent any hearsay and predisposition to giving privilege thereafter.
9. Directors, executives, and employee shall strictly comply with the Company's procurement processes for fairness to all.
10. In making public procurement; directors, executives, and employees must not offer or accept bribe in every business operation. Communication with government sector must be transparent, honest, and in accordance with legal requirements.

1. Executives shall not use undisclosed information to trade Company's securities before such information is disclosed to the public. They shall not also disclose the essence of such information to other persons.
2. Directors, executives, employees or designated persons shall not trade securities at least 1 month prior to the disclosure of quarterly and annual financial statements to the public.
3. It is prohibited to take opportunity or use of any information from being director, executive or employee for self-interest or running business in competition with or related to the Company.
4. Sanction will be imposed on any director, executive who violates this policy and causes defamation damage to the Company. The Company will cooperate with related governance entities for legal action to be undertaken.

## **8. Ethics and Practice of Trade Partners**

Besides the aforesaid ethics for procurement and practices with trade partners, the Company has stipulated code of ethics and conduct for trade partners with reference to the compliant practices with national, regional and international related rules and regulations. Also, in alignment with corporate governance and social, economic and environmental responsibilities for business sustainability throughout the supply chain. Monitoring is undertaken to ensure compliance with this code of ethics.

Trade partner means producer, contractor, supplier of products and services, joint venture, dealer, distributor, advisor and/or service provider including juristic person and natural person.

Trade partners of the Company are expected to adhere to this ethics and code of conduct and applied to their business operations as well as their related companies as seen appropriate.

### **8.1. Business Integrity**

#### **8.1.1. Business Honesty, Anti-corruption, Anti-trust**

- Run business in compliance with related trade law and regulations.
- Run business on the basis of righteousness, transparency, integrity, ethics that is auditable.
- Promote fair competition, neither solicit nor accept any fraudulent/corrupt acts nor offer bribe by mean of promising to give money or item or other benefits for their trading advantages.
- Support and cooperate in the fight against fraud or ethical misconduct to government, private, or public sectors.
- Plan for risk management, set up reporting and monitoring mechanism and/or conduct training, for trade partners' employees, to instill awareness of damage stemming from fraudulent acts.

#### **8.1.2. Information Confidentiality**

- Do not disclose essential business information as well as confidential information of the Company or its stakeholders who work for the Company and may have the opportunity to access such information.
- Do not use information for any benefit without Company's permission.
- Do not misuse of the Company's inside information for self-benefit or for others.

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**8.1.3. Information Disclosure**

- Disclosure personal information accurately, transparently, and completely according to legal requirements.

**8.1.4. Intellectual Property**

- Run business according to the law and related requirements concerning intellectual property rights.
- Be aware of the importance of respect for intellectual property rights and verify to ensure work practices do not violate intellectual property rights of others.

**8.2. Labor Welfare & Human Rights****8.2.1. Fair and Equal Treatment**

- Treat employees with respect recognizing human rights equally regardless of origin of birth, race, age, skin color, religious, expression of thought, physical condition, social and family statuses, political will, and marital status.

**8.2.2. Protection of Labor or Worker Rights**

- Never employ under age child labor as specified by law, in the case of employing labor whose age exceeds as specified by law, such child labor shall be protected according to the law.
- Use of foreign workers shall be in compliance with the law.
- Proper accommodation that is safe and clean shall be provided for labor working at the construction site. Accommodation for children shall be away from the construction site.
- Employees shall have freedom to give recommendations concerning labor treatment according to the labor law, as well as to participate in a negotiation process as provided by law.

**8.2.3. Do not Use Forced Labor**

- Never treat workers as slave labor including physical punishment, intimidation, detention. Workers shall work voluntarily.
- Workers shall be able to take leave or terminate an employment as provided by law if such worker has given appropriate reason to trade partner in advance.

**8.2.4. Wages, Benefits, and Working Hours**

- Allocate appropriate wages based on competency and not less than the amount as specified by law.
- Allocate working hours, overtime, and leave as specified by law.
- Working overtime or during holiday shall be on voluntary basis.

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### **8.3. Occupational Health and Safety**

#### **8.3.1. Work Safety Environment**

- Ensure safety of employees and related persons by creating and promoting healthy workplace.
- Provide basic facilities and necessary equipment to reduce risks stemming from accident and any impact on health that may arise from work performances. Proper first aid equipment shall be also provided in the workplace.
- Emergency plan shall be in place including evacuation drill plan and regular training.

#### **8.3.2. Product & Service Quality and Safety Standards**

- Guarantee safety standards of the Company products and services taking into caution the safety of customers and related persons.
- Provide only quality products and services that are safe and environmentally friendly and conform with specification as agreed.
- On request during checking process, provide evidence or documents certifying the source of products and services as well as quality standards and safety of production process to the Company and related persons.
- Promote products and services of local suppliers as well as raw materials and standard local products so as to reduce cost and help creating jobs generating income for the locals.

### **8.4. Environmental Sustainability**

#### **8.4.1. Avoidance of Hazardous Material and Product Safety Oriented**

- The Company shall be informed whenever the hazardous material or chemical substance are used with impact on the environment stemming from production and/or services provided to the Company. Clear relocation and disposal plan shall be in place as specified by law and shall not affect surrounding communities and societies.

#### **8.4.2. Efficient Use of Resource and Reduction Waste & Pollution**

- Effective use of energy and resources.
- Effective waste management with suitable measures for environmental conservation.
- Promote the use of standard local raw materials and products.
- Promote cooperation in Company's activities concerning climate change, conservation of natural resources, and bio-diversity so as to help maintaining ecological balance.

### **8.5. Efficiency Improvement / Business Innovation**

Collective action to exchange knowledge and experiences aiming at continuously improving working process to increase business efficiency and innovation in the supply chain.

## 9. Ethics for the Community and Social Responsibilities

1. The Company strives to run its business with care for stakeholders, economy, society, and environment in a manner that is fair, honest, ethical in compliance with good governance as well as recognizing impact on the organization, society, and environment.

To give back to the society and community, the Company is committed to continuously develop and improve environmental management standards (ISO 14001) as well as cooperate with other organizations in environmental quality development. The Company, hereby, defines environmental policy as follows:

- The Company's pollution prevention and control is strictly managed and practiced in accordance with the provision or law, rules, regulations, and environmental requirements.
- Focus and promote all employees to participate in pollution reduction with awareness to conserve resources and environment.
- Develop and improve the production process bearing in mind impact on environment.
- Evaluate and review to continuously improve environment in alignment with the set objectives and goal.

For every employee to be aware of environmental, occupational health and safety management as well as effective energy consumption with continuous work process improvement to reduce pollution and impact on environment and conserve natural resources; the Company, therefore, assess Carbon Footprint for Organization leading to management guidelines to effectively reduce greenhouse gas arising within the organization. Accordingly, the following policy guidelines are outlined:

- Set forth annually the objectives and plan for greenhouse gas management and communicate to all employees for cooperation;
- It is an obligation of every executive and employee to cooperate in the greenhouse gas management of the Company;
- The Company shall promote and support on various matters as appropriate including human resources, budget, training, and participation of employees in the present of ideas for development of greenhouse gas management;
- The Company shall convey environmental concept and guidelines for practice to its suppliers for environmentally friendly production processes that minimize energy use through the supply chain.
- Executives and the working group have the greenhouse gas management policy, plan and targets reviewed and evaluated annually.

2. The Company strives to run its business with social responsibility with its performances in various sustainable standard development. The Company, hereby, institutes the social responsibility policy and energy conservation as guidelines for social responsibility practices.

- The Company runs business following ethical principles and good governance coupled with caring for society and environment toward receiving Corporate Social Responsibility certification.
- The Company is committed to develop and improve system standards of environment, and occupational health and safety in the workplace. Operations following ISO 14001, ISO 45001, and ISO 9001 aim at enhancing organizational growth as well as social responsibility, environmental, and safety in the workplace.



- The Company shall promote and support as seen necessary human resources, budget, work hours, training, for the development of social responsibility in every aspect. Suggestions in relation to this is taken into further action for sustainable development of CSR.
- The Company review and assess the CSR objectives and plan at least once every year.

3. The Company is fully aware of the importance effective use of energy with continuous participation in energy management of all employees. The Company, hereby, defined as guidelines for energy conservation practices.

