



บริษัท ทีเอ็มที สตีล จำกัด (มหาชน)
TMT STEEL PUBLIC COMPANY LIMITED



STRUCTURE OF SUSTAINABILITY

Annual Registration Statement / Annual Report 2021

(56-1 One Report)



Driving Business for Sustainability

Policy and Sustainability Management Goals

TMT Steel Public Company Limited is committed to conducting business on the basis of sustainable development in order to create value for all stakeholders by carrying out policies and 4 main principles. These include good corporate governance principles, economic principles, social principles that cover respecting human rights, and environmental principles, as well as operating the business in order to create value for every stakeholder, committing to support and be a part of the 17 Sustainable Development Goals (SDGs) of the United Nations by 2027. This ensures that the Company's business operations are in a consistent direction with the international goals and creates benefits for all stakeholders.

The Company established a Corporate Governance and Sustainability Committee by aiming to be an efficient mechanism for the Board of Directors to supervise sustainable development, review and communicate the policy and practice guidelines through the subcommittee and sustainable development working group of the Company in all 7 aspects. This includes corporate governance, economy, society and community development, the environment and safety, labor and human rights, innovation and technology development, and communication & whistleblowing report so that TMT is an organization that operates its business with responsibility, transparency, and fairness in order to build confidence among stakeholders and develop the Company toward sustainable growth.

The details of the "Sustainability Policy" are disclosed on the website at [[www.tmtsteel.co.th/investorrelations/ other policies /sustainability policy](http://www.tmtsteel.co.th/investorrelations/other_policies/sustainability_policy)]

Key Performance in Sustainability Development 2021

Corporate Governance



CGR Score **91%**
"Excellence" or 5 Stars

Economy



Sales Revenue **21,559.34** million baht
Sales Volume 712,101 metric tons

Environment



Electricity saving from Energy Conservation Project **95,472** kilowatt-hours/year,
saving electricity expenses **364,549.91** baht/year

Society

Employee



People development with an average of **14** hours of training per person
Employee turnover **17.94%**
Employee engagement score **82.65%**

Society & Community



Customer satisfaction in all aspects **89%**
No complaints from society
No human rights violation issues

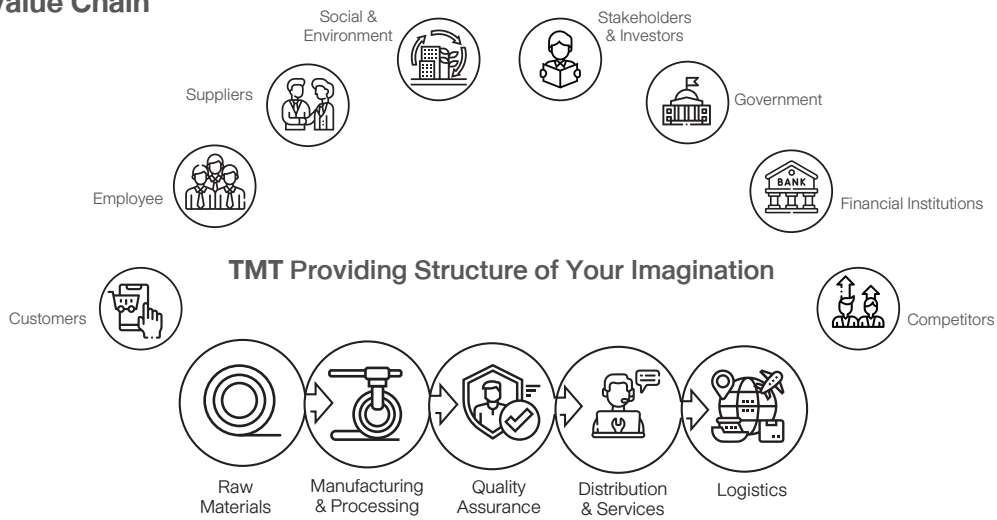


Increased green area of **27** rai or **13.35%** of the area in the factory,
number of trees **1,080** trees



Managing the Impact on Business Value Chain Stakeholders

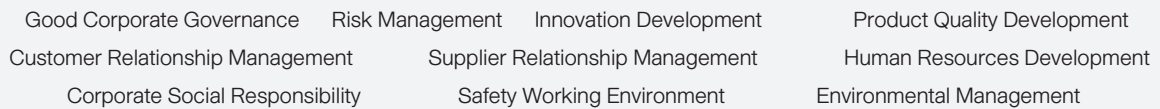
Business Value Chain



Enterprise Risk Management



Good Governance and Code of Conduct



With the vision, "Providing Structure of your Imagination", TMT is a comprehensive steel service provider that meets every possible expectation of all stakeholders by providing counsel and advice, helping with product sourcing and new services, as well as

creating a wide range of options to add value to the business cooperation process under an integrated management system that serves all needs. This consists of 5 main activities which are linked together in accordance with the overall business operation context. They are as follows:



Raw Materials Sourcing	Production/ Processing	Quality Assurance	Distribution and Service	Logistics
<ul style="list-style-type: none"> - Raw materials for production/ processing - Quality control of raw materials - Developing relationships with manufacturers 	<ul style="list-style-type: none"> - Efficient production and reduced environmental impact - Processing with modern technology - Integrate automatic system development with work process and production 	<ul style="list-style-type: none"> - Standardized testing and quality control - Consulting Department regarding product standards 	<ul style="list-style-type: none"> - Communicate and provide accurate and complete information about the use of products and services - Department that receives feedback or suggestions regarding products and services - Pricing appropriately and fairly 	<ul style="list-style-type: none"> - Warehouse/ distribution center that is convenient for transportation, supporting the system with high-speed communication network connecting modern information systems - Transportation/ delivery of quality products and services on time - Inventory management

The Company established 5 aspects of business operation principles to manage risk appropriately and comply with good governance principles and the business code of conduct in order to ensure that the Company's business processes deliver sustainable value to all stakeholders. These include:

- 1 Value Creation for Sustainable Profit.
- 2 Innovation and Quality of Products & services
- 3 Customer Experiences Management
- 4 Human Resources Development
- 5 Corporate Social Responsibility

This goes together with managing sustainability issues that cover economic, social and environmental dimensions, and take all stakeholders into account in order for the Company to achieve sustainable growth. The

Company has described these details in Analysis of Significant Sustainability Issues.

Analysis of Business Value Chain Stakeholders

The Company analyzed and identified the major stakeholders from the Company's business operations beginning with raw material sourcing, production and processing, quality checks, distribution and service, to storage and delivery. All activities are important to the Company's business operations and are relevant to all stakeholders. Therefore, the Company incorporated the interests of stakeholders into its plans and sustainability issues. This included providing communication methods by establishing channels for feedback and suggestions, whether formal or informal, as well as promoting participation with all stakeholders in order to respond to the needs and expectations efficiently, and continue to create value and sustainable returns. This can be summarized as follows.






Stakeholders	Relevance to Business Processes	Engagement/Frequency	Expectations	Responding to Expectations
Customers 	<ul style="list-style-type: none"> • Distribution and Service 	<ul style="list-style-type: none"> • Customer satisfaction survey once a year • Meet regularly with customers through the year to be aware of their needs • Provide regular visits to factories and production processes throughout the year • Train to consistently educate customers throughout the year • Communicate to customers via an online channel, Website, Facebook, Line 	<ul style="list-style-type: none"> • Quality products and services • Complete range of products • Correct usage of steel products • On-time delivery • Steel knowledge, standards and guideline for application 	<ul style="list-style-type: none"> • Develop innovations in products and services • Produce quality products that meet customers' needs • Logistics management to have on-time delivery • Provide technical and academic consultations by the Technical Service Team • Systematic inventory management in order to have products ready to instantly respond to customers' needs
Employees 	<ul style="list-style-type: none"> • Production/ Processing • Quality Inspection • Logistics • Distribution and Service 	<ul style="list-style-type: none"> • Channels to receive suggestions, comments and complaints through the company's complaint system throughout the year • Survey of corporate values or employee satisfaction once every 2 years • Internal communication channels such as TMT Magazine, email, Line@, Touch Point and public relations board at least once a month • TMT Talk / TMT Day once a year • Meeting of Welfare Committee in the workplace 4 times per year • Training seminars according to the company's training plan • E-Learning 178 courses • TMT Talk & Knowledge Sharing 5 times/year 	<ul style="list-style-type: none"> • Career Advancement • Acquiring development of capabilities • Benefits both monetary and non-monetary • Equality without discrimination • Promote and supervise work safety 	<ul style="list-style-type: none"> • Equitable and fair treatment, and respect for human rights • Communicate business Target and policies via CEO Message/TMT Talk • Performance evaluations 2 times per year • Develop employees to be promoted • Talent Management • Average staff development is 14 hours/person • Join the wage survey with the HR Center each year • 13 Projects for employee benefits whether monetary or non-monetary.



