



Sanko Diecasting (Thailand) Public Company Limited

Sustainability Development Report 2016

About This Report

This corporate sustainability report of Sanko Diecasting (Thailand) Public Company Limited for the year 2016, had been prepared separately from the annual report. This is the 3rd report since 2014 which was when the Company had produced the 1st corporate sustainability report.

The scope of this report is to communicate to the shareholders and all the Company's stake holders about the visions, policies, strategies, selections and the priorities for the work on sustainable development and the approach in managing all aspects of the Company, leading to Organizational sustainability in the future. This reflects to the stakeholders, the will and determination of the Board of Directors and the staffs in order to add long term value to all sections of the stake holders, including creating the mutual values for the economy, society and the environment. The Company had selected and prioritized the more significant issues on sustainability through the meeting between the stakeholders within the Organization (Board of Directors, Executives and staffs), and outside of the Organization (shareholders and trade partners) who are the stakeholders through the shareholders meeting, various visits, customers questionnaires, events and other activities by exchanging opinions verbally and via answering the questionnaires. The Company took the issues of sustainability and select, evaluate and prioritize the importance of the sustainability issues in order to adequately meet the demands and the expectations of the stakeholders and in accordance with the Company's business operation. This report shows the results of the corporate sustainability operation of Sanko Diecasting (Thailand) Public Company Limited, which is related to the operation of the Organization during 1st January – 31st December 2016 and had been prepared under the guidelines of the 4th Global Reporting Initiative (GRI – G4).

For more information, please contact;

Community Relations Department

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The Company had prepared and publicized the corporate sustainability report of the year 2016 in both documents and the electronic files format which can be downloaded at www.sankothai.net.

VISION

Sanko is determine to be the leading company for the diecasting industry, to be acknowledged internationally and also help developing new innovations in all aspects and finally being able to sustainably create products under the Company's trademark which are accepted by the customers for their quality and services.

SUSTAINABILITY MISSIONS

1. Excellence in all aspects
2. Utilize new technologies and innovations for designing and developing the manufacturing process.
3. Bring out the potentials and the abilities of the staffs in the Organization in order to create the Company's trademark by the year 2019.

CORE VALUE

- Innovation
- Proactive Working
- Achievement Orientation
- Sense of Belonging

Sustainable SANKO

S Surrounding	<ul style="list-style-type: none">• Focusing on service quality and products development, including the manufacturing process which reduces the use of energy consumption and is friendly to the society and the environment.
A Adroitness	<ul style="list-style-type: none">• A team of specialists who can control the production and service quality as professionals.
N Neatness	<ul style="list-style-type: none">• Pays attention to every stage of the production in order to produce the best quality products, deliver them on time and provide satisfaction to customers.
K Keeness	<ul style="list-style-type: none">• Be an ever growing Organization, establish an organizational culture that is responsive to change in order to move forward steadily and sustainably, taking into account all impacts to the stakeholders completely.
O Orientation	<ul style="list-style-type: none">• Runs the Organization with clear goals and directions. Aims to be at the world class standard and to be acknowledged widely as the high quality automobile parts and electronic components producer both in the country and internationally.

SANKO and Sustainability

With the values and visions that focuses on producing quality products, delivering the goods to the customers on time and create customers satisfaction under the challenge of uncertain economy, the Company is fully aware of the responsibilities to the environment, the society and the good corporate governance by devoting its resources into research and development of new innovations in order to achieve the highest efficiency, yielding products with quality in conjunction with the risks management and constantly improve the capacity of the staffs, dealing with business partners, communities and including all stakeholders on the basis of good corporate governance, code of ethics and responsibilities. This is the management which covers all aspects of the operations under the Organization values of sustainability, 'Sustainable SANKO'.

SANKO Sustainable Quality Management Framework



Corporate Social Responsibility Policies

Sanko sustainability development is the development of the quality work processes, products and services, including the improvement of staffs' values and skills in the organization together with the responsibility to the environment and the society in every steps of the operation. This is in order to reduce and control the side effects which may occur and to create mutual values to all stakeholders of Sanko.