- Develop an appropriate energy management system as part of Company' operation in compliance with law and related requirements.
- Enhance effective use of energy in accordance with the business, technology used, best practice, and related law.
- Energy objectives and plan shall be communicated to every employee for understanding and compliance.
- Stipulate the energy conservation as responsibility of every executive and employee of the Company.
- Promote and support human resources, budget, work hours, training, for the development of energy conservation. Suggestions in relation to this is taken into further action for sustainable energy development.
- Review and assess the energy conservation objectives and plan once every year.

4. The Company apply the principles of Sufficiency Economy as suggested by the Standards and the Sufficiency Economy Guidelines for Industrial Sector (TIS 9999 volume 1-2556 B.E.) for sustainable development under 3 Rings, 2 Conditions, and 4 Principles as follows:

Ring 1:	Moderation
Ring 2:	Reasonableness
Ring 3:	Good immunity
Condition 1:	Knowledge
Condition 2:	Virtues
Principle 1:	Involvement of people
Principle 2:	Respect of stakeholders' interests
Principle 3:	Holistic management
Principle 4:	Systematic approach to management

5. The Company seriously and continuously strives to fulfill its social responsibilities regarding quality, safety, health and environmental protection, using natural resources efficiently with due regard to the safety and environmental awareness of its stakeholders. The Company also supports environmental conservations and the sustainable development of the quality of life in the community members.

6. The Company will publish information about the business, its social responsibilities and its environmental responsibilities without concealing disclosable information. The Company shall collaboratively and rapidly disclose information to shareholders and any interested parties.

7. The Company shall consider alternative use of natural resources to alleviate adverse effects on the community, environment and quality of life. The Company supports the reduction in consumption of energy and resources.

8. The Company shall instill awareness of social and environmental responsibilities in all personnel at all levels. The Company shall also associate with suppliers who share its concern for social and environmental responsibility. The Company shall lead the efficient conservation of energy for the benefit of future generations.

9. The Company shall use a portion of its profit to support appropriate social and environmental activities that actually benefit community, society and environment. In the case of donation, the Company shall review recipient information and ensure that any donation it makes is for charity purposes, effectively and efficiently used and adequately documented.

#### **10. Ethics for Treatment of Employees**

1. The Company treats its personnel equally without discrimination regardless of origin of birth, race, gender, age, skin color, religion, disability, financial status, family, or educational background, or other status that is not directly related to their working performance.
2. The Company shall provide all employees the opportunity to perform to their best ability with reasonable compensation. The Company shall motivate employees by determination of salaries, bonuses and operating expenses under the company's regulations. In addition, the Company shall provide its employees with opportunities for university education as well as short-term and long-term trainings.
3. The Company personnel shall perform their duties to the best of their ability and with integrity, fairness, morality and ethics, and responsibility. The Company personnel shall not assign any other person to complete their work, neither directly nor indirectly, except, when necessary, in specific circumstances or under time constraints when there is no concern over specific capability requirements.
4. The Company personnel shall perform their duties within the chain of command, receiving orders from and being directly responsible to their supervisor. The chain of command should only be crossed if absolutely necessary. The Company personnel shall refrain from making comments about their supervisors and colleagues that could have adverse effects on the person or the Company. Personnel shall be thoughtfully and reasonably open to the opinions of their subordinates and colleagues without prejudice.
5. The Company personnel shall use all Company resources, laborers, premises and other facilities to carry out their assignments. Their use for other purposes or beyond the benefit to which he or she is entitled is prohibited.
6. The Company personnel shall be polite and well-dressed and behave in accordance with their roles and the local customs without damaging the Company's image.
7. The Company personnel may use their name and position for charity fund-raising that the Company sponsors. The use of their position and the Company name for personal fund-raising is prohibited under any circumstances.
8. The Company personnel shall cooperate fully with Company activities organized to promote unity, harmony and cooperation, including those involving corporate social responsibilities.
9. The Company personnel shall not cause trouble, annoyance, assault, or demean other personnel or outsiders. Prohibited behaviors include: sexual assault, insults, verbal or visual obscenity and sexual harassment.
10. The Company promotes the use of employee rights according to the law on labor unions and state enterprise relations. The Company will not do anything that interferes the union's activity except such action is severely against the law, business ethics, or cause damage to the Company.

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## 11. Ethics for Political Support

The Company is a politically neutral organization and does not give any form of support to any political party, group, or politician at the local, regional, or national level.

The Company upholds the democratic regime of government, and encourages its directors, executives, and employees to exercise their political rights in compliance with law. This is for the Company to operate business without pressure of political parties and public sector. Directors, executives, and employees shall adhere to the following practices:

1. The Company supports political activities in a democratic system. All personnel are prohibited from using the Company's authority or resources neither directly nor indirectly to support political activities of any political party, group, or politician;
2. The Company encourages its employees to exercise their rights as provided by law. They are prohibited to join any activity which may lead to misunderstanding that the Company has involved in or supported a political party;
3. The Company supports its personnel to express, join, support, exercise their political rights outside office hours, using their personal resources. All personnel are prohibited from using the Company's authority, resources, capital or reputation for fundraising or political purposes;
4. By all means, every authority and employee is prohibited from giving order or persuading other employees or subordinates to join political activities;
5. Directors, executives, and employees shall avoid making political comments in the workplace or during work hours as it may cause conflict of ideas.

"Political Support" means financial or other forms of support neither direct nor indirect to support political activities e.g., giving loan, items or services; advertising; donating money to the organizations having close ties with political parties in the manner that may induce wrongful reciprocal benefits.

## 12. Ethics for Internal Control and Internal Audit

1. The Company shall establish a good control environment with a positive attitude towards internal control and appropriate assessment of significant risks that may impact the company's objectives, goals and success. The Company shall set up appropriate controls for all levels and functions of the entity and provide adequate, reliable and appropriate information technology and communication to both internal and external parties. The Company shall create a monitoring and evaluation system to ensure that internal controls are being implemented appropriately, support the company goals and continually improve to reflect changing circumstances.
2. The Company shall establish dedicated unit directly responsible for risk assessment and risk management, internal control assessment and compliance monitoring reviews. The results in connection to this shall be used to improve the controlling measures to suit changing circumstances and risk factors. In this regard, top and middle executives shall cooperate.
3. The Audit Committee shall review the internal control system, risk management system and internal audit system, and report the results to the Company's Board and shareholders.
4. The Company shall establish an independent unit which is well equipped with sufficient competent and ethical personnel directly responsible for effective internal audit.

5. The Company shall educate personnel to understand and cooperate with internal control and audit systems. Transaction reports shall be regular, precise, accurate, consistent, up-to-date and appropriately reviewed to ensure that the process is strictly followed.
6. Every personnel of the Company shall support and provide accurate information to the Internal Audit Unit as well as the Company's auditor. Personnel are responsible for the accuracy of financial information and must report any mistakes or suspicious cases immediately.

### **13. Ethics for Receiving and Offering Customary Gifts, Assets or other Benefits**

1. Directors, executives and employees must not solicit /accept pecuniary, favor or do anything dishonestly or beyond the norm of any party associate in the business with the Company.
2. Directors, executives and employees must refrain from soliciting/accepting pecuniary, favor, or other benefits from a person or juristic person running business with the Company neither for themselves nor others that might induce wrongful acts or lead to the carrying out/omission of their duties, or commit any wrongful act.
3. It is prohibited to give/receive/offer anything for the undue advantages of the third parties e.g., government official, broker, dealer, partner, or decision maker, that may induce particular person to illegally carry out or omit from their duties or professional services, or for exchange of undue privileges. Giving or receiving donation or sponsorship shall be transparent, lawful, and shall be made certain that such donation and sponsorship is not used as an excuse for bribery.
4. In the case of the juristic person or contracting party offering any gift or benefit to executive or employee as a reward, such executive or employee shall discreet if the offer is proper and/or bona fide. They shall also take into discretion the public rules and regulations as well as the impact on business relationship. However, the value of the gift shall not exceed the amount prohibiting public official to obtain.
5. Receiving gifts or assets shall be limited to reasonable and bona fide expenditures. Such gift or asset shall not be a contraband.
6. In either case, personnel and family members shall not solicit or receive gifts, assets, or any other benefits from contractors, sub-contractors, customers, business partners, or contracting parties that may improperly affect the recipient's independence of judgment towards the giver.
7. Personnel of the Company shall neither bribe nor give equivalent benefits of any form to other personnel of the Company or the third parties especially public officials. Giving gifts, assets or other benefits to public officials either local or international shall not breach any applicable local laws and customs.
8. Receiving and giving gifts between authorities and subordinates with value exceeding the norm are prohibited.
9. Directors, executives, and employees as well as family members shall neither receive from nor offer to partners or anyone anything or benefits being involved in the business with the Company. Except the receiving or offering is for the advantage of business operations or practices generally accepted as tradition.
10. The Company's joint business operations with other organizations e.g., public sector, enterprise, private sector either local or international shall be transparent, fair, and in compliance with applicable Thai and foreign laws as the case may be.