Stakeholders	Relevance to Business Processes	Engagement/Frequency	Expectations	Responding to Expectations
Trade Partners/ Suppliers 	<ul style="list-style-type: none"> • Procurement of Raw Materials • Production/ Processing • Logistics 	<ul style="list-style-type: none"> • Evaluate trade partners once a year • Meeting online Regularly with partners to have plans for purchase orders throughout the year • Training on safety and occupational health for the subcontractors 44 times 	<ul style="list-style-type: none"> • Fair competition without discrimination • Efficient procurement system that is transparent and verifiable 	<ul style="list-style-type: none"> • Have policies and practice guidelines regarding procurement • Develop trade partners to have good practice guidelines such as Code of Business Conduct of trade partners and anti-corruption policy • Provide and vaccinate for 294 subcontractors
Society, the Community and the Environment 	<ul style="list-style-type: none"> • Production/ Processing • Logistics 	<ul style="list-style-type: none"> • Community visits 4 times per year • Open factories and production processes for visits and provide regular iron education throughout the year • Install a solar rooftop generation system of 2.5 MW to generate electricity from renewable energy • Cooperate with the education sector in providing bilateral education and internships • Cooperate in standards that prevent and solve drug problems in the workplace. 	<ul style="list-style-type: none"> • Caring for the environment around the community • Conduct business that does not negatively impact the community • Share useful thing to promote a good quality of life for people in the community 	<ul style="list-style-type: none"> • Improve the production process and environmentally friendly work processes by controlling air and noise pollution • Improve the environment inside and outside the factory so it is clean and increase green space • Regularly share and provide knowledge for institutions, departments, and organizations on issues that the company has expertise • Support resources and equipment that is useful such as a community drinking water project, steel project for sustainability, etc. • Signing an MOU with educational institutions in bilateral projects. • Project to stop smoking
Shareholders, Investors, Analysts 	<ul style="list-style-type: none"> • Distribution, and Services 	<ul style="list-style-type: none"> • Shareholders' Meeting once a year • Analyst Meeting once a year • Opportunity Day 2 times per year • Provide channels for inquiries through the investor relations website and telephones throughout the year 	<ul style="list-style-type: none"> • Operating results of the company • Transparency in business operations and good corporate governance 	<ul style="list-style-type: none"> • Annual Report / 56-1 One Report • Explanation of operating results through the company website and the Stock Exchange of Thailand • Manage the company's operating results under appropriate risk management • Proceed according to the investment plan • CG Score 5 Stars • Listed in the ESG100 group of companies (6th year) • Listed in SET THSI (2nd year)



Stakeholders	Relevance to Business Processes	Engagement/Frequency	Expectations	Responding to Expectations
Government Sectors 	<ul style="list-style-type: none"> Product/ Processing Quality Inspection Logistics Distribution and 	<ul style="list-style-type: none"> Report business performance and operating results to relevant government agencies at the specified frequency Continuous participation in government activities and projects Service 	<ul style="list-style-type: none"> Comply with regulations, laws and policies of regulatory agencies 	<ul style="list-style-type: none"> Report business results and provide information that is true, correct and complete as stipulated Cooperate and support various projects of government agencies Certified by MIT (Made in Thailand) Certified Industrial product licenses Comply with the laws related to tax management
Financial Institution 	<ul style="list-style-type: none"> Product/ Processing Quality Inspection Logistics Distribution and Service 	<ul style="list-style-type: none"> Business update meeting 1 time / quarter Negotiation for terms and conditions Joint seminars 9 times/year 	<ul style="list-style-type: none"> Operate business as plan and target Paid back as terms and conditions 	<ul style="list-style-type: none"> News submit to SET (MD&A. Financial Statement) Appropriate Risk Management Operate business as Investment Plan
Competitors 	<ul style="list-style-type: none"> Distribution and Service 	<ul style="list-style-type: none"> Joint meetings with associations and organizations that are relevant to the business according to the agenda and appropriate opportunities Provide channels to regularly receive suggestions, comments and complaints through the company complaint system 	<ul style="list-style-type: none"> Company business information Market share Conduct business transparently and fairly 	<ul style="list-style-type: none"> Disclose operating results through the company website and the Stock Exchange of Thailand. Create fair business competition conditions

Analysis of Significant Sustainability Issues

1. Identification Significant Issues

This was considered from the analysis of external factors, challenges in the steel industry, and sustainability issues that were significant or had an impact on stakeholders and businesses (economy, society, environment). This included analysis of internal factors which were weaknesses, strengths, risk factors, and the business performance of the Company.

2. Prioritization

The Company considered the priority of issues by

measuring the importance from the Company's perspective, external stakeholders, both in terms of opportunities and the impact each issue had on the economy, society and the environment.

3. Verification Issues

The Sustainability Subcommittee and Working Group proposed issues raised from prioritization and a reporting framework to the Board of Directors for approval after it had been approved by the Corporate Governance and Sustainability Committee in order to be disclosed in the 56-1 One Report and disseminated on the Company's website. In addition, the Company assigned the relevant



departments, subcommittees and working groups to review the accuracy and completeness of significant issues in order to cover all aspects, whether in the economic, social, or environmental dimension. The Company's annual significant issues are analyzed through business value chain stakeholders. The results will be

used to formulate policies, strategies/operational plans, and goals in order to appropriately manage significant sustainability issues.

In 2021, the significant issues were as follows:

There are materiality issues in 2021 as follow;



As a result of the preparation of significant issues, the Company categorized the significant issues and established sustainability operation plans to be in accordance with the strategy and business goals for 2021 which covered the aspects of economic, social, environmental and stakeholder dimensions as follows:

Sustainability Management in the Economic Dimension	Sustainability Management in the Social Dimension	Sustainability Management in the Environmental Dimension
<ol style="list-style-type: none"> Good Corporate Governance for Sustainable Business Risk Management Innovation and Quality of Products & services Supplier Relationship Management Customer Relationship Management 	<ol style="list-style-type: none"> Human Resources Management and Human Rights Human Resources Development Occupational Health and Safety Society & Community Development 	<ol style="list-style-type: none"> Energy and Resources Management Green Houses Gas Management

Sustainability Management in the Economic Dimension

Corporate Governance for Sustainability

Policy

The Board of Directors realized the importance of the Company's good corporate governance by adhering to moral and ethical principles as a guideline in conducting business. The Company established various policies in order to perform duties with responsibility, caution, honesty, anti-corruption, and uphold virtues. This included products and service development that focus on value creation and added long-term value to the business and is equally responsible to all stakeholders. This will enable the Company to progress, have sustainable growth and gain trust from shareholders, investors and all stakeholders.

The details of Good Corporate Governance Principles, Code of Business Conduct, Measures and best practice guidelines for code of business conduct also Code of business conduct for partners, contractors and subcontractors are disseminated on the website at [www.tmtsteel.co.th/ investor relations /corporate governance / principles of good corporate governance and code of business conduct]

Goals

- Receive 5 stars rating from the evaluation of good corporate governance by the Thai Institute of Directors Association.
- Be consecutively selected to be on the sustainability stocks list or Thailand Sustainability Investment (THSI) by the Stock Exchange of Thailand every year.
- Be consecutively selected to be one of the ESG100 securities groups with outstanding performance in environmental, social and governance by ThaiPat Institute every year.

Strategies/Operational Plans

- Comply with the laws governing the Company's business operations and the entire business chain.
- Improve the internal control processes, regulations and Company's Articles of Association to be consistent with the situation at all times.
- Apply the good corporate governance principles for listed companies in 2017 (CG Code).

Performance

The Governance and Sustainability Committee was appointed to be an effective mechanism for the Board of Directors to supervise and oversee the Company so that it operates in accordance with the good corporate governance guidelines, builds confidence, trust, and value of stakeholders in order to create sustainability and stability for the business. In 2021, the Corporate Governance and Sustainability Committee assigned a Corporate Governance working group to review and take action on various matters and then report to the Board of Directors and the Audit Committee to acknowledge after it was approved by the Corporate Governance and Sustainability Committee. This is as follows:

1. Implemented a corporate governance policy, a code of business conduct, an Anti-Corruption policy, a securities trading policy, and other related policies to cover all stakeholders. This included business partners, consultants and business agents.
2. Developed measures and best practice guidelines for a code of business conduct so that directors, executives, and employees at all levels would follow them as a guideline. This has been communicated to directors, executives, and employees via effective channels of communication.
3. Complied with the laws governing the Company's business operations across the entire business chain. In 2021, the Company was not prosecuted for non-compliance with the law and there were no complaints against the Company.



4. Reviewed the Company's regulations as well as Articles of Association to be up to date.

5. Reviewed the internal control system. The Audit Committee considered and appointed EY Corporate Services Company Limited to be responsible for planning, auditing and reviewing the Audit Committee-approved plans. In 2021, EY Corporate Services Company Limited reviewed the internal control system, submitted the review report and reported to the Audit Committee for consideration.

6. Appropriately applied the good corporate governance principles for listed companies in 2017 (CG Code) with the business context.

The Company explained the details of the business operations in "Part 2: Corporate Governance".

Performance

- Received an "excellent" or five-star rating for corporate governance.
- Selected to be on the Sustainability stocks list or Thailand Sustainability Investment (THSI) in 2020.
- Selected as 1 of the ESG 100 listed companies from Thaipat Institute, as an organization with outstanding performance on environment, social and governance ESG for the 6th consecutive year.

Risk Management

Policy

TMT Steel Public Company Limited realized the importance of risk management. We believe that risk management is one of the processes that will help the Company develop business strategies to achieve its objectives and goals. A good risk management and control system will help reduce obstacles or any unexpected events that might arise, and prevent damage to corporate resources. It also helps to increase the adaptation ability to the changing business environment effectively, build confidence, and create value for all stakeholders as well as creating business opportunities to drive the organization

to sustainable growth. The details of the "Risk Management Policy and Corporate Strategy Development" are published on the website at [[www.tmtsteel.co.th / investor relations / other policies / risk management policy and corporate strategy development.](http://www.tmtsteel.co.th/investor-relations/other-policies/risk-management-policy-and-corporate-strategy-development)]

Goals

- To be a stable and consistent product provider.
- Deliver value of products and services.