1. *Sanko Diecasting (Thailand) Public Co. Ltd* aims to operate and treat other businesses according to the core values of the Organization by maintaining good corporate governance, ethical values and conduct its business fairly, transparently, accountable, following the rules of the law, treat all labor equally with regards to human rights, being responsible to the consumers, society and the environment by taking into account the stakeholders in all aspects.

2. *Sanko Diecasting (Thailand) Public Co. Ltd* builds up and emphasizes to all levels of staffs the spirit of responsibility to the society and the environment leading into the organizational values, creating a transparent, fair and ethical Organization. This includes improving the quality of life and the well being of the staffs, promoting the atmosphere at work so that the staffs can enjoy the work place as well as improving their skills in so that the operation can be carried out more efficient, corresponding to the goals of the Organization.

3. *Sanko Diecasting (Thailand) Public Co. Ltd* supports the CSR – in process as the core of the business. The Company considers the preventive measures which may occur as a result of the business operation of the Company to the society and the environment and also the CSR – after process, by taking into account the needs of the communities in order to promote education, culture and the society, and also to improve the standard of living of the communities. The Company also encourages the staffs to contribute in volunteer works and charity activities that benefit the communities.

4. *Sanko Diecasting (Thailand) Public Co. Ltd* promotes the sustainable development of the Organization by relying on the SRI Index (Sustainability Index) when proceeding with the corporate social responsibility activities which covers both the economic aspects, the society and the environment so that the Company's report is accepted at the international level of its high credibility.

5. *Sanko Diecasting (Thailand) Public Co. Ltd* discloses information regarding the CSR activities publicly and use that information to constantly improve the activities in accordance with the Company policy. All staffs and employees must understand and can carry out the policy in practice.

The Company had assigned indicated which can track and evaluate the performance of the Company when carrying out these CSR activities both in terms of the economy, the society and also the

environment. These are valuable information which can direct the path to sustainable development of the Organization. The Company is confident that the said policy will be well received, cared for and taken into practice within the Organization by all executives and all levels of employees.

Sustainable Development Strategies

With the Organization's values and visions, including the CSR policies for corporate sustainability, the Company had planned core strategies in order to improve the sustainability of the business through the process of risk management and the thorough stakeholders' evaluation, as well as assigning the indicators which are traceable and can be evaluated in terms of performance efficiency for the economy, the society and the environment and delivers the practice thoroughly to the executives and the staffs as follows;

1. Develop human resource

The Company assigns the Organization's core competency, responding to the development and the visions of the Organization, which all employees must possess as basic skills, including assigning each individual position clearly to be the guidelines for skills improvement of the staffs. Moreover, the Company holds development courses that help with mental and behavioral improvement, including the enforcement of laws, rules and relating regulations strictly so that the staffs may excel at work and become the role models of the communities, resulting in creativity at work and a harmonious relationship.

2. Work Life Balance

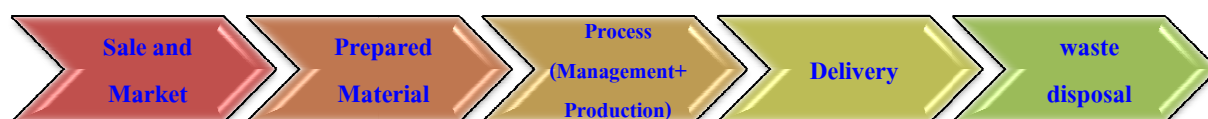
The Company is well aware that if the employees are happy at the work place and are also happy with their private lives, this well-being will result in success, stability and progress of both the employees and also the society. Therefore, the Company had created a work life balance mechanism for the employees with the goal of lasting happiness and sharing happiness to the society.