11. Directors, executives, and employees shall provide knowledge and understanding for customers, business partners, contractors, persons or juristic persons doing business with the Company, concerning the Company's intent to anti all forms of corruption. Those who found such actions shall report the Company promptly.
12. Directors, executives and employees are prohibited to give/receive bribery in any business operation. Contacting with government sector shall be transparent, honest, in compliance with applicable law.
13. Giving or receiving donations or sponsorships shall be transparent, lawful, and shall be made certain that such donations and sponsorships are not used as an excuse for bribery.

#### **14. Ethics for Prevention and Suppression of Money Laundering**

The Siam Steel Service Center Public Company Limited conducts its business in compliance with laws pertaining to the prevention and suppression of money laundering as well as international measures on prevention and suppression of money laundering and anti-sponsorship to terrorism. In respect to this, the Company establishes the policies on prevention and suppression of money laundering and anti-sponsorship to terrorism, customer acceptance, risk management concerning money laundering of the customers. The Company also stipulates the compliance oversight in accordance with the Prevention and Suppression of Money Laundering and Anti-sponsorship to Terrorism Policy.

##### **Prevention and Suppression of Money Laundering and Anti-sponsorship to Terrorism Policy**

It is ethical for the Company to articulate policies and guidelines for practicing the prevention and suppression of money laundering and anti-sponsorship to terrorism. The Company is committed not to be a source for money laundering and not to provide financial support to terrorism. The Company acts in compliance with the law pertaining to the prevention and suppression of money laundering and other related law as provided by the Anti-Money Laundering Office.

The Company defines the policies and measures to support the said policy including Customer Acceptance Policy, Risk Management of Customer's Money Laundering Policy, Examination Measure so as to acquire the customers' facts. The Company shall ensure the effective compliance of its personnel with the policies, measure and practices.

##### **Customer Acceptance Policy**

It is the responsibility of the Company to ensure customers identification are presented and verified prior to granting acceptance approval according to the law pertaining to the prevention and suppression of money laundering.

##### **Risk Management of Customer's Money Laundering Policy**

It is the responsibility of the Company to manage customers' money laundering risks prior to granting acceptance approval according to the law pertaining to the prevention and suppression of money laundering.

##### **Examination Guidelines for Customer Fact Finding**

It is the responsibility of the Company to regularly and continuously examine for fact finding of the customers, to the termination of relationship with such customers, according to the law pertaining to the prevention and suppression of money laundering.

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**Compliance Oversight according to the Prevention and Suppression of Money Laundering and Anti-sponsorship to Terrorism Policy**

1. Directors, executives, employees, dealers, brokers of the Company shall comply with the policies and practices pertaining to the prevention and suppression of money laundering and anti-sponsorship to terrorism.
2. The Company entrusts the executive with an oversight authority to ensure the compliance with the law pertaining to the prevention and suppression of money laundering. Such executive shall act as a contact person with the Anti-Money Laundering Office.
3. Measure is in place to control money laundering and anti-sponsorship to terrorism risks incurred from the Company's services.
4. The Company promotes knowledge and understanding of directors, executives, employees, dealers, brokers of the Company regarding the prevention and suppression of money laundering and anti-sponsorship to terrorism to the extent that they are able to act in compliance with such law.
5. The Company establishes orders, regulations, and work performance handbook in alignment with the Prevention and Suppression of Money Laundering and Anti-sponsorship to Terrorism Policy.
6. Management of all levels, employees, dealers, brokers of the Company must comply to the policy and guidelines for practices concerning the prevention and suppression of money laundering and anti-sponsorship to terrorism.

**15. Ethics for Safety, Health and Environment**

1. The Company establishes work system focusing on proper safety, health and environment in the workplace. Workplace shall be clean and hygienic to ensure personnel and contact persons are safe from accidents and illness.
2. Directors, executives, and employees shall pay serious attention to any event or activity that promotes occupational safety, health and environment. Operations in this regard shall recognize environment and be carried out with sense of safety.
3. Strictly comply with law and articles of association concerning occupational safety, health and environment.
4. Safety is importance to the Company and will establish rules and standards for quality, safety, health and environment protection that meet legal requirements and international standards, and will require personnel to understand and strictly adhere to them.
5. The Company shall make every effort to avoid and prevent losses from accidents, fire, occupational illness and injury, loss or damage of assets, violation of safety measures, improper working practices and other errors. The Company will maintain a safe working environment and regularly train its personnel on safety and security plans. It is the responsibility of management and employees to report any accidents and incidents following the required procedures.
6. The Company shall have internal communications with employees, contractors' staff, and relevant stakeholders to educate them on policies, regulations, procedures and precautions related to quality, safety, health and the environment and shall act accordingly to protect their health, assets and environment.
7. The Company is committed to seriously and continuously demonstrating social responsibility by recognizing the importance of quality, safety, health and environment and will maximize the benefits of natural resources for the well-being and safety of all stakeholders. The Company will support social activities to protect the environment and enhance the quality of life in the community in accordance with the principles of sustainable development.

8. If the Company discovers non-compliance with the rules and standards regarding quality, safety, health, and environment, or if unsafe operations that severely affect the environment, are discovered, personnel will be required to temporarily cease such operations and notify colleagues, supervisors and related business units for further actions or plans for resolution. Continuing operations in these circumstances shall be strictly prohibited.

#### **16. Ethics for Intellectual Properties and Use of Information Technology and Communication System**

1. Personnel of the Company shall use only the Company's information technology and communication to communicate with outsider for the benefit of the Company. Communication in this regard shall be with discretion, precaution, respect the copyright of the owner of the intellectual property.
2. Directors, executives and employees shall safeguard and maintain the Company's assets, intellectual property, respect the copyright of the owner of the intellectual property, use information technology and communication systems beneficial to the Company in conformity with applicable law.
3. The Company supports its personnel in conducting research and the researcher shall own the related rights and returns from their studies. However, the Company shall own the exclusive rights, patent submission rights, patent exclusive rights, and any benefits, associated with any such research commissioned and undertaken by the Company, based on the Company's information or knowledge within the Company.
4. Directors, executives and employees must disclose and provide the any return incurred from the invention and development undertaken by commission of the Company whether in whole or in part, and whether or not such intellectual property is already protected by law.
5. Personnel of the Company shall protect the confidentiality and prevent any leak of the company's trade secrets, secret formulas and secret business methods.
6. The Company encourages its personnel to use the Internet to support their work. Personnel shall not perform any act that might interfere with or cause disruption to others on the computer and Internet system in the office. Personnel shall not use the Company's computer system to release inappropriate information that is against the law, morality, culture or tradition; e.g., causing damage to reputation or property, propagating pornography, sending spam email, disrupting mail forwarding, or advertising merchandise or businesses that are irrelevant to the Company's products and services.
7. Personnel of the Company shall use only copyrighted computer software. In the case of performing duty using computer outside the office, such personnel shall make sure the computer is copyrighted and consultation with supervisor is required before using the computer. Either installing and operating invalid copyright computer software in the office; or piracy of copyright, patent, intellectual property and/or trademarks of any person are prohibited.
8. Any computer or software and information technology and communication systems are regarded as properties of the Company. The management and employees shall not use computer and information technology for self-interest.
9. The management and employees are prohibited from disclosing the Company's business information including the purchased information whether or not in the Company's database, or copying information on personal storage media without permission.
10. The management and employees are prohibited from changing, duplicating, deleting, or destroying the Company's information without permission.



11. The management and employees are prohibited from using illegal software, and copying copyrighted software for any reason without permission from the producer of such software.
12. The Company shall review, supervise, monitor, investigate and control the use of its information technology system by its personnel to ensure the Company's information system security.