Strategies/Operational Plans

The Risk Management and Corporate Strategy Development Committee developed policy and a risk management and corporate strategy development manual which was approved by the Board of Directors in order to be used as a guideline to determine operational procedures, communication, and develop efficient work processes under controlled risk in accordance with the COSO - ERM 2017 international standard which covers risk management in the following 6 categories, which are 1. Strategic Risk, 2. Operational Risk, 3. Financial Risk, 4. Compliance Risk, 5. Social and Environmental Risk and 6. Emerging Risk

Operations

1. Determine the structure, roles and responsibilities in enterprise risk management.

2. Set up a Risk Management Team to be responsible for enterprise risk management in accordance with the risk management policy, develop the corporate strategy, and report the performance to the Board of Directors through the Risk Management and Corporate Strategy Development Committee, twice a year.

3. Determine Risk Owner and Risk Champion to represent the department by identifying, assessing, and reviewing corporate risks. This includes gathering risk information, risk management measures, and the risk assessment results of the responsible party and submitting them to the Risk Management Working Group.



4. Set up a process for identifying and assessing corporate risk level, as well as risk indicators and Risk Assessment Criteria. This includes preparing any risk assessment documents, creating a systematic process for monitoring, reviewing, reporting, and managing corporate risk. The risk factors and operational guidelines for risk management are summarized in "Part 1, Risk Management"

5. Establish guidelines and integration risk across departments. Establish guidelines to develop skills, knowledge, and abilities of any relevant personnel for enterprise risk management.

6. Improve internal and external risk communication and cross-departmental risk management knowledge sharing as well as maintaining regular communication with those involved in risk management.

Performance

- Business was not disrupted.
- There were no complaints or disputes that affected the operations and the business performance.
- Delivered value of products and services to customers continually. There was stability and consistency in services, the availability of goods, as well as product quality and standards. The customers were satisfied with the products and services of TMT. The average rate of satisfaction for all aspects was equal to 89%.



Innovation Management and Product Quality Development

Policy

Under rapid technological change, the Company is aware of the importance of bringing innovation to improve the quality of products and create value in the production process and management in order to best meet the different needs of customers and maintain leadership in the service center business and the distribution of steel products to various industries in Thailand. This also fosters the continual development of process innovation from within in order to increase productivity, reduce work time, create a safe work environment for employees, and reduce the environmental impact. This is an important foundation for sustainable growth.

The Company disseminated the policy on the website [[www.tmtsteel.co.th/investor relations/corporate governance/other policy/innovation policy](http://www.tmtsteel.co.th/investor%20relations/corporate%20governance/other%20policy/innovation%20policy)].

Goals

- Customer satisfaction percentage for products is higher than 80%.
- Production capacity increased to 1 million tons.
- Use technology to increase efficiency in the work process every year.
- There are results due to the improvement and development of employees every year.

Strategies/Operational Plans

- Study and understand customer needs.
- Use technology as a tool to enhance the efficiency of product development and working processes.
- Evaluate, review risks and opportunities to develop the business and the work processes.
- Promote a work culture that encourages continuous learning, improvement and development.
- Review policies and complete the preparation of the relevant practice guidelines by 2021.

Operations

1. Use technology to improve efficiency in work process development

The Company implemented semi-automatic and automatic systems, information technology systems, and installed modern equipment and tools for the work and as part of the production process in order to increase efficiency, productivity, and safety at work as well as reducing hazardous risk, waste, and energy consumption that may affect the environment in order to be prepared for the automatic production line in the future. The following important projects are being implemented:

1) Develop and use the Auto Feed Shearing System in conjunction with the Auto Vacuum Lifting system with the flat steel cutting machine. This automation system can replace risky manual labor involved in handling and cutting steel sheets. This can help to reduce accidents by 100%. The system has a cutting speed of 170 pieces per hour, increasing the number of products by 17.24%, thereby increasing efficiency of cutting precision and the work quality even more.

2) Install a Mill Scale Filter in the steel pipe production process to avoid the accumulation of metal scrap inside the coolant system used in the production process. This makes it possible to prolong the service life of the coolant, reduce production costs, and maintain the consistency of the anti-rust coating coolant's effectiveness. This includes reducing the risk from working in confined spaces for employees who separate metal scrap. It also helps create a better working environment. Currently, the mill scale filter has been installed in 1 production line and in the process of being studied and extending developments to all steel pipe machines.

3) Increase the efficiency of the stretcher leveling machine by installing auxiliary pinch rolls to increase production efficiency from thicknesses of 6 millimeters to 9 millimeters. This also helps to reduce breakdowns in the production process which allows the machine to operate at full efficiency as designed.



4) Install a wooden stacker to automatically place the wood under the products at the Stretcher Leveling machine. This helps workers who have to work in an incorrect posture which leads them to be fatigued. This reduced accidents by 100% and also reduced the work process of employees. Employees only need to press a button on the machine to automatically place the wood.

5) Increase customer service efficiency with information technology system development. This includes Customer Relationship Management (CRM), Sales Order System, Steel Pipe Production Planning Phase 1 (GD FINDI Phase I), and Warehouse Management Enhance III that have been improved continuously along with modern transport management processes. This was done by integrating such information technology systems with work processes. The overall customer satisfaction towards the services of TMT in 2021 was 88%. The warehouse staff (which is the last department to prepare products for customer delivery) finished work at approximately 7:42 p.m. which was earlier than 2020 at 8:00 p.m.

6) Initiate a Modern Infrastructure and Data Automation project to develop and create a working system that connects important databases, and also collects and analyzes customer business needs. The internal working system has been developed to be more efficient. There were 3 projects under development.

2. Promote a work culture that supports continuous improvement and development.

The Company promoted creative development activities, whether they were methods, models, sequences, procedures, or devices. This started from work process improvement for the operating staff to the departmental level in order to improve existing procedures, reduce errors, and help increase quality or add value to the work responsibilities. This also instilled an awareness of continuous development which is an important factor for sustainable innovation development as well as developing employees to be ready for digital technology change. The Company supported different departments to create

development projects from the work processes of employees, beginning at the operational level to the supervisor level. Over the past year, employees were able to create and extend the following results:

1) Results from work improvement and development by of factory staff 299 tasks.

2) The projects and activities that promote creativity and employee engagement include the Think Idea Project season 2. There were 36 competitive ideas from employees. The WoW Steel Project with 17 teams submit the ideas and 7 teams competed in the TMT Got Challenge activities and 10 teams competed in the Challenging Xmas activities.

3) SMART Team Project season 2 applied the concept of agile work through the teamwork of employees from all departments related to customers. The team has the authority to make their own decisions, be flexible to change, and be able to fix errors quickly, work faster, reduce decision-making made by executives, encourage collaboration, and stimulate creativity to generate new ways of working. This helped to create value for customers and at the same time, working processes within the organization were more efficient.

4) TMT Innovation Framework Project leads to new business innovations from within the organization. It was operated as follows:

- Organized a workshop on Process Automation for the target audience to understand and be able to create an Idea Canvas.
- Set up a Digital Clinic to advise and develop work processes into automation and a digital system. In the past year, there were 4 ideas that employees proposed for development.
- Established a TMT Innovation Team to drive Innovation Culture within the organization.
- Provided idea pitch and proposed the ideas to executives in order to proceed in the next sandbox experiment.



3. Product Quality and Standard Development

1) Develop Carbon Steel Pressure Pipe products in accordance with the product diversity guidelines. All Carbon Steel Pressure Pipes produced by TMT are tested with water pressure by a Hydrostatic Tester according to specified standards.

2) Develop a custom-made steel cutting service with a fiber laser for the work that requires precision and high quality in order to provide Total Solution services for customers.

3) Expand production capacity of STAY FLAT, the ultimate flat steel sheet which is expected to begin in the 3rd quarter of 2022 in order to increase production capacity by 15,000 tons per month or 180,000 tons per year. This also enhances the production line of STAY FLAT ultimate flat steel to produce products in a thickness range of up to 16 millimeters.

4) Certified MiT or Made in Thailand by the Federation of Thai Industries. TMT's 25 steel products are certified as manufactured in Thailand. This helps to build consumer confidence both domestically and internationally in regards to the quality and standard of steel products manufactured in Thailand. This also increases sustainable steel product development opportunities in the future.

5) Granted a license to manufacture industrial products TIS 1228-2561 cold-formed structural steel for general structural work and TIS 528-2560 25600 hot-rolled flat steel for general and drawing work by the Thai Industrial Standards Institute (TISI), Ministry of Industry. This helps to increase customer confidence in quality standards.

Performance

- The customer satisfaction rate with the product was 88%.
- Total capacity utilization was 71.37%, a decrease from 82.23% in 2020. This resulted from the

alignment of production management with lower sales volumes due to the impact of the COVID-19 pandemic.

- Utilized technology to increase work process efficiency in 6 issues.
- 369 works resulted from improvements, developments, and extending the creativity of employees.

Supplier Relationship Management

Policy

The Company sustainably manages its supply chain to earn the trust of its stakeholders, create value, effectively increase competitiveness, and mitigate business risk. This includes social and environmental risks as well as supply chain governance. The Company researched and integrated sustainability issues into supply chain management for economic, social, and environmental development to increase business competitiveness and meet the needs of all stakeholders.

Goals

- No complaints from business partners.
- Obtain raw materials and factors as agreed upon.

Strategies/Operational Plans

- Define roles, duties, and responsibilities within the organization's supply chain management.
- Establish processes/procedures/methods/guidelines that integrate sustainability issues with management.
- Engage with business partners to communicate the Company's expectations and intentions regarding sustainability management and find ways to increase potential and abilities in business competition and cooperation.
- Review policies and establish relevant guidelines to be completed in 2022.

Operations

- Treat business partners fairly and comply with the terms of trade agreements by adhering to human rights



principles and providing whistleblowing and feedback channels via the Company's website.