3. Trusts from the Stakeholders

The Company treats the shareholders fairly, upholding the principle of good governance, paying close attention to consequences that may occur from any actions, including listening to all of the stakeholders' opinions both from within and outside of the Organization through various meetings, Committee of Occupational safety, Employees' Welfare Committee, the community forum, opinion box and various suggestions, in order to adapt for the maximum mutual benefits. The Company also discloses the information on its operation, business, environmental management, human resource development and

Stakeholders Connections

The stakeholders from all sectors are very important to the Company's business operation for its constant progression and sustainability both for the present and in the future. The Company had analyzed and evaluated the expectations of the stakeholders both internally and externally, in order to understand the expectations of the stakeholders and to determine the expectation trends which may change in the future as well. To this, the Company had indicated the stakeholders, including the ways to connect all sectors of the significant stakeholders to the process of the business operation as follows;



Stakeholders					
-Customers (Government sector,private sector)	-Materials Producers	-Employees, Staffs	-Staffs -Transporters	-Customers -Consumers	- Communities, Societies
-Retailers	-Materials Suppliers	-Employees, Retailers	-Shareholders -Banks	-Communities, Societies	-Remover -Consumers
-Competitors	-Materials Transporters	-Partners, Contractors	- Communities, Societies		-Media -Government Agencies
	-Competitors	-Shareholders, Investors	- Government Agencies		
		-Financial Institutions	-Investors		
		-Communities, Societies			
		-Business Competitors			
		-SEC , SET			
		-Government Agencies			

Impact					
-Fair Competition	-Human Rights -Equal Treatment	- Human Rights -Labor Treatment	- Human Rights - Health and Safety - Labor	-Safe Usage - Energy Consumption	- Health and Safety -Pollution
-Corruption	-Corruption	-Health and Safety	Safety - Labor	- Products and services	-Disposal
-Products and services responsibility	-Partners Development -Environment	- Corruption -Energy Consumption -Wastes Management -Information Disclosure -Good Governance	Treatment - Corruption -Equal Treatment	responsibility	

Procedures taken with Stakeholders

Stakeholders	Engagement	Expectations / Demands	Response / How to Build Up Relations	Results
Employees - part time - Permanent	- Executives meet up with the staffs every quarter. - Listen to advice and opinions, KAIZEN - Trainings and seminars for skills improvement according to the annual master plan. - Morning Talk session before work. - Annual safety day and energy day events. - SDT News magazine.	- Salary increase and suitable remunerations - Appropriate benefits - Safety and risks reduction in terms of healthcare. - Occupational stability and opportunity to grow in career paths. - Developing knowledge and skills - Positive work environment. - Can enjoy a good lifestyle after retirement.	- Fair remunerations and salary, including all benefits (food, petrol, hot work). - Fair treatment and the respect of human rights. - Establishing the Saving and Credit Cooperative of Sanko Thailand Limited - Establishing the Friend for Friend project. - Provident Funds - Insurance for staffs by Krungthai-AXA Life plc. - Provide carrier Path / Succession chart.	- Staffs relationship to the Organization. - Reduce the rates of staffs quitting the job. - Staffs are happy and have work securities. - Staffs are safe in the work place.

Stakeholders	Engagement	Expectations / Demands	Response / How to Build Up Relations	Results
			<ul style="list-style-type: none"> - Happy Workplace activities for staffs - Operate under the international standard for occupational health and safety in work place OHSAS/TIS 18001 -Environmental Management under the international standards ISO 14001. 	
<ul style="list-style-type: none"> Customers - Internally - Externally 	<ul style="list-style-type: none"> - Visit customers -Customers' satisfaction questionnaires - Provide technical knowledge to customers. - Joint activities with the customers such as KAIZEN and PREMA - Invite customers to visit and see the manufacturing process. - Listen to complaints - Communicate through various channels 	<ul style="list-style-type: none"> Receive quality products and services. - Products with adequate price - Compete transparently on price - Products with adequate price - Fair contracts - Compete transparently on price - Customers confidentiality 	<ul style="list-style-type: none"> - Good corporate governance, transparent, fair and accountable - Manufacture automobile parts with standard quality ISO/TS 16949 - Be ethical about the customers' confidential information - Welcome the factory visits / inspections by the customers - Meet the requirements of the customers -Customers' satisfaction questionnaires 	<ul style="list-style-type: none"> - Customers are satisfied with the services of the Company - Customers place long term or continuous orders.
<ul style="list-style-type: none"> Shareholders - Major - Minor - Investor 	<ul style="list-style-type: none"> - Hold the annual shareholders meeting - Prepare annual report - Announce the business performance quarterly - Invite investors to visit the manufacturing process 	<ul style="list-style-type: none"> - Dividends (profits) and growth - Manage the Company ethically under the principle of good governance 	<ul style="list-style-type: none"> - Good corporate governance, transparent, fair and accountable - Pay out the dividends adequately - Disclosing the information transparently - Anti-corruption policies and enforcement 	<ul style="list-style-type: none"> - Growth in the business operation - SET Sustainability Awards