#### **17. Ethics for Protection of Personal Data**

The Company ensures the personal data of customers, partners, employees, and/or the Company's business-related persons are correctly and confidentially kept, used, and retained. The use of personal data is bona fide with consent of data owner. The Company establishes Protection of Personal Data Policy as follows:

1. The Company extremely respects privacy of customers, partners, employees and related persons;
2. The Company collects only personal data necessary for administration or as required by law and shall obtain only from the data owner;
3. The Company shall inform of the objectives, usage, retention, rights concerning collecting of such data to the data owner for consent in the first place;
4. The Company shall establish the personal data using, processing, storing systems which shall be well safeguarded and confidential;
5. The Company shall entrust personnel in charge of personal data control, review/ approval so as to ensure the data is used according to the objectives and within the consent of or not cause any damage to the owner;
6. Data with special control e.g., ethnicity, political opinions, belief, religious cult, illness, criminal record, if necessary for use, the Company shall obtain consent from the owner.
7. Data owners shall have the rights to simply access, check, withdraw consent of the data throughout the period of data retention;
8. In case the foreign data owners, the Company shall keep, use, and retain as same as the Thai data owners;
9. In case of sending data to outside bodies or overseas, the Company shall strictly comply with applicable law;
10. The Company shall keep the aforesaid personal data as the Company's assets. Violating, disclosing, accessing for personal interest or destroy such data without permission from authorized personnel are prohibited. Failure to comply shall face maximum penalty and prosecuted as well as to pay full compensation for the damage incurred at the rate specified by law.

All related employees must comply with the said policy and practices.

Personal Data means any information relating to an identified or identifiable individual; an identifiable person is one who can be identified, directly or indirectly; excluding information of the deceased in particular.

#### **18. Compliance and Review**

It is a responsibility of every director, executive, and employee to strictly comply with the policies articulated in this code of ethics handbook. Oversight of the compliance in this regard shall be the responsibility of all level of management to their subordinates.

The Company's Board of Directors and the Corporate Governance Committee require the review of this Code of Business Ethics and Work Performance Guidelines Handbook annually.



## 19. Amendments and cancellations

The Company shall have the duty to amend this code of business ethics to be in alignment with related law, regulation, and business environment. Any employee sees terms and conditions in any clause that needs revision, he/she shall inform the management for further consideration and amendment.

\*\*\*This code of ethics may not cover all cases, if in doubt, employees shall consult their supervisors. If conflict arises, decision of the Executive Committee shall be final.

## 20. Whistleblowing

The Company runs its business with transparency under legal framework, ethical principles, and good corporate governance. The Company supports the fight against all forms of corruption. It has established the whistleblowing policy to facilitate all directors, executives, employees, and stakeholders with channels for lodging/reporting complaints, comments, and clues of any wrongful acts, corruption, fraud, impartial acts, lack of diligence and care, and matters relating to corporate governance and code of ethics of the Company. The policy aims at encouraging all personnel to collectively improve or operate in the manner that create righteousness, proper, transparent and fair. Personal information of the whistleblowers and the reported clues are deemed confidential and shall not be abused.

### Process after Receiving Complaints

Channels and freedom for lodging complaints and giving comments are provided paving a way to development and sustainability of the organization.

- The recipient gathers and compiles facts relating to the violation or non-compliance with the code of ethics.
- The recipient reports all facts to the Corporate Governance Committee in charge of investigating fact finding for consideration. Contents of the report shall be separated into issues e.g., management, knowledge development, verification of facts.
- The recipient presents the compiling facts to the Corporate Governance Committee for investigation and further determination of measures to suppress the violation or non-compliance.
- The recipient is required to report the investigation results to the complainant for acknowledgement. In vital cases where the complainants reveal themselves, the recipient shall report to Chairman of the Board and/or the Board for acknowledgement.

## 21. Measures to Protect Complainants

The Company establishes the protection measures for complainants based on the following criteria.

1. If the complainants feel unsafe to reveal themselves, in such case the revelation is optional. However, revelation is considered helpful as the Company would be able to inform the complainants of the progress and fact findings.
2. The recipient shall keep all information as confidential and well safeguarded. The protection measure is set up to safeguard employee lodging complaint and/or providing information and/or cooperating in an investigation process. They are protected from possible unfair treatments including being transferred, rotated, changed of workplace, suspended, intimidated, harassed, and terminated.
3. According to the policy, the Company will not impose relegation, disciplinary action, or any threat on employees who dissent over corruption although this would affect the Company to lose business opportunity. In connection to this, employees are informed through dissemination and campaigning conducted continuously via various activities.

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## 22. Disciplinary Actions

The Company's Board regards the code of conduct and work performance practices as a discipline to which every director, executive, and employee must comply. Violation or non-compliance is considered as disciplinary offense according to the personnel management regulation.

If such violation or non-compliance is considered illegal act, the Company will notify law enforcement official for further legal actions.

Every director, executive, and employee shall have duty to comply with the code of conduct and work performance practices and encourage others to do the same. The following acts are deemed as misconduct.

The Company has no policy to demote or impose any negative effect on employee who dissent over corruption although this would affect the Company to lose business opportunity.

1. Non-compliance with code of conduct and work performance practices.
2. Persuade, encourage, support others not to comply with this code of conduct and work performance practices.
3. Ignore, neglect a violation or non-compliance with the code of conduct and work performance practices.
4. Not cooperate, obstruct the fact-finding investigation.
5. Unfair treatment to a complainant stemming from the report of non-compliance.

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## **Audit Committee Charter (Revised Version 2021)**

(Approved by the Resolution of the Company's Board of Directors Meeting 1/2021 on 25 February 2021)

The Audit Committee serves as a sub-committee of the Company's Board of Directors. The Committee plays as a key tool or mechanism to ensure the Company's good corporate governance. The Audit Committee comprises independent directors for management flexibility and independent opinions against financial report and internal audit as well as providing consultancy to the management team and the auditor concerning potential risk management. The Committee shall make sure the disclosure of financial report is complete and accurate in accordance with related standards and requirements which results in reliable financial report.

### **1. Objectives**

The Audit Committee is established aiming at promoting effective operation and adding value to the organization efficiency on the followings:

1.1 Reliability of the financial report

1.2 Performance of the Company's Board

The Committee recognizes its accountability on the following matters:

- Financial report
- Accounting policy
- Financial management
- Internal control and internal audit
- Business policy and strategy formulation
- Compliance
- Business risk management and control

1.3 Improvement of internal and external auditing function and process, and communication between the Committee, Internal Audit Unit, and the auditor.

1.4 Official meeting between the Committee and the Finance Department.

1.5 Independence of the auditor and the Internal Audit Unit concerning the expressing of opinion for effective execution of function.

1.6 Independence and scope of work of the auditor concerning ability to express opinion freely in the event that may induce conflict of interest.

1.7 Quality of internal audit report.

1.8 Roles and power of external director.

1.9 Director's understanding of the defined audit scope.

### **2. Composition**

2.1 The Audit Committee shall consist of at least three members appointed by the Company's Board or the AGM. Every member of the Committee shall be independent director.

2.2 At least one member possesses knowledge and experience sufficient to review the reliability of financial statement.

2.3 The Company's Board shall select one of the Committee members as chairperson of the Committee.

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- 2.4 The Audit Committee shall appoint the Company's Secretary or one of the Company employees as Secretary of the Audit Committee. The appointed secretary shall assist the Committee in preparing meeting invitation and organization, delivering supporting documents required by the meeting, and record the minutes of the meeting.

### **3. Qualifications**

- 3.1 The Audit Committee shall be Board's director and independent director with qualifications as specified by the requirements of the Securities and Exchange Commission, and the Stock Exchange of Thailand.
- 3.2 All members of the Committee shall be independent from the management of the Company, subsidiaries, associate companies in the same tier, major shareholders, or persons with power to control the Company.
- 3.3 All members of the Committee shall not be director of the parent company, subsidiaries, associate listed companies in the same tier.

### **4. Terms of Appointment**

- 4.1 The Audit Committee's term of office is 2 years.
- 4.2 Member of the Audit Committee who vacated office may be reappointed.
- 4.3 Member of the Audit Committee vacates office upon:
- Retiring from the position of director of the Company's Board;
  - Being disqualified by law;
  - Resignation;
  - Death;
  - Being dismissed by the resolution of the Company's Board.