- Disseminate and communicate the Company's Code of Business Conduct to business partners via the Company's website. This includes communicating anti-corruption and no-gift policies as well as inviting business partners to take part in the Thai Private Sector Collective Action Coalition Against Corruption (CAC). Details are disseminated at [www.tmtsteel.co.th/investor relations/corporate governance/Code of Business Conduct/Code of Business Conduct for partners, contractors and subcontractors]

- Drive business partner management with sustainability by incorporating Quality Management Systems (ISO9001), Occupational Health and Safety Management Systems (ISO45001), and Environmental Management Systems (ISO14001) through annual supplier self-audits to properly identify and manage supply chain risk.

- Encourage collaboration with business partners who uphold the code of conduct, and take social and environmental responsibility as well as respect human rights.

- Developed and built good relationships with one another by visiting and making study visits to the factories of business partners, having meetings to understand the needs, expectations, and cooperation guidelines.

- Organize training regularly to educate employees of business partners regarding occupational health and safety. This includes topics on Covid-19 Appropriate Behavior, and Driver Safety Awareness through "SMART TRUCK DRIVER" video media, a total of 44 times.

- Obtain and provide Sinopharm Covid-19 vaccines to the outsourced staff so that they are immune and less likely to spread COVID-19. This ensures the safety of customers and other parties involved.

Performance

- The Company did not receive any complaints from business partners.

- The evaluation score for the key business partners was 98.90%

- Obtained raw materials and factors as agreed upon.

- There were no violations of human rights.

Customer Relationship Management

Policy

Over the past years, the Company has never stopped committing to modern technology and qualified personnel development in order to be ready to meet all customer needs with a variety of services. This included being a center for all types of steel distribution with a large warehouse, industrial steel processing, a manufacturer of cold-formed structural steel for construction and adding value to products to meet all customer needs with the service of experienced and professional employees.

Goals

- A customer satisfaction rating higher than 80% or an increase from the previous year.

Strategies/Operational Plans

- Provide suggestions to solve problems, help with product sourcing, create new services, and invent various options for customers. This includes adding value to the product under an integrated management system to meet the customer needs in all aspects.

- Visit customers regularly to understand their needs and develop quality products and services that meet the needs of customers.

- Survey customer satisfaction and use the results to improve and develop better services.

- Have regular communication within the organization about customer needs so that every department understands customers and responds to their needs accurately and on time.

Operations

The Company recognizes and highly appreciates customers for its success and sustainable growth. The Company strives to respond to customer needs in order



to create maximum customer satisfaction. In addition to the implementation of the aforementioned strategies and plans, including a channel to receive feedback through the Company's website at www.tmtsteel.co.th, the Company implemented the following activities in 2021:

1. Improve and develop customer satisfaction.

The 2020 survey results found that the factor that most impacted purchase decisions was "product variety". The Company analyzed and prioritized the survey results, interviewed additional target customers and considered the following actions:

- Expand the production capacity of steel pipes with 3 machines in order to increase the production capacity of 6,500 tons per month or 78,000 tons per year. Currently, the Company operates 13 steel pipe manufacturing machines with a total production capacity of 300,000 tons per year in order to increase the diversification of sizes and adequacy of steel pipe products.
- Manufacture Carbon steel pressure pipe according to the product diversification guidelines. Every Carbon steel pressure pipe product manufactured by TMT is tested with a Hydrostatic Tester to meet the specified standards.
- Developed a steel cutting service with laser fiber machines for custom-made steel cuttings. This offers a total solution service with high quality and precise steel cutting service for customers.
- Use information technology systems to connect existing databases, collect and analyze customer business needs. This includes finding alternatives for customers in order to make things easier and increase the efficiency of the customer's work process.

2. Factory visit, by customers from 31 different companies. The number of customers visiting the factory decreased due to the spread of COVID-19. Due to

concerns for the safety and health of customers, the Company established collaboration standards with customers in order to prevent the spread of COVID-19. This included improving the New Normal of working and increasing customer communication through online systems.

3. The average customer satisfaction rating in 2021 was 89%. This was an improvement from 88% in 2020. The Company found that customers are most satisfied that "TMT's products meet specified standards". Factors that affect TMT's purchase decisions are product quality, product price, service of sales staff, timely delivery, product variety, and after-sales service, respectively. Customer feedback received in 2021 will be analyzed and prioritized for improvement and development. The relevant departments are jointly responsible for achieving the established goals.

Performance

- The average customer satisfaction rating was 89%.

Sustainability Management in the Social Dimension

Human Resources and Human Rights Management

Policy

TMT employees are one of the cornerstones of the most important structures. Therefore, the Company develops employees to be professional, knowledgeable, experienced, ready to give advice, and support employees to learn new things. This includes the emphasis on the respect of human rights which is a fundamental right by adhering to human rights principles in accordance with the Thai Labor Standards of Thai businesses social responsibility (TLS 8001-2553) of the Ministry of Labor. The Company emphasizes fair, equitable, and non-discriminatory practices and respects human rights, whether in terms of employment, remuneration, promotion, employee training, and development, without discriminating



against gender, age, educational institution, race, and religion, as well as supporting employment of disadvantaged groups in order to create career opportunities and stable incomes.

The Company disseminated the policy on the website [www.tmtsteel.co.th/Investor Relations / Corporate Governance/Related Policies/Human Rights Policy.]

Goals

- An average score of 80% or higher for employee engagement
 - A turnover rate of less than 10%.
 - TMT employees receive training for an average of 25 hours of training/person/year.
 - No labor disputes and no human rights violations.

Strategies/Operational Plans

- Comply with human rights principles in accordance with the Thai labor standards and Thai business's social responsibility (TLS 8001-2010).
 - Study and analyze the needs of employees which includes analyzing the need for employee development.
 - Create and promote a good work environment.
 - Promote a work culture that encourages learning, continuous improvement and development.
 - Promote and develop employees to have career advancement and use their full potential.
 - Establish a human rights policy and relevant practice guidelines by 2021.

Operations

The Company is aware of the importance of conducting business with the respecting of human rights principle, which is the fundamental right to equality that every person should receive without any discrimination. As a result, the Company developed a human rights policy

in accordance with the code of business conduct in order to prevent human rights violations against the Company's involved stakeholders and to ensure that the Company's business operations can operate in accordance with the Company's objectives, corporate values in order to build credibility, and strengthen relationships with employees and other stakeholders.

In 2021, the major operations of the Company are as follows:

1. Announced and communicated a human rights policy through various channels, both internally and externally.
2. Reviewed personal information protection policy of employees and the privacy policy for customers, business partners and visitors.
3. Provided whistleblowing channels internally and externally.
4. Communicated measures and best practices for the code of business conduct to the Company's employees through various channels.
5. Complied with human rights principles in recruiting and selecting employees based on qualifications, characteristics, skills, knowledge, abilities and attitudes that are suitable for the job position and corporate values. In addition, the "Friends Recommend Friends" Project was organized to recruit employees who have qualifications and abilities that match the position and corporate values. This provides more channels and opportunities to find suitable candidates for certain positions. The Company rewarded employees who referred friends or acquaintances who had suitable qualifications to apply for jobs and passed the probation. There were 31 employees from the Friends Recommend Friends Project. Over the past year, the Company was able to recruit employees in accordance with the corporate growth goals. As of December 31, 2021, the Company had a total of 1,311 employees, an increase of 43 employees, which represented a 3.39 % increase from 2020. The details are as follows:



Details	Number of Employees in 2021	
	Male	Female
Employee	917	393
Employee with Disabilities	1	-
Total	918	393
Total Number of Employees	1,311	

6. Surveyed the satisfaction and commitment of employees to the organization. This was analyzed to develop and improve human resource operations. The evaluation of employee engagement to the organization in 2021 was 82.65%. This was communicated through internal communication channels. The summary of the important issues was reported to executives, managers, supervisors, and welfare committees in order to jointly lead to determining relevant action plans in 2022. In addition, the election of a welfare committee in the workplace in 2021 was held to replace the previous welfare committee that retired by rotation. The meetings were organized once a quarter. This included meeting with employees' activities to provide opportunities for employees to participate in proposing opinions and suggestions that are useful for the improvement and development of the organization in all aspects. This will be forwarded to all relevant parties for consideration. The Company pays attention to every matter that comes from employees at all levels.

From the results of the employee satisfaction survey and employee dialogue, the Company analyzed, and prioritized them in order to carry out projects or activities that could be done or planned to continue to proceed as follows:

- Established short-term and long-term employee remuneration policies. In regards to short-term remuneration, the Company determined a hiring method, remuneration, benefits, and welfare that was fair and appropriate based on the potential and responsibilities of employees in each level as well as the operating results of the Company and comparing it with other companies in the same industry. In regards to long-term remuneration,

the Company established a provident fund for its employees. Employees were able to choose an investment policy that was suitable for their own savings. This included improving benefits for health, life and accident insurance for the benefits of employees' health and well-being.

- Established a "retirement bonus" to motivate and retain employees, as well as to reward people who remained committed to and actively participated in driving the business for an extended period of time prior to retirement. Employees are compensated at a discounted rate based on their length of service with the Company. The date of retirement has been determined by the Company to be February 28 of the month following the employee's 55th birthday.

- Provided financial assistance to employees whose current residence was affected by flooding in the area of Phra Nakhon Si Ayutthaya Province and nearby provinces.

- Organized a scholarship program to support TMT employees' children annually by using the performance of the target employees as evaluation criteria to consider scholarships for the children of the employees as well as encouraging and motivating employees to work. There were 15 scholarships.