Stakeholders	Engagement	Expectations / Demands	Response / How to Build Up Relations	Results
	- Respond to inquiries via phone or emails		- Operational results and returns from investments - Build confidence for shareholders and investors.	
Supplier Vendor	- Communicate through various channels - Give advices for improvement - Inspect the manufacturing process and the quality of the ingredients	- Receive information accurately and in a timely fashion - Compete on price fairly and transparently - Follow the contracts fairly	- Anti-corruption policies - Follow the purchasing agreements policy - Develop the vendors together. Provide knowledge and understanding at least to the required standards.	- Continuous trades relationship - Mutual business growth - Treat the partners fairly and equally.
Community - Communities around the factory -Distant community	- Investigate the needs and the satisfaction of the community. - Organize dialogues or meetings with the community - Allow the community to visit the factory - Joint activities with the community - Join the monthly community meeting to propose ideas and participate	- Become good friends - Support the community's activities. - Follow the principle of human rights and oppose corruption. - Not causing negative effects and take care of the community's environment. - Create income and progress to the community - Operate the business transparently	- Create trusts and mutual understanding - Support public activities. - Create staffs with service minds to help with public activities - Human rights policies - Anti-corruption policies - Environmental Management under the international standards ISO 14001. - Energy management following the Energy Conservation Promotion Act (edited B.E. 2550).	- Be accepted by the community and the society - No complaints to the Company's business operation

Stakeholders	Engagement	Expectations / Demands	Response / How to Build Up Relations	Results
Government Agencies (SEC, SET, The Excise Department, Provincial Department of Industry, Provincial Department of Labor, The Federation of Thai)	<ul style="list-style-type: none"> -Report all information as the laws required -Pay taxes accordingly -Support government's projects that are beneficial to the public 	<ul style="list-style-type: none"> - Follow all related laws and regulations -Not creating problems to the society and the environment 	<ul style="list-style-type: none"> - Follow all related laws and regulations -Transparently disclose all information 	<ul style="list-style-type: none"> - Allowed to continuously proceed with the business operation. -Follow the regulations of the SEC
Competitors	<ul style="list-style-type: none"> - Exchange information, news of the products, material sources and the machineries for production. 	<ul style="list-style-type: none"> - Compete in the business fairly and transparently. 	<ul style="list-style-type: none"> - Follow the business principle in order to operate fairly and transparently. 	<ul style="list-style-type: none"> - Treat the competitors according to the business ethics.
Press / Media	<ul style="list-style-type: none"> - Information disclosure - Interviews 	<ul style="list-style-type: none"> - Receive the Company's information continuously, accurately, equally and on time. - Provide the information to all medias equally 	<ul style="list-style-type: none"> - Manage the information disclosure and the press engagement so that all information is received accurately, fully, equally and on time. 	<ul style="list-style-type: none"> - Receive the Company's information continuously, accurately, equally and on time.

Sustainability Issues

The Company is aware and emphasizes on the selection and prioritizing the sustainability issues. As for the selection in this year, the Company held a meeting to discuss among the stakeholders both within and outside of the Organization, such as the Board of Directors, Executives, staffs, shareholders and trade partners through various channels for example, in the meeting, visits, customers' questionnaires, Board of Directors', Executives' and staffs' questionnaires, and also the issues relating to the risk of the Company's business operation had been selected, evaluated and prioritized the significance for the sustainable operations, in order to meet the demands and expectations of the stakeholders appropriately and in accordance with the Company's business practice.

In addition, the Company had studied and implemented the sustainability issues following the Global Reporting Initiative (GRI – G4) into account for evaluation as well.