### **5. Duties and Responsibilities**

Scope of duties and responsibilities of the Audit Committee as entrusted by the Company's Board include

1. Review financial reports to ensure adequacy and accuracy;
2. Review the appropriateness and efficiency of the internal control system and internal audit, consider the independence of the Internal Audit Unit, give concurrence on the determination of appointment, transfer, termination of employment of the Head of Internal Audit Unit or any unit responsible for internal audit function;
3. Review the compliance with law pertaining to securities and exchange law and requirements, and the Company's business-related laws;
4. Consider, select, propose for the appointment of independent person as the Company's auditor including compensation fees, convene meeting with the auditor at least once a year without the presence of the management team;
5. Consider connected transaction or any transaction with potential conflict of interest to ensure its compliance with law and requirements pertaining to securities and exchange;

6. Prepare report of the Audit Committee and have it disclosed in the Company's annual report. Such report shall be signed by chairperson of the Audit Committee and shall include the Committee's opinions on the matters concerning the Company as follow:
  - (a) Completion, accuracy, and reliability of the financial report;
  - (b) Adequacy of internal control system;
  - (c) Compliance with law and requirements pertaining to securities and exchange, and law related to the Company's business;
  - (d) Suitability of the auditor;
  - (e) Transaction with potential conflict of interest;
  - (f) Number of Committee meetings and the attendance of each Committee member;
  - (g) Opinions or observation the Committee received as per the Committee performance according to the charter;
  - (h) Any transaction that should be made known to shareholders and investors;
7. Performs other duties as assigned by the Company's Board with consent of the Audit Committee.

## **6. Meeting**

1. The Committee shall organize a meeting at least four meetings a year as seen necessary and suitable to a particular circumstance as well as beneficial to the operation of the Committee's function toward achieving the set objectives.
2. The Committee may invite the management, internal auditor, compliance personnel, auditor, or related parties involving with the meeting agenda to attend the meeting.
3. The Committee may invite external consultant or specialist, at the number the Committee deems appropriate, to give advice or opinion using expense of the Company.
4. A quorum shall consist of at least half of the total members of the Committee.
5. In an event the chairperson of the Committee cannot attend the meeting, the Committee members who are attending that meeting shall elect one of the Committee members to chair the meeting.
6. In the case of voting for a resolution, the majority vote shall be required. In case of tie vote, the chairperson of the Committee shall have a casting vote.

## **7. Reporting**

The report of the Audit Committee is considered importance to the Company's Board, shareholders, and general investors as it demonstrates the independent and straight forward opinions of the Committee which ensures the Board of the circumspect management recognizing the shareholders' equity.

### **1. Report to the Company's Board**

#### **1.1 Routine activities**

- Minutes of the Committee meeting demonstrating clearly the opinions of the Committee on various matters.
- Summary of annual activities.
- Opinions on financial report, internal audit, and internal auditing process.
- Other matters that should be made known to the Board.

#### **1.2 Matters required immediate reporting to the Board**

- Transaction with conflict of interest.
- Suspicion or presumption of fraud, or significant irregularity or deficiency of the internal audit system.

- Suspected violation of SET law or requirements.
- Other matters that should be made known to the Board.

## **2. Report to Public Entities**

In the event the Audit Committee had reported to the Company's Board of the significant impact on the financial status and performance of the Company which the Board and the management have been discussed and jointly resolved for improvement to be carried out within a specified period. In connection to this, if no action as yet to be undertaken without justifiable reason, one of the Committee members may report such event to the SET or SEC.

## **3. Report to Shareholders and General Investors**

Activities undertaken during the year as per duties and responsibilities assigned by the Board, such report shall be signed by chairperson of the Committee and disclosed in the Company's annual report.

## **4. Report to the Thai Private Sector Collective Action Against Corruption Committee**

Arranges for the sufficient and appropriate methods for the conformance review of self-assessment form concerning anti-corruption measures to ensure the information filled in the form is accurate and adequate prior to sending to the Thai Private Sector Collective Action Against Corruption Committee for membership certification.

## **8. Evaluation**

To ensure the effective operation of the Committee to achieve the assigned objectives, the Committee is required to conduct self-assessment or other appropriate means for performance improvement.

## **9. Compensation**

The Company's Board shall determine compensation fees for chairperson of the Audit Committee and of the Committee members and present to the AGM for approval.

## **Risk Management Committee Charter (Revised Version 2021)**

(Approved by the Resolution of the Company's Board of Directors Meeting 1/2021 on 25 February 2021)

### **1. Composition and Qualifications**

The Board appoints the Risk Management Committee selected among the Company's directors and executives and/or knowledgeable persons. The appointed Committee members shall select one Committee member as chairperson of the Risk Management Committee.

### **2. Terms of Appointment**

The Committee's term of office is in accordance with the tenure of the Board, ending at the annual general meeting of shareholders. The retiring Committee's member is eligible for re-appointment. The retiring member shall retain in the position until the replacement is done, except, the retirement is upon the expiration of term and such member is not re-elected.

### **3. Duties and Responsibilities**

1. Provide risk management policy and framework covering key risks i.e., strategic risk, operational risk, financial and accounting risk, corruption risk, compliance risk, and information system risk.
2. Lay down strategies, cascading from the risk management policy, to assess, monitor and control Company risks to be within the Company risk appetite.
3. Support and encourage cooperation in the management of the Company overall risks, review the adequacy and effective implementation of risk management policy and system.
4. Regularly and systematically conduct the assessment and analysis of potential damage occurrence in both normal and critical circumstances so as to ensure risk survey covering every procedure of business operation.
5. Continuously support and develop risk management to be in alignment with international standards.
6. Report to the Board on any improvement in alignment with the set policy and strategies.
7. The Committee is entitled to hire external consultant to provide advices using expense of the Company with consent from the Board.
8. Perform other duties as assigned by the Board.

### **4. Meeting**

1. The Committee shall convene a meeting once annually as necessary and appropriate.
2. Meeting agenda and supporting documents shall be delivered to the Committee members prior to the meeting date.
3. A quorum shall consist of at least half of the members of the Committee.
4. In the case of voting for a resolution, the majority vote shall be required. Any Committee member who has a conflict of interest in a matter for consideration is not allowed to attend the meeting.

### **5. Reporting**

The Committee shall report on its operation to the Board, and on the operation during the previous year to the AGM covering the followings:

1. Number of meetings held;
2. Number of meeting attendance of each member of the Committee;
3. Performance as per the charter.

## **Nomination and Remuneration Committee Charter**

### **(Revised Version 2021)**

(Approved by the Resolution of the Company's Board of Directors Meeting 1/2021 on 25 February 2021)

#### **1. Composition and Qualifications**

The Board appoints the Nomination and Remuneration Committee selected among the Company directors and executives and/or knowledgeable persons, and appoints an independent director as chairperson of the Nomination and Remuneration Committee.

#### **2. Terms of Appointment**

The Committee's term of office is in accordance with the tenure of the Board, ending at the annual general meeting of shareholders. The retiring Committee member is eligible for re-appointment. The retiring member shall retain in the position until the replacement is done, except, the retirement is upon the expiration of term and such member is not re-elected.

In the case of vacancy, the Committee shall consider and select one of the Company directors who possesses the required qualifications and has no prohibited characteristics as Committee member. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

#### **3. Duties and Responsibilities**

##### **3.1 Nomination**

1. Consider nomination policy and criteria for directors of the Board and members of committees including appropriate number, structure and composition, qualifications of the committees to be presented to the Board or the AGM as the case may be.
2. In the event of vacancy or other cases, screen and select qualified persons to fill the positions of Board director, committee member, and Secretary of the Company to be presented to Board's meeting and/or the AGM for approval.
3. Perform other nomination duties as assigned by the Board.

##### **3.2 Remuneration**

1. Propose remuneration policy and payment methods for directors of the Board, members of committees, and top executives in appropriation with duties and responsibilities and in accordance with the Company's operating results and market sentiment.
2. Determine necessary and reasonable annual compensation fees in the forms of cash and non-cash bases for each director of the Board taking into determination duties and responsibilities, performance, and compared with the companies in the similar business as well as benefits expected from each individual director. Result in this regard is presented to the Board for consideration and subsequent submission to the AGM for approval.
3. Responsible for the Board and provide clarification and answer to the inquires at the AGM in relation to remuneration of the Board.
4. Report on policy and rational concerning remuneration for directors, executives as required by the SET, and disclose the report in the 56-1 Form and the Company's annual report.
5. Perform other remuneration duties as assigned by the Board, determine Company's business strategy, policy, plan and budget to be presented to the Board for concurrence.



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**4. Meeting**

1. The Committee shall convene a meeting once annually as necessary and appropriate.
2. Meeting agenda and supporting documents shall be delivered to the Committee members prior to the meeting date.
3. A quorum shall consist of at least half of the members of the Committee.
4. In the case of voting for a resolution, the majority vote shall be required. Any Committee member who has a conflict of interest in a matter for consideration is not allowed to attend the meeting.