- Labor Day activities promoted and communicated the awareness of various dimensions related to work and quality of life. This included providing knowledge and understanding on welfare or government policies that are beneficial to employees. Additionally, the Company provided alcohol spray to all employees to raise awareness about the importance of self-protection against the spread of COVID-19 and other viruses.

- Renovated the bicycle parking area to have an air for tires service point in order to facilitate convenience and reduce the accidental risk from pushing or pulling a friend's bike or towing bikes on a flat tire to fill up air that is far from the bicycle parking lot.



- Care of employees during the COVID-19 pandemic by raising awareness in various fields through education and regularly communicating messages of concern from the Chief Executive Officer. This included the management of a suitable and safe work environment, as well as developing policies and procedures for managing employees in a systematic manner, organizing employees to work from home while considering the safety of traveling to work, and providing Sinopharm COVID-19 vaccines for all employees, outsourced staff as well as employee's families who were at risk during the COVID-19 pandemic in order to build herd immunity. Also, the collaboration with Wang Noi Hospital in order to boost immunity with the third dose of the vaccine, the Company provided shuttle vehicle services that were available for employees who received their third vaccination at Mahachulalongkornrajavidyalaya University. Additionally, the Company collaborated with the Federation of Thai Industries on the "Field Hospital for Industrialized People in Ayutthaya" project in Phra Nakhon Si Ayutthaya Province. This was a collaborative effort with the government to assist infected individuals or patients in receiving treatment.

- Conduct the No Smoking Campaign to encourage employees to quit smoking through a variety of internal public relations channels. The topic was quitting smoking completely. This was a collaborative project with the National Network Confederation for a smoke-free Thai society, as it was discovered that smoking was considered a risky behavior during the COVID-19 pandemic, as smokers do not wear masks and put cigarettes in their mouths with their hands. Before smoking, the majority of smokers do not thoroughly wash their hands. There have been confirmed cases of COVID-19 in individuals with a history of smoking. The majority of them have deteriorated lungs, which can result in severe symptoms and even death.

- Blood donation activities have been held four consecutive years, four times a year, to allow employees to give back to society while also promoting employee

health. Additional activities were organized to aid in the operation of the canteen. Additionally, employees who donated blood received a coupon for a meal and beverage worth 30 Baht per person at the canteen.

- Organized various activities that promote corporate values, both directly and indirectly. This included TMT Got Challenge and Challenging x Christmas which encouraged employees to express themselves creatively through online channels via the MS Team program. This helped employees relax and alleviated stress brought on by work or the COVID-19 pandemic. Additionally, the Company hosted the TMT Day 2021 Live Party Real Moment event to demonstrate its appreciation for all the effort of employees throughout the year. All employees from three branches participated in these activities online.

- In 2021, the Company organized 13 projects and employee welfare for employees, whether they were monetary or nonmonetary benefits in order to motivate, encourage and promote the quality of life and good working conditions for TMT employees.

7. The Company does not support the infringement of copyrights or intellectual properties. The Company has a policy regarding intellectual rights infringements to prevent employees and the Company from offending information laws, copyright infringement laws, and regulations concerning the performance of the Company.

Employee Development

Every employee is valued by the Company, and the appropriate development plans have been prepared for employees at all levels. TMT Knowledge Center is a learning and development center for employees. The employee development plan was designed and developed by the Company based on the corporate goals and strategies. The Company also surveyed the needs for employee training and development by interviewing executives in each department, analyzing job positions,



performance appraisals, and individual development plans, and also implementing the development in accordance with the plan. This included developing a work environment and culture that promotes creativity and knowledge among employees through activities that promote knowledge. In 2021, Employees received an average of 14 hours of training per person. This was a decrease from the previous year due to the COVID-19 pandemic. However, the Company was able to complete more than 80% of the annual training plans and the department development plans through the following projects and activities:

- TMT Talk activities are an online program that provides discussions with the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Operating Officer (COO). TMT Knowledge Sharing activities encourage employees to ask questions and express their opinions, as well as develop their critical thinking skills.

- Promote online learning by utilizing an e-learning system and an online platform. There were a total of 178 courses from which employees could select and allocate their time to learn on their own. Other forms of learning, such as Project-Based Learning, Coaching, On the Job Training (OJT), etc., were made available to employees at all levels in the organization.

- Career Management and succession plans by creating a Successor Profile in critical positions. The Company created career paths for employees at all levels. There are guidelines for developing employees' competence in each position, as well as opportunities to change career paths in order to meet increased capabilities. Furthermore, employees promoted to the supervisor level and above are required to develop an Individual Development Plan (IDP), follow-up, and systematically report the self-development results to executives for acknowledgment. Over the past year, 118 employees were promoted from within. One employee was promoted to the management level, 2 to the supervisor level, 17 to the staff level, and 98 to the operational level.

This accounted for 9% of the total employees.

- Develop the Focus Group through the New Gen project and the Innovation Lab project. The selected employees will develop an Individual Development Plan (IDP), participate in development training, and activities to develop digital skills and innovative mindsets. There is a plan for follow-up, and they must report the self-development results to the executives systematically.

- Promote corporate values, Challenging, by encouraging employees to broaden their creative ideas and try new things, dare to think, and present as well as develop and improve work processes through the Think Idea project, Wow Steel project, and Smart Team project. These are projects that bring representatives from all departments involved with customers to collaborate as a team. The team is given the authority to make their own decisions while remaining adaptable to change. This leads to faster correction of errors, encourages collaboration, and stimulates creativity in new ways of working to help create value for customers while also making work processes within the organization more efficient.

- TMT Academy's Knowledge Management. There are learning and training courses that cover every department. New courses have been added, and the original course has been improved to stay updated. The knowledge was passed on to employees, particularly new employees so that they would have the necessary knowledge, skills, and ability to perform their assigned tasks correctly.

Performance

- The evaluation rate of employee engagement was 82.65%.
- The turnover rate was 17.94%.
- TMT employees were continually developed with an average of 14 hours/person/year of training.
- There were no cases of labor disputes or human rights violations.



Occupational Health and Safety

Policy

The Company is committed to developing a safety management system to be in compliance with any laws and related regulations in order to prevent and reduce occupational hazards with the cooperation of all our employees.

The details of the "Occupational Health and Safety Policy" are disclosed on the website at [[www.tmtsteel.co.th / investor relations / corporate governance / others policies / occupational health and safety policy.](http://www.tmtsteel.co.th/investor-relations/corporate-governance/others-policies/occupational-health-and-safety-policy)]

Goals

- Compliance with laws and related regulations.
- Reduce the Injury Frequency Rate: (IFR) of employees every year.

Strategy/Operational Plans

- Comply with relevant laws, rules and regulations of the safety and environmental management system.
- Reduce workplace hazards
- Build and promote safety awareness among employees.

Operations

1. Comply with any relevant laws, rules, and regulations, including the requirements of the safety and environmental management system.

- Assess regulatory compliance with any related laws and requirements every 6 months.
- Control and take corrective actions to improve operations in accordance with the applicable laws or regulations.

2. Reduce Workplace Hazards

- Review risk assessment whenever there is a new activity or changes to the working methods and annually revise them so they are up to date.
- Establish plans and methods to eliminate hazards and reduce occupational health and safety risk

using a "hierarchy of control".

- Provide a process to control and plan changes that occur within the organization, whether temporary or permanent.
- Regularly review and conduct emergency response plans at least once per year.
- Construct a Safety Interlock System and Sensor Systems on the fence and machine guarding to increase safety.
- Monitor industrial hygiene and the environment.

3. Build and Promote Safety Awareness among Employees.

The Company has occupational health and safety management in accordance with the requirements of the Occupational Health and Safety Management System Standards (ISO 45001:2018) in order to develop and promote knowledge regarding a safe workplace to employees. Over the past year, the Company organized various activities to promote the following safety behaviors:

1) Employees in the Production 1 focus group were given a training course "Safety Awareness for Machine Work." There were 100 employees who participated in the program which accounted for 81.97% of the focus group.

2) A risk detective project called "Point Out Risk, Create Safety Culture" was launched to encourage all employees to participate in reporting workplace hazards by scanning the QR code on the hazard report form. There were 64 employees that participated in the project.

3) Hearing Conservation Project in work environments with noise levels of 85 decibels dB(A) or higher. This included the manufacturing area as well as the warehouse. There were a total of six buildings. The procedures are as follow:

- Train and educate all employees in the aforementioned areas on the topics of Hearing Conservation



Policy of the Company, ears and hearing, types of hearing loss, hearing tests, hearing assessments and noise control, the application of protective hearing devices, and related laws.

- Prepare and install a noise map in the manufacturing area and the warehouse. There were a total of 6 buildings that were designated as noise monitoring areas and hearing monitoring areas.

4. COVID-19 Preventative Measures

1) The Company strictly complies with the epidemic control and prevention measures in accordance with the guidelines of the Ministry of Health's Department of Disease Control. The Company created and disseminated an epidemic control and prevention plan on the Company's website at [[www.tmtsteel.co.th/Investor Relations/Corporate Governance/Risk Management/Control and Prevention of TMT's COVID-19](http://www.tmtsteel.co.th/Investor_Relations/Corporate_Governance/Risk_Management/Control_and_Prevention_of_TMT's_COVID-19)].

2) There are inspection and monitoring measures to prevent and control the spread of COVID-19. Every employee was required to follow the following procedures:

- Check employee travel history to prevent outbreaks within the Company and screen employees on a regular basis by surveying employee's risk data.

- Always provide useful information to employees during the COVID-19 pandemic

- Provide and arrange vaccinations for employees. All employees received 2 doses of Covid 19-vaccines.

- Require random testing to proactively look for people infected with Covid-19 by randomly checking 40 employees with an ATK test every Monday.