**5. Reporting**

The Committee shall report on its operation to the Board, and on the operation during the previous year to the AGM covering the followings:

1. Number of meetings held;
  2. Number of meeting attendance of each member of the Committee;
  3. Performance as per the charter.
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## **Corporate Governance Committee Charter (Revised Version 2021)**

(Approved by the Resolution of the Company's Board of Directors Meeting 1/2021 on 25 February 2021)

### **1. Composition and Qualifications**

The Board appoints the Corporate Governance Committee selected among the Company's directors and executives and/or knowledgeable persons.

### **2. Terms of Appointment**

The Committee's term of office is in accordance with the tenure of the Board, ending at the annual general meeting of shareholders. The retiring Committee's member is eligible for re-appointment. The retiring member shall retain in the position until the replacement is done, except, the retirement is upon the expiration of term and such member is not re-elected.

In the case of vacancy, the Nomination and Remuneration Committee shall consider and select one of the Company directors and/or knowledgeable persons to be presented to the Board for consideration and appointment. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

### **3. Duties and Responsibilities**

1. Propose good corporate governance policy guidelines, and code of ethics and work practices to the Board for consideration and approval.
2. Oversight of the operations of the Board, Executive Committee, committees, and the management in compliance with good corporate governance principles, Code of Business Ethics and Work Performance Guidelines Handbook as well as anti-corruption measures.
3. Constantly review the policies, principles, and work practices in alignment with international practices and/or as suggested by related institutes and/or government bodies to be presented to the Board for consideration and approval.
4. Give recommendations concerning code of business ethics and work performance guidelines for directors, executives and employees including opinions on work practices and recommendations for improvement.
5. Promote and disseminate good corporate culture to ensure the culture is applicable and comply by all personnel of the Company.
6. Consider, appoint, and determine duties and responsibilities of the Company committees in support of, as deemed appropriate, the operations of the corporate governance and business ethics.
7. The Committee is entitled to hire external expert as consultant to attend the meeting with the Committee using the expense of the Company.
8. Perform other duties as assigned by the Board.

### **4. Meeting**

1. The Committee shall convene a meeting once annually as necessary and appropriate.
2. Meeting agenda and supporting documents shall be delivered to the Committee members prior to the meeting date.
3. A quorum shall consist of at least half of the members of the Committee.
4. In the case of voting for a resolution, the majority vote shall be required. Any Committee member who has a conflict of interest in a matter for consideration is not allowed to attend the meeting.

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**5. Reporting**

The Committee shall report on its operation to the Board, and on the operation during the previous year to the AGM covering the followings

1. Number of meetings held;
  2. Number of meeting attendance of each member of the Committee;
  3. Performance as per the charter.
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## REPORT OF THE AUDIT COMMITTEE

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### Dear Shareholders,

The Audit Committee appointed by the Company's Board of Directors comprises 4 independent directors: Mr. Pongsak Angsupunas as committee chairman; Mr. Vichit Vuthisombut, Assoc.Prof. Dr. Sucharit Koontanakulvong, and Dr. Damri Sukhotanang as committee members.

The Audit Committee independently exercises its duties as specified in the Audit Committee Charter and as entrusted by the Board. In 2021, the committee held 4 meetings with the Company's auditors and the internal auditors to consider the following matters:

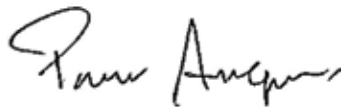
1. Reviewed the quarterly and annual financial reports and statements, as previously audited by the auditors, prior to submitting to the Company's Board, and subsequently to the Stock Exchange of Thailand for dissemination to investors.
2. Reviewed the transactions made with related parties or potential conflict of interest transactions to ascertain that the transacting was done reasonably for the benefit of the Company.
3. Approved the annual audit plan, supervised the according implementations, monitored and evaluated the auditing.
4. Reviewed the Company's risk management as resolved by the Risk Management Committee to ensure the potential impact assessment and the according risk management plan are in place so as to prevent any potential impact or to reduce them to acceptable level.
5. Reviewed and supervised performance compliancy concerning Company's business operations with laws relating to securities and exchange, and other related laws.
6. Held meetings with the internal auditors discussing and considering the audit plan and performances to ensure the auditing is appropriate and in compliance with regulatory requirements; acknowledging auditing report; monitoring corresponding actions taken as per the recommendations so as to enhance greater efficiency and effectiveness.
7. Reviewed and self-assessed an annual performance against good corporate governance and the charter thereby the results have shown the Audit Committee has performed its duties effectively in compliance with the charter specified.
8. Selected and recommended the auditors to the Company's Board for consideration and concurrence for subsequent submission to the Annual General Meeting of Shareholders for approval.

### Audit Committee's Opinions of the 2021 Company's Performance

1. Disclosure of financial statements are adequate, accurate and reliable in conformance with the generally accepted accounting standards.
2. Transaction with related entities or transaction with potential conflict of interest are carried out reasonably and in compliance with related laws and regulatory requirements, SET regulations, no notification of any irregularity reported.
3. Adequate and effective internal control and performance monitoring systems are in place and in line with good corporate governance, no deficiency inducing significant impact detected.
4. Appropriate and continuity management of risks are in place.
5. The Company run all businesses in compliance with laws, regulatory requirements, and SET regulations.

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6. The Audit Committee reviewed the independence and the annual internal audit plan as well as the performance of the internal auditor, and is of confident of the adequacy, independency, and effectiveness of the Company's internal auditing.
7. The Audit Committee considered the auditors along with appropriate audit fee and see the following auditors of the GRANT THORNTON LIMITED who possess knowledge, capabilities, experience; being independent and have no relationship with the Company and its subsidiaries; thereby recommending the Board to appoint/reappoint them as the Company's auditors.

Mr. Somkid Tiatragul	C.P.A. (Thailand) Register no.2785, and/or
Ms. Kanyanat Sriratchatcahva	C.P.A. (Thailand) Register no.6549, and/or
Ms. Luxsamee Deetrakulwattanapol	C.P.A. (Thailand) Register no.9056, and/or
Ms. Kesanee Srathongphool	C.P.A. (Thailand) Register no.9262, and/
Ms. Saranya Akharamahaphanit	C.P.A. (Thailand) Register no.9919, and/or
Ms. Amornjid Baolorpet	C.P.A. (Thailand) Register no.10853.



**(Mr. Pongsak Angsupun)**

Chairman of the Audit Committee

## REPORT OF THE CORPORATE GOVERNANCE COMMITTEE /CORPORATE GOVERNANCE

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Dear Shareholders,

The Company's Board of Directors strongly believes and sees the importance of adhering earnestly to good corporate governance principles and practices of listed companies would enable the Company in achieving sustainable growth and promoting confidence among stakeholders: shareholders, investors, customers, trade partners, creditors, employees, and public involved. Organization development is carried out caring for value of stakeholders, economy, societies, and environment. Good governance principles are incorporated as code of conduct which is applied to business operations and various activities in an ethical, transparent, and fair manner.

So as to strengthen our solid foundation and create trust among stakeholders, the Company's Board has entrusted the Corporate Governance Committee, comprising 3 independent directors, with duties and responsibilities to oversee and recommend matters concerning the Company's compliance to good corporate government principles of the Securities and Exchange Commission, the Stock Exchange of Thailand, and the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

In 2021, the Corporate Governance Committee held 2 meetings to revise good corporate governance development practices in alignment with the 8 principles of the Corporate Governance Code for Listed Companies 2017: CG Code as suggested by the Securities and Exchange Commission. The principles had been applied as appropriate within the Company's business context since 2018. However, all the 8 principles have been completely applied since 2019 covering:

1. establishing clear leadership role and responsibilities of the Board;
2. setting objectives that promote sustainable value creation;
3. strengthening Board effectiveness;
4. enhancing effective CEO and people management
5. nurturing innovation and responsible business;
6. strengthening effective risk management and internal control;
7. maintaining information disclosure and financial integrity;
8. promoting engagement and communication with shareholders.

The Committee revised the Company's good corporate governance principles in alignment with the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), a quantitative tool being applied to measure the level of "Corporate Governance of Listed Companies" of ASEAN member states. The revision outcome is presented to the Board at least once a year for the committees, management, and employees to adhere to as operational guidelines.

Throughout the year 2021, the Committee regularly reviewed the Company's performances against respective policies and plans whereby the following key matters were concluded.