3) Screen all external visitors by requiring them to submit a COVID-19 risk assessment form before visiting the factory or working in the factory area. A preliminary screening test with an ATK test kit is also required.

4) Provide hand sanitizers in every office and building. In addition, the multi-surface disinfectant spray

was also provided to disinfect the common areas on a regular basis. In addition, the Company assigned certain groups of employees to work from home rather than coming to the office in order to reduce workplace congestion and mitigate the risk of spreading the disease.

Performance

- The Company was certified with ISO 45001: 2018 for the Surveillance round from SGS (Thailand) Company Limited in July 2021.

- The LTIFR (Lost Time Injury Frequency Rate) was 4.59 times per working hour.

- Developed and promoted employee safety awareness with 3 projects.

Society/Community Engagement and Development

The Company is aware of its coexistence with the community and society as well as giving importance to all stakeholders. The Company learns to develop and live in harmony with the community by engaging in activities that build understanding as well as promoting community and social engagement. This ensures that the Company's business activities do not have an impact or cause distress to normal lifestyles and the surrounding community so that the Company can meet the needs and expectations as well as mutually create sustainable value and returns. Details of the "Corporate Social Responsibility" are disclosed on the website at [www.tmtsteel.co.th/investorrelations/relatedpolicies/corporatesocialresponsibilitypolicy].

Goals

- There were no external complaints.
- Continue to implement projects that create cooperation between the Company and society every year.

Strategies/Operation Plans

- Engage with all stakeholders by making the best use of TMT's resources, potential, and expertise.



- Create positive experiences for all stakeholders through the collaboration of beneficial activities or projects.

Operations

The Company complied with social responsibility policy, focusing on community engagement and development to promote a good quality of life for the community, whether economically, socially, or environmentally, by prioritizing the community's needs and necessities. Additionally, the Company promotes and raises awareness among all employees throughout the organization in order to create good relationships and demonstrates friendship with the community through collaboration with the community, assigning representatives to consult with the community on a variety of issues from conservation to problem analysis, in order to gather accurate information from the community. The satisfaction survey was used to assess the surrounding community's level of satisfaction. The results were analyzed, prioritized, and considered alongside various projects with the goal of promoting a good quality of life, creating knowledge, developing the potential of individuals in the community and society, and adding value to the Company's products. Priority will be given to nearby communities that are likely to be directly impacted by the Company's operations. The Company places a high value on assisting and promoting a good quality of living for Thai society without discriminating and fully supports the community in every way possible. The following projects were undertaken over the last year:



1. Steel for Sustainability Project

- Provided structural steel products to Wat Chumphon Nikayaram School in Ban Len, Bang Pa-In, Phra Nakhon Si Ayutthaya to build an additional canteen roof to accommodate 804 students. This helped to promote the quality of life as well as food hygiene and safety while also providing students with more indoor activities.

- Provided structural steel products to Wat Santi Thammaram, Wang Noi, Phra Nakhon Si Ayutthaya to repair the pavilion's damaged roof.

2. From School to the Steel Factory Project

- Supported students in one of 18 teams from King Mongkut's University of Technology, Thonburi, that competed in the research and design project for the construction of energy-efficient homes in Solar Decathlon Europe 2021/2022 (SDE21/22) competition in Wuppertal, Germany. The Company provided assistance in the form of products, services, and TMT knowledge. TMT contributed to the long-term sustainability of the project by donating cold-formed structural steel, a location to assemble the steel structure, as well as consulting and giving advice on steel structure preparation. When the construction is complete, this energy-efficient home will be showcased at the university to provide continuous learning opportunities for students and serve as a testing ground for university-based research as well as an energy-efficient on-campus learning center for university staff. This can also serve individuals interested in designing energy-efficient homes for a three-year period.





- Created educational opportunities and promoted vocational skill training as well as hands-on experience to prepare students before they enter the workforce by accepting internship students and bilateral students. There were 21 undergraduate students that received internships with the Company and 70 high-vocational bilateral students. This has been a continual collaboration between the Company and 6 technical colleges since 2018. Over the past year, the Company was able to recruit a total of 8 employees from the bilateral program.

3. TMT Contribution for Sustainability Project

- Contributed a Versana Premier Ultrasound system, medical supplies and necessities to Wang Noi Hospital in Phra Nakhon Si Ayutthaya to support doctors and nurses in their work with the public. This included assisting COVID-19 patients in the surrounding area.

- Donated computers and IT equipment to the Department of Automobile Engineering at Ayutthaya Technical College for the computer-aided mechanical drawing design course.

- Continually supported the waste for merit project with other companies in the area by donating money from waste sales to Lam Sai Subdistrict Administrative Organization, Wang Noi, in order to help people with disabilities, the elderly, and bed-ridden patients in the area.

- Donated 1000 sets of *Andrographis paniculata* to help COVID-19 patients in communities, waiting for centers, hospitals, foundations, and various agencies including families of employees.

- Supported the Federation of Thai Industries in Phra Nakhon Si Ayutthaya to build a field hospital to care for patients infected with the COVID-19 virus in Phra Nakhon Si Ayutthaya.

- Supported the Thai Listed Companies Association in the project “Unity of Listed Companies for the Community” to help alleviate the suffering of people in the community and small restaurants in Bangkok that were affected by COVID-19.

Details and photos of these activities can be found on the Company's website at [[www.tmtsteel.co.th/About/TMT Activities](http://www.tmtsteel.co.th/About/TMT_Activities).]

Performance

- There were no external complaints.
- Conducted 3 projects that created cooperation between the Company and society each year. These projects have been carried out continually.

Sustainability Management in Environmental Dimensions

- Efficient Energy and Resource Management
- Greenhouse Gas Management

Policy

The Company is committed to environmental management by reducing emissions and energy consumption of natural resources for a sustainable environment. The Company disseminated the policy on the website at [[www.tmtsteel.co.th/investor relations/corporate Governance/others policy/environmental policy](http://www.tmtsteel.co.th/investor_relations/corporate_Governance/others_policy/environmental_policy)]



Goals

- Reduce greenhouse gas emissions per unit of production (ton CO₂eq /ton product) by 20% compared to the base year (2018) by 2027.
- Reduce electric energy consumption by 0.6%.

Strategy/Operational Plans

- Assess electricity consumption, water consumption, and fuel consumption.
- Set operational goals.
- Plan to control/reduce electricity consumption, reduce water consumption, and fuel consumption.
- Implement the plans.
- Compare performance and goals.
- Review, analyze and resolve mistakes.

Operations

1. Efficient energy and resource management

The Company appointed an energy management working group to create efficient and sustainable energy management guidelines. In addition, an environment and safety working group was organized to manage the business in accordance with the environmental and safety dimensions relevant to sustainable development. The results of the Environmental Aspect assessment helped the Company to be aware of the business activities that significantly affect the environment which is electricity consumption. The Company focused on operating business in an environmentally friendly way by using renewable energy as follows:

1.1 H.I.D High Bay Lamp to High Bay LED Replacement Project at Factory F

Goal: Reduce the amount of electricity consumption by 0.5891% (saving goal: 95,272 kWh/year which accounts for 372,627.22 Baht/year).

Performance: Replaced 51 light bulbs at Factory F area with High Bay LED 200W lights. This can reduce the amount of electricity consumption by 95,472 kWh/year and save electricity costs approximately 364,549.91 Baht/year.

1.2 Greenhouse Gas Management

Goal:

- Assess the greenhouse gas emissions from the activities of the organization.
- Determine the causes of significant greenhouse gas emissions and find a solution to reduce the amount of greenhouse gas.

Performance:

The greenhouse gas emissions from corporate activities was 1,394,311 tonCO₂eq. Other indirect greenhouse gas emissions, such as those resulting from the purchase of raw materials and services, fuel and energy-related activities, upstream transportation and distribution, and downstream transportation and distribution (scope 3) totaled 1,384,307 tonCO₂eq. This accounted for 99.28% of all greenhouse gas emissions.

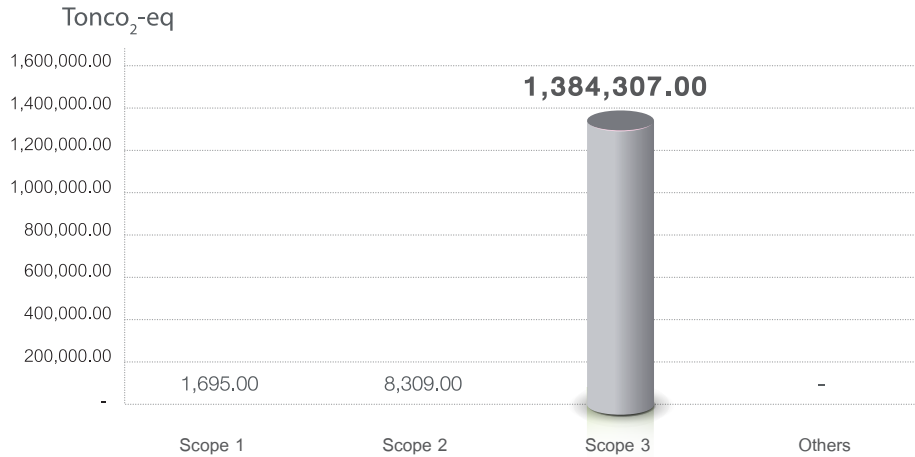
Indirect greenhouse gas emissions from raw material purchases totaled 1,358,696.19 tonCO₂eq which represented 98.15 % of all greenhouse gas emissions.

1. Upgrade Green Industry to Level 4 Project

Goal: Request for Green Industry Certification Level 4 (upgrade from Level 3).