1. Reviewed and revised policies and guidelines concerning directors, management and employees' securities trading; prohibition of securities and internal information; blackout period at of least 1 month before disclosure of the quarterly and annual financial statements; reports of first securities holding or change of the holding and according sanctions measures; human rights; employment and fair treatment of labors; anti-fraud and corruption measures; supply chain management; environmental greenhouse gas management; environmental friendly procurement; good governance; personal data protection according to the Personal Data Protection ACT 2019; management and prevention of intellectual property; promotion of innovation and creative thinking management; and business ethics and code of conduct handbook as well as work practices suitable for a particular situation and in alignment with good governance.

Other guidelines considered suitable for the Company and stakeholders' benefit were also reviewed and revised such as good practice of committees as suggested by the Thai Institute of Directors (IOD) on governance of organizational culture; role and responsibility of the Board and the management including guidelines for Chief Executive Officer, sustainable business strategy, GRC integration, governance of anti-corruption measures, succession planning and governance of personnel management, governance and promotion of innovation, orientation of new directors. The Board, the management and employees are required to adhere to the said guidelines along with the key principles and guidelines of good corporate governance as internationally accepted. The key principles are:

- Creating Long Term Value
- Responsibility
- Equitable Treatment
- Accountability
- Transparency
- Ethics and Code of Conduct

2. Considered and recommended on renewal for the third term certified membership of the Thailand's Private Sector Collective Action Coalition against Corruption: CAC. The second term of being certified CAC membership expires on 3 February 2022. The re-certification has demonstrated the Company's anti-corruption practice which is incorporated complete and sufficient process as reviewed by the Audit Committee. In connection to this, the Compliance Unit is entrusted with responsibilities to inspect, monitor, and evaluate to ensure effectiveness and compliancy with laws, regulations, business ethics, and measures concerning anti-corruption.

In 2021, no violation or non-compliance with policies and/or business ethics, code of conduct, and good corporate governance principles was detected.

3. Provided training for and made agreement with trade partners in supply chain and every truck service provider to collectively define policy and work practices for not involve in any form of corruption. Trade partners and suppliers are invited to join as member of Thailand's Private Sector Collective Action Coalition against Corruption: CAC under the CAC SME Certification program with the Thai Institute of Directors Association. Complaint and clue can be lodged or sent directly to independent committee member whereby the complainant or clue reporter is assured of the protection measures which are clearly defined and published on the Company's website. As in 2021, no complaint or reported clue was lodged or found.

4. Provided and disclosed information on the Company's website regarding opportunity for shareholders to propose, in advance, meeting agenda items and matters requiring clarification from the AGM.

5. Regularly promoted knowledge and understanding for directors, management and employees concerning implementation of and compliance with good corporate governance policy, business ethics and code of conduct handbook.

6. On a regular basis, reviewed and conducted self-assessment to rate the Company's good corporate governance (CG Rating) performance for development and improvement.

7. Reviewed the internal control system development policy by setting forth the Company's internal controlling measures so as to enhance knowledge and understanding among employees in relation to guidelines for accurate monitoring and evaluation of internal controlling and reporting. Ensured the system is applied throughout the organization and contributes to corporate sustainable growth.

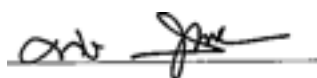
8. Instilled awareness and enhanced capability of employees/directors concerning social and environmental responsibility based on the designed Skill Matrix. Participated in the program on enhancing competitiveness through systematic innovation capacity and networks, and workshop on ISO 56002:2019 Innovation Management System with Office of Industrial Economics and the Management System Certification Institute (Thailand).

9. Held meeting convened among non-executive directors in compliance with the corporate governance of the SET. This is to offer an opportunity for independent directors to discuss freely on any matters affecting Company's management.

As results of continually and earnestly commit to and develop its corporate governance, the Company was assessed by various organizations on the followings:

- Assessment of Corporate Governance Report of Thai Listed Companies (CGR) from the Thai Institute of Directors (IOD) with "Excellent or Five Stars" rating result since 2016 (CG score 90-100) or 6 consecutive years. In 2021, there were 716 listed companies participated in the survey whereby the Company earns 93% average CG Score whereas the total average is 84%.
- AGM Quality Assessment whereby the Company received perfect score 100 or "Excellent and Exemplary" for 11 consecutive years, 2011-2021, demonstrating the Company's strong intents and commitment to its continuing management development adopting good corporate governance principles to create long term value added and sustainability for the Company and its shareholders.
- Thailand Sustainability Investment 2015-2021 (7 consecutive years) from the SET granted to listed companies for its outstanding ESG performance integrating social and environment concerns as well as having in place the management processes e.g., risk management, management of supply chain, development of social and business innovations for sustainability.
- 2019-2021 Role Model Organization Award on Human Rights (honorable mention for large enterprise) 3 consecutive years from Department of Rights and Liberties Protection, Ministry of Justice.

The compliance with Good Governance Principles of the Company as abovementioned reflects strong intents and collaborative efforts of every director, management, and employee to constantly develop and uphold the Company's good corporate governance to meet international standards. Firmly adhere to this toward securing and sustaining growth is believe would contribute to strengthen the Company's competitive advantage and gain confidences of investors and stakeholders.



**(Dr. Damri Sukhotanang)**

Chairman of the Corporate Governance Committee



## REPORT OF THE RISK MANAGEMENT COMMITTEE

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Dear Shareholders,

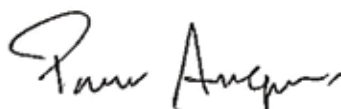
The Board stresses an importance on risk management as a solid foundation of its business operations. To constantly control, oversee, and review risks, therefore, is a must that has been incorporated into proactive approaches to management and practices of the Company.

The Board establishes the Risk Management Committee consisting of 10 members being independent directors and management from relevant line functions with scope of authority as prescribed in the Risk Management Committee Charter so as to enhance opportunity toward achieving the planned objectives as well as to promote proactive management focusing on organizational risk identification and mitigation, **especially those concerning environment, social and governance (ESG) issues or “Sustainability Risks.”** The Company has implemented COSO-ERM 2017 framework (Enterprise Risk Management - Int-egrating with Strategy and Performance) to ensure business is operated toward sustainable development goal.

In 2021, the Committee held 2 meetings and considered matters as highlighted hereunder.

1. Reviewed organizational risk management plan and frameworks in alignment with the Company's strategies and operations amid changing circumstances so as to ensure systematic and effective risk management is in place, **especially issues related to sustainable risk that might have an impact on Company's business.**
2. Provided advices concerning risk management implementation for management of every concerned department, gave recommendations and consent on corporate risk list 2021 in accordance with corporate directives, strategies and goals.
3. Constantly promoted learning on risks and risk management among directors, management and employees to ensure all risks are well aware and managed to the extent that creates risk culture facilitating the attainment of business goals.
4. Considered sustainability trend including short-term, medium-term and long-term impacts on business and supply chain, annual risk management plan incorporating risks as assessed and prioritized by management of respective departments with alternatives responding to organizational risks
5. Closely monitored risk management of respective departments through reporting of risks that might impact the implementation of business strategies, regularly reviewed corporate risks to detect potential or changing risk.

The Risk Management Committee has concluded that the risk management is conducted systematically in compliance with good corporate governance while having in place adequate and suitable internal control. Active and close monitoring of risks is performed, especially, on issues relating to sustainable risks that might pose impact on Company's business. This has enabled the Company to achieve its business goals through implementing emergency, crisis management, and business continuity management plans which in turn has added value to the Company and sustainably contributed to shareholders, and stakeholders.



(Mr. Pongsak Angsupun)

Chairman of the Risk Management Committee


## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

The Board appointed the Nomination and Remuneration Committee on 28 February 2012. The Committee comprises 3 members being independent directors: Assoc. Prof. Dr. Sucharit Koontanakulvong as chairman of the committee, Mr. Pongsak Angsupun and Mr. Vichit Vuthisombut as committee members with scope of duties as prescribed in the Nomination and Remuneration Charter.