Performance: In 2021, the Company cooperated with Natural Maker (Thailand) Company Limited, assigned by Environment Technology Promotion Division, Department of Industrial Works, developed environmental operations in accordance with the Green Industry Regulations Level 4. The Company passed the evaluation and was certified with the Green Industry Level 4 certification from the Department of Industrial Works.





Note: In 2021, Thailand Greenhouse Gas Management Organization (TGO) required the Company to assess the significance of indirect greenhouse gas emissions (Scope 3).

2. Water Management

The Company used 0.0714 cubic meters per ton of tap water and groundwater for production, a decrease from 2020 at 0.09 cubic meters per ton for production. There is constant maintenance and inspection of the water distribution system within the production process along with efficient wastewater management. Every parameter regarding the wastewater discharged from the factory is in accordance with the quality standards as defined by the law. Moreover, this includes raising employee awareness of the importance of using water resources wisely through internal communication channels as well as upgrading the office buildings and Knowledge Center's faucets to a sensor-based system.

3. Increase of Green Areas

Increase green areas inside the factory to filter out air pollution and create a good environment, both within the Company and nearby areas. The Company registered trees in the factory area. In the previous year, there were 1,080 trees which represented 27 rai or 13.35% of the total area that filter air pollution and create a good environment.

Additionally, the Company studied and planned the agricultural project with advice and input from the Faculty of Agricultural Technology Valaya Alongkorn Rajabhat University, regarding plant species and planting

processes that are suitable for the TMT area. This is expected to begin in 2022.

4. Garbage, Waste and Pollution Management

Establish standard procedures for industrial waste and unused material management. Industrial waste and unused materials are classified into two categories which are hazardous and non-hazardous waste. Both types can be classified as waste that can be sold and waste that cannot be sold. In addition, scrap steel from production is classified as a non-hazardous waste in which 100% of it can be recycled or sold. The Company set the KPI of the production department to reduce the amount of scrap steel from the production process. There is a systematic scrap steel management in which there is an area to separate the scrap steel into different types. A scrap metal compactor is used to increase efficiency in recycling scrap steel.

Performance

- Reduce electricity consumption from the Energy Conservation Project by 95,472 kilowatt-hours/year and save electricity costs by approximately 364,549.91 Baht/year
- Manage garbage, waste and pollution in accordance with the industrial waste and unused materials management standards.




Sustainable Development Goals (SDGs)

The Company is committed to supporting and taking part in the United Nations Sustainable Development Goals (SDGs) to ensure that the Company conducts business in accordance with international goals and creates benefits for all stakeholders. The Company is striving to succeed with 17 goals and continues to do the same in the future. In 2021, the Company's performance is in accordance with the 16 sustainable development goals.



Source: <https://thailand.un.org/th/sdgs/17>


The operations can be summarized as follows:

Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
1 No Poverty 	<ul style="list-style-type: none"> - Human Resource and Human Rights Management - Society/ Community Engagement and Development 	<ul style="list-style-type: none"> - Employee Welfare in monetary form - Friends Recommend Friends Project - TMT Market - "Unity of Listed Companies for the Community" Project - Waste to Merit Project 	<ul style="list-style-type: none"> - Motivate employees - Increase employment channels and lessen time on recruitment - Build good relationships with the community 	<ul style="list-style-type: none"> - Promote employment - Increase income for merchants in the community - Create income distribution from employees to the community - Support the small restaurant in Bangkok that were affected by the COVID-19 pandemic. To alleviate the impact of Covid-19 on small restaurants in Bangkok






Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
2 Zero Hunger 	<ul style="list-style-type: none"> - Human Resources and Human Rights Management - Society/ Community Engagement and Development 	<ul style="list-style-type: none"> - Food Welfare and Free Rice - “Listed Companies for the Community” Project 	<ul style="list-style-type: none"> - Motivate Employees - Build good relationships with the community - The community cooperated with the Company's activities 	<ul style="list-style-type: none"> - Promote quality of living for people in the community to have access to adequate food by giving food boxes purchased from stores in the community for COVID-19 patients in Bangkok
3 Good Health and Well Being 	<ul style="list-style-type: none"> - Human Resource and Human Rights Management - Occupational health and safety - Innovation management and product quality development 	<ul style="list-style-type: none"> - Care for employees during the COVID-19 pandemic - Provide Covid-19 vaccines for employees and outsourced staff - Develop and use the Auto Feeding Shearing system in conjunction with the Auto Vacuum Lifting system with the steel cutting machine and equipment to improve safety and reduces work fatigue 	<ul style="list-style-type: none"> - Create bonds with employees - Reduce the sick leave rate for employees - Reduce accidents 	<ul style="list-style-type: none"> - Employees are in good health and reduce illness - Prevent the spread of COVID-19 - Reduce the spread of influenza to people nearby
4 Quality Education 	<ul style="list-style-type: none"> - Employee potential Development - Society/ Community Engagement and Development 	<ul style="list-style-type: none"> - Employee Training Program - Dual Vocational Training projects - From School to Steel Factory Project - Scholarship Project for the children of employees 	<ul style="list-style-type: none"> - More employees have quality knowledge and skills - Increase employment opportunities for students/ project participating students - Build relationships with employees 	<ul style="list-style-type: none"> - Support equal and inclusive education and promote lifelong learning for employees, employees' children, students and teachers
5 Gender Equality 	<ul style="list-style-type: none"> - Human Resource and Human Rights Management - Employee potential development 	<ul style="list-style-type: none"> - Equitable Treatment of Labor - Recruit women to work in suitable positions - Have women work at the management level 	<ul style="list-style-type: none"> - Have employees who are qualified for the job and position. - Employees fully utilize their potential at work - Build relationships with employees 	<ul style="list-style-type: none"> - Promote gender equality - Develop the role of women to be able to work and earn wages - No discrimination in employment
6 Clean Water and Sanitation 	<ul style="list-style-type: none"> - Energy and resources management 	<ul style="list-style-type: none"> - Effectively manage water and wastewater as well as conserving water - Always create water-saving awareness among employees through internal communication channels and using faucets with sensors in the toilet at the Knowledge Center building 	<ul style="list-style-type: none"> - encourage employee engagement - Build good relationships with the community 	<ul style="list-style-type: none"> - Communities have clean and safe drinking water - Reduce costs for the community




Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
7 Affordable and Clean Energy 	<ul style="list-style-type: none"> - Cost-effective energy and resources management - Greenhouse gas management 	<ul style="list-style-type: none"> - Solar power generation system - Use 51 High Bay LED 200 W bulbs in the warehouse building F - Renovated buildings to use more natural light 	<ul style="list-style-type: none"> - Reduce the consumption of main energy and use more alternative energy - Reduce costs for the Company in the long run 	<ul style="list-style-type: none"> - Reduce greenhouse gas emissions - Increase awareness of alternative energy use
8 Decent Work and Economic Growth 	<ul style="list-style-type: none"> - Human Resource and Human Rights Management - Employee potential development 	<ul style="list-style-type: none"> - Use an automation system in the production process instead of human labor for risk-prone processes. - Employee promotion - Compliance with Human Rights principles - Legal Employment 	<ul style="list-style-type: none"> - Increase productivity in the production process - Create bonds with employees - Reduce turnover rate 	<ul style="list-style-type: none"> - Promote effective employment and appropriate positions for women and men - Promote career advancement for employees
9 Industry, innovation and infrastructure 	<ul style="list-style-type: none"> - Innovation management and product quality development 	<ul style="list-style-type: none"> - Utilize technology in the semi-automatic and automatic system in the production process - support work improvement culture 	<ul style="list-style-type: none"> - Reduce the occurrence of waste - Increase the quality of products and services - Increase productivity in work processes - Increase customer satisfaction 	<ul style="list-style-type: none"> - Investment in technology and innovation - High-quality steel sheet products - Environmentally-friendly production and reduce energy consumption
10 Reduce Inequality 	<ul style="list-style-type: none"> - Human Resource and Human Rights Management - Employee potential development - Society/ Community Engagement and Development 	<ul style="list-style-type: none"> - Equitable treatment of labor without discrimination - Employ people with disabilities 	<ul style="list-style-type: none"> - No prosecution for non-compliance with the law and no labor disputes - Build engagement with employees 	<ul style="list-style-type: none"> - Promote equality in society
11 Sustainable Cities and Communities 	<ul style="list-style-type: none"> - Society/ Community Engagement and Development 	<ul style="list-style-type: none"> - Steel for Sustainability Project (Supporting steel for a benefit of public use) - Donated steel for education - Support the competition of students from King Mongkut's University of Technology Thonburi for the research, design and construction of energy saving houses Solar Decathlon Europe 2021/2022 	<ul style="list-style-type: none"> - Build good relationships with the community - Create added value to the Company's products - Build good relationships with educational institutions 	<ul style="list-style-type: none"> - Support the community to have strong, safe, and suitable steel structure buildings - Use steel for the right type of work - Promote knowledge of steel structure building construction and energy saving for students



Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
12 (Responsible Consumption and Production) 	<ul style="list-style-type: none"> - Innovation management and product quality development - Cost-effective energy and resources management - Greenhouse gas management 	<ul style="list-style-type: none"> - Operate in accordance with the environmental impact reduction policy - Certified with MiT, Made in Thailand - Received a license to manufacture industrial products TIS 1228-2561/TIS 528-2560 - Upgraded green industry project to level 4 	<ul style="list-style-type: none"> - Reduce energy consumption - Reduce the occurrence of waste in the production process - 100% of scrap steel can be sold and recycled - Create added value for the Company's products 	<ul style="list-style-type: none"> - Use resources efficiently - Support the circular economy - Create consumer confidence domestically and internationally regarding the quality and standards of steel products manufactured in Thailand and increase future sustainable development of steel products
13 Climate Action 	<ul style="list-style-type: none"> - Cost-effective energy and resources management - Greenhouse gas management 	<ul style="list-style-type: none"> - Carbon Footprint Project - Solar power generation system - Water management - Green areas 	<ul style="list-style-type: none"> - Reduce the consumption of main energy and use more alternative energy - Reduce costs for the Company in the long run 	<ul style="list-style-type: none"> - Reduce greenhouse gas emissions that cause global warming - Increase awareness of alternative energy use
15 Life on Land 	<ul style="list-style-type: none"> - Society/ Community Engagement and Development - Cost-effective energy and resources management - Greenhouse gas management 	<ul style="list-style-type: none"> - Plant and register trees in the factory - Collaborate in the project "You Take Care of the Forest, We Take Care of You" - Study and plan the Agricultural Plantation Project with the faculty of Agricultural Technology Valaya Alongkorn Rajabhat University 	<ul style="list-style-type: none"> - Increase green area inside the factory - Engage with remote communities and increase the Company's knowledge regarding forest care and carbon credit information - Utilize empty spaces in the factory 	<ul style="list-style-type: none"> - Increase green areas - Promote sustainable forest management and resolve deforestation - Support agricultural technology
16 Peace and Justice, Strong Institutions 	<ul style="list-style-type: none"> - Corporate governance for sustainability - Human Resource and Human Rights Management 	<ul style="list-style-type: none"> - Comply with the Thai Labor Standards (TLS) for human rights - Collaborate with the prevention and solution to drugs in the workplace project - Corporate Anti-Corruption Policy - Measures and best practices for the Code of Business Conduct - Code of Business Conduct for business partners 	<ul style="list-style-type: none"> - no prosecution for non-compliance with the law and no labor disputes - Build credibility and transparency in the Company's business - Promote morality and ethics 	<ul style="list-style-type: none"> - Reduce conflicts - Reduce social problems - Prevention and anti-corruption - Promote morality and ethics



Sustainable Development Goals (SDGs)	The Company's Sustainability Issues	Activities/ Projects that Support the Goal	Benefits to the Company	Benefits to Society and the Environment
17 Partnership for the Goal 	<ul style="list-style-type: none"> - Innovation management and product quality development - Society/ Community Engagement and Development 	<ul style="list-style-type: none"> - Extension of the expansion of Stretcher Leveling, an advanced manufacturing innovation from the United States for the second Stay Flat machinery. - Use modern technology and machines to develop and expand business opportunities such as Laser Cutting Machine - Support the competition of students from King Mongkut's University of Technology Thonburi for the research, design and construction of energy saving houses Solar Decathlon Europe 2021/2022 	<ul style="list-style-type: none"> - Obtain knowledge of new technology from foreign partners (USA, China) - increase productivity in the production process - Increase quality of products and services - Increase customer satisfaction - Create added value for the Company's products 	<ul style="list-style-type: none"> - Enhance the quality of steel sheet products in Thailand - Help customers' businesses to have more success from using quality products - Save energy from reduced freight cycles - Build the reputation of Thai students internationally

This report represents the information from January 1, 2021, to December 31, 2021.

For more information and suggestions, please contact:

Governance and Sustainability Committee

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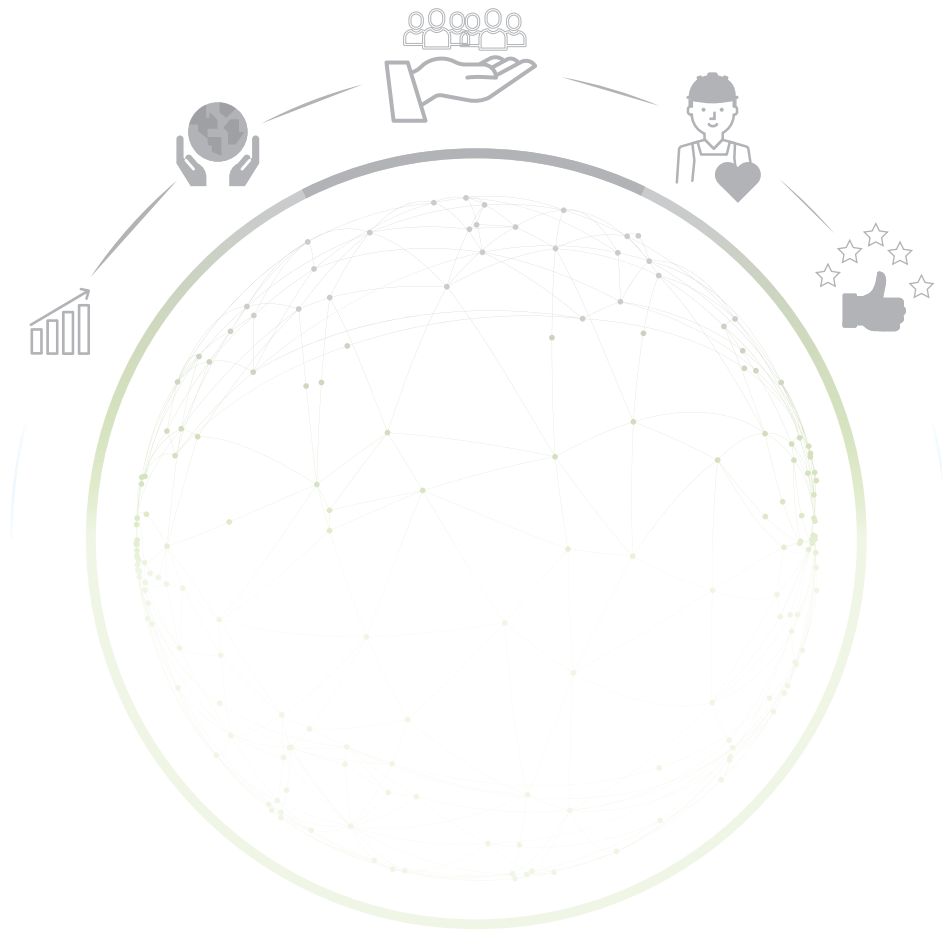
Summary of Sustainability Performance in 2019–2021

Significant Issue	Indicator	3 Years Performance				Goals
		Unit	2019	2020	2021	
Sustainability Management in the Economic Dimension						
Corporate Governance toward Sustainability	CGR Score	Percent	88	89	91	>90
	Continuously selected on the Sustainability Stocks List (THSI)	Yes/No	No	Yes	Yes	SET Sustainability Award
Risk Management	To be a stable and consistent product provider	Yes/No	Yes	Yes	Yes	consistent/always
	Continuity in delivering the value of products and services	Yes/No	Yes	Yes	Yes	consistent/always
Innovation Management and Product Quality Development	The evaluation results of customer satisfaction with the product	Percent	88	87	88	>80 or more from the previous year
	Capacity utilization rate	Percent	82.68	82.23	71.37	80-85
	The number of work results/ technologies used to optimize the work process	Subject	4	5	6	continue to have work results every year
	The number of work results from the improvement and development of employees	Subject	265	711	352	continue to have work results every year
Responsible Supply Chain Management	Number of complaints from partners	Point	0	0	0	0
	Adequacy of raw materials and factors in business operations	Yes/No	Yes	Yes	Yes	consistent/always
Customer Relationship Management	The evaluation results of the customer satisfaction in all aspects	Percent	86.80	88	89	>80 or more from the previous year
Sustainability Management in the Social Dimension						
Human Resource Management and Human Rights	The evaluation result of employee engagement or culture survey results	Percent	86.55 (Culture survey)	82.54 (Engagement survey)	82.65 (Engagement survey)	>80 or more from the previous year
	Employee turnover rate	Percent	24.94	17.41	17.94	<10
Human Resources Development	Continual training and development of TMT employees	Hours/ Person/ Year	23	17	14	25 hours
	Number of labor disputes and human rights violations	Number of Complaints/ Disputes	0	0	0	0
Occupational Health and Safety	Compliance with relevant laws and regulations	Yes/No	Yes	Yes	Yes	Yes
	Employee Injury Frequency Rate: (IFR)	Times/ Hours of Operation	7.80	1.32	4.59	Continued decline every year
Society/ Community Engagement and	Number of complaints from society/ outside community	Number of Complaints	0	0	0	0
	Number of projects that create cooperation between the Company and society	Number of Projects	7	3	3	Continued every year

Significant Issue	Indicator	3 Years Performance				Goals
		Unit	2019	2020	2021	
Sustainability Management in the Environmental Dimension						
Greenhouse Gas Management	The Amount of Greenhouse Gas Emissions per Production Unit	(ton CO ₂ eq /ton Product)/ year	0.0115	0.0110	2.6682*	Reduce the amount of greenhouse gas emissions
Cost-Effective of Energy and Resources Management	Increase green area	Percent, Number of Trees	13.46 -	13.50 1,069	13.35 1,080	20% of the total area by 2027
	Reduce Electricity Consumption	Kilowatt-Hour/Year	637,064.70	3,074,926.68	95,472	Comply with the standard measurement of Energy Conservation Project
	Save on Electric Bill	Baht/Year	2,484,552.31	11,776,969.20	364,549.91	Comply with the standard measurement of Energy Conservation Project
	Reduce Water Consumption	Cubic Meter/Person	65	70	58	< 80 Cubic Meter/Person
	Control the Amount of Waste (Industrial Waste)	Ton	260.95	445.60	536.50	Standard handling of industrial waste and waste materials

* Note: In 2021, Thailand Greenhouse Gas Management Organization (TGO) required the Company to assess the significance of indirect greenhouse gas emissions (Scope 3).






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