For 2021, the Nomination and Remuneration Committee convened twice to consider key matters as highlighted below:

1. Reexamined and revised criteria and policies pertaining to the nomination of the Board's directors and committees' members by acknowledging the Company's Board Diversity for 2021 including profile of independent directors: gender, age, term of service, appropriate number, structure and component; Board Skill Matrix of individual director as well as skills being required; ability to hire professional search firm or access director pool for nomination of new director. Proposed results in this regard to the Company's Board for subsequent AGM's approval so as to ensure competent directors and committee members are selected to support the execution of Board's functions contributing to the utmost extent of benefits to the Company according to its business structure, strategies, practices, culture, and environment.
2. Reviewed and defined criteria and qualifications pertaining to the President/Chief Executive Officer (CEO) and other key positions succession planning taking in to account guideline on succession planning and people management as provided by the Thai Institute of Directors (IOD).
3. Selected and nominated candidates to fill director position of the Board and members of the committees and proposed at the Board's meeting for subsequent AGM's approval. In 2021, the Board provided for minor shareholders the right to nominate, from 1-31 December 2020, qualified person to be elected as Company's director. However, none of the shareholders had nominated anyone. For AGM 2022, the nomination is required for submitted from 1 December 2021 to 31 December 2021. Shareholders has been informed of the right thereof since 20 September 2021 via the SET and the Company's website at [www.ssscth.com](http://www.ssscth.com) where clear election procedures and methods are demonstrated with nomination form for download.
4. Proposed remuneration policy and packages for directors of the Board, members of the committees, and senior management in accordance with their respective duties, responsibilities, Company's performances, shareholders' interest, and market sentiment.
5. Defined appropriate and sufficient cash and non-cash annual remuneration for each director of the Board taking into account duties, responsibilities, and performances compared with companies in similar industries as well as expected outcomes as contributed by respective director. The defined remuneration packages were submitted to the Company's Board for consent and subsequent approval from the AGM.
6. Reported on the policy and rational of the remuneration packages for directors and executives in compliance with the SET's regulation and disclosed via Form 56-1 One Report.



(Assoc.Prof.Dr. Sucharit Koontanakulvong)

Chairman of the Nomination and Remuneration Committee



**“ Business operation incorporating good governance with empathy, access ability, and continual collaborative innovation development toward customers’ satisfaction; treating shareholders, customers, business partners, and employees equally; responding to economy, environment, society, and safety; acts collectively against all forms of corruption.”**

### Mission

#### To employees:

Promote corporate culture of safety at work, environmental care, and service minded incorporating compliance technology and continual development of innovation to serve all clients

#### To shareholders:

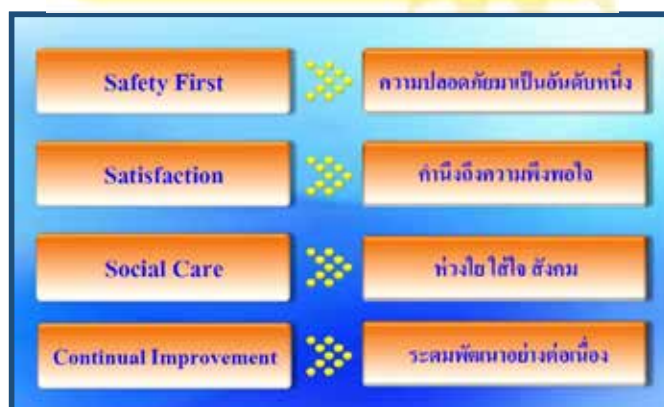
Excel at providing services to promote governance and satisfaction

#### To community/society:

Care for societies and environment

### Shared Mission

The mission is abbreviated as SSSC which stands for:



Update: Year 2020

By The Board Of Directors and The CSR Committee on November 12, 2020

## PRIDE AWARDS

- Thailand Sustainability Investment Awards 2015-2021 (7 consecutive years); SET Sustainability Awards - Best Sustainability Awards 2016 and 2018, Outstanding Sustainability Award 2017, Highly Commended Sustainability Excellence 2019; Best Corporate Social Responsibility Awards 2011-2012 and Social Responsibility Awards 2011-2013 (3 consecutive years) from the SET.
- CSR-DIW Awards 2013-2021 (9 consecutive years) from the Ministry of Industry.
- TO BE NUMBER ONE Honor Cup Awards: Gold Model Award 2015, Silver Model Award 2011, Outstanding Award (National Level) 2010; and Honorable Mention Award 2008-2009.
- Plaque of Honor Award for Organization with Outstanding Performance on Drug Control 2010 from the Office of the Narcotics Control Board, Ministry of Justice.
- Award for Enterprise with Outstanding Labor Relations Management Model of Thailand 2016 from the Ministry of Labor.
- Awards for Enterprise with Outstanding Labor Relations and Welfare 2003-2021 (19 consecutive years).
- Notional Outstanding Awards for Enterprise with Occupational Safety, Health, and Environment in the Workplace (13 consecutive years); and Thailand Vision Zero Commitment Award of Achievement 2021 from Safety and Health at Work Promotion Association (Thailand).
- Certified Standard Management of HIV/AIDS and Tuberculosis in the Workplace: Diamond Level from the Ministry of Labor and Ministry of Public Health.
- Certificate of Honor for being Learning Center for Drug Prevention and Solutions in the Workplace, from the Ministry of Labor.
- Certified White Factory and Standard of Drug Prevention and Solutions in the Workplace from the Ministry of Labor.
- Outstanding Public Relations Award under the Participative Energy Conservation Program, and Pilot Project on Cost Reduction through Logistics from the Ministry of Energy.
- Certified Green Industry Level 3 for 7 consecutive years (2013-2019) from the Ministry of Industry.
- Certified Green Industry Level 4 (Green Network) for 3 consecutive years (2019-2021) from the Ministry of Industry.
- Certified Standard of Livable Workplace: Very Good Level for 6 consecutive years (2015-2020), and Management of Comprehensive Health Risks: Very Good Level from the Ministry of Public Health.
- Healthy Workplace: National Silver Plaque Award 2015, Gold Plaque Awards for 5 consecutive years (2016-2020), and Silver Plaque Awards 2021-2023 from the Ministry of Public Health.
- Exemplary Organization for Outstanding Standard of 100% Helmet Safety for 6 consecutive years (2015-2020) and Organization with Outstanding Road Safety Measures 2019.
- Plaque of Honor for Breastfeeding at the Workplace Model from the Ministry of Public Health and Ministry of Labor.
- Investor's Choice Award with 100% AGM Score for 10 consecutive years (2011-2021) from the Thai Investors Association.
- Plaque Award for Innovative Organization 2018 from the National Innovation Agency and the Stock Exchange of Thailand.
- Certificate of Recognition from Thailand Textile Institute and Thailand Greenhouse Gas Management Organization (Public Organization) for being "Climate Change Organization."
- Exemplary Organization on Human Rights: Honorable Mention Award for Business Sector (Large Enterprise) for 3 consecutive years (2019-2021).
- Certified Membership of Thailand Private Sector Collective Action Coalition Against Corruption (CAC) for 5 consecutive years (2015-2021).



## SSSC ACTIVITIES 2021







SIAM STEEL  
SERVICE CENTER

## SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED

The Pride of Reward under the Labour Relation Policy

“Make Employee Happy, Enjoy and Safety Working”





# SIAM STEEL SERVICE CENTER PUBLIC COMPANY LIMITED

Registration No. 0107537002052



## FACTORY 2

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0-2755-9694

Fax :

0-2385-9241, 0-2385-9253, 0-2385-9240,  
0-2385-9274, 0-2754-5747-8, 0-2755-9905



[www.sssc.th.com](http://www.sssc.th.com)  
[www.luckyroof.com](http://www.luckyroof.com)



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Tel :

0-2394-7845-9



## FACTORY 3

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Amphur Pluskdaeng Rayong 21140,  
Thailand

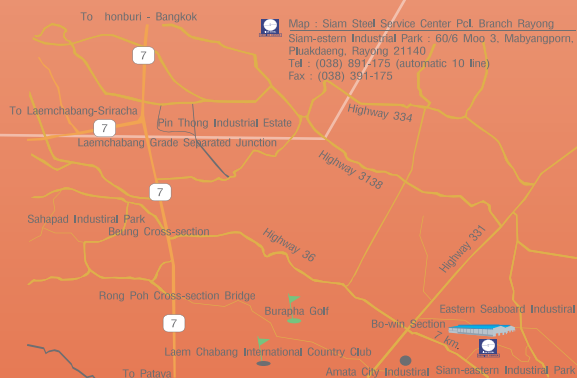
Tel:

(038) 891-175-8, 891-751-4

Fax :

(038) 891-179

## LOCATION OF SSSC.1 & SSSC.3 (RAYONG)



## แผนที่จัดบริษัท Company Location Map