Significant Sustainability Issues for 2016

Important to Stakeholders	Very Important	<ul style="list-style-type: none"> - Fair competition - Information and reports disclosure - Responsibility to stakeholders - Fair treatment to stakeholders - Remunerations and benefits to stakeholders - Equality and respects of human rights 	<ul style="list-style-type: none"> - Good corporate governance - Sustainable business - Healthcare and safety at work place - Energy management - Manufacturing process and services that are environmental friendly - Sustainable business growth - Wastes management - Anti-corruption - Training and human resource development - Listen to complaints and requests
	Important	<ul style="list-style-type: none"> - Mutually develop trade partners - Conserve the resources and the environment - Business operation's indirect side effects - Support and donate for the community and the society - Business operation's indirect side effects 	<ul style="list-style-type: none"> - Risks management - Take care of staffs - Business operation that is related to the environment - Follow the laws and regulations - Build confidence and Company's image - Respond to demands and create customers' satisfaction - Develop supplier chain
		Important	Very Important
Important to Sanko			

Important Issues		Management Guide Lines	Results
<i>Economy</i>			
1	Sustainable business growth	- Increase efficiency and expand the products to meet the various demands of the customers	- Change the injection machines in order to improve efficiency. - Purchase products inspection machines in order to improve products quality - Produce original products under Sanko's brand.
2	Sustainable business operation	- Overseeing the operation with regards to the economy, society, environment and corporate governance.	-CSR department is responsible for following up all activities according to the designated plan. - SET Sustainability awards for 2016 with 40% score (mean average of Mkt. Cap at 66%)
4	Good corporate governance	- Consider the development and improvement of the corporate governance following the advice of the internal auditors as appropriate to the business operation.	- Corporate governance is being evaluated quarterly every year by the financial and production inspector.
5	Anti-corruption	- Proceed under the anti-corruption policies. - Implement system that opposes corruption.	- Anti-corruption personnel have followed up with the operation and reports to the Audit Committee.
<i>Society</i>			
6	Training and human resource development	- Set operation plans and training courses to develop skills and knowledge of the employees.	- The Company holds training courses both inside and outside of the Organization by using the speakers from within the Organization and from other sources about the course on Company's operation, CSR and opposing corruption. -Human right Policy
7	Healthcare and safety at work place	- Organize events that promotes healthcare and safety at work - Prepare operational plans for the purpose of safety and happiness at work place.	- Annual safety day activity - Prepare master plans and activities to create happiness in the work place annually - Rates of accidents - Employees health check up.

Important Issues		Management Guide Lines	Results
		- Improve Health & safety management :OHSAS/TIS18001	- Moning Talk activities -Safety day activities
8	Community development	- Cooperate and support the community as much as possible.	- Activities that support the community such as the Watsangsuk konsangchat buddasangjai campaign - Signed the MOU on the Cooperative Education campaign.
Environment			
9	Energy management	- Join the Parcitipatory Energy Conservation campaign (Department of Alternative Energy Development and Efficiency) -Setting Saveing Energy Projects	- Prepare measures concerning heat and electricity - Energy day activities - Submit the energy management report to the Department of Alternative Energy Development and Efficiency, before the 31 st Match annually.
10	Manufacturing procedures and services that are environmentally friendly	- Improve the metal molding process by KAIZEN tooling and R&D method - Join the Parcitipatory Energy Conservation campaign (Department of Alternative - Improve Environmental management : ISO 14001	- Certificated ISO40001 - Certificated OHSAS/TIS 180001 - Being Certificated ISO50001
11	Wastes management	- Organize the ‘Wastes Bank: Recycle for All’ for the 4 th year	- Reduced in recycling wastes
12	Environmental care	- Organize the ‘Green office and factory space’ campaign - Organizae the ‘3R for the Environment’ campaign - Permanent Reforestation Project in Celebration of His Majesty the King	- Increase in green area around the factory - Manufacture wastes products into usable wooden products - Corals Plantation -Constructing check dams

Corporate Governance and the Economy

Corporate Governance

The Company always emphasizes on the principle of corporate governance by publishing ‘Corporate Governance Policies’ manual for the Executives, Managers and employees to follow as the code of conduct for operating its businesses. The Board of Directors also oversee the Organization to uphold corporate governance, including constantly evaluating and adjusting the corporate governance policies so that it is in accordance with the international standard.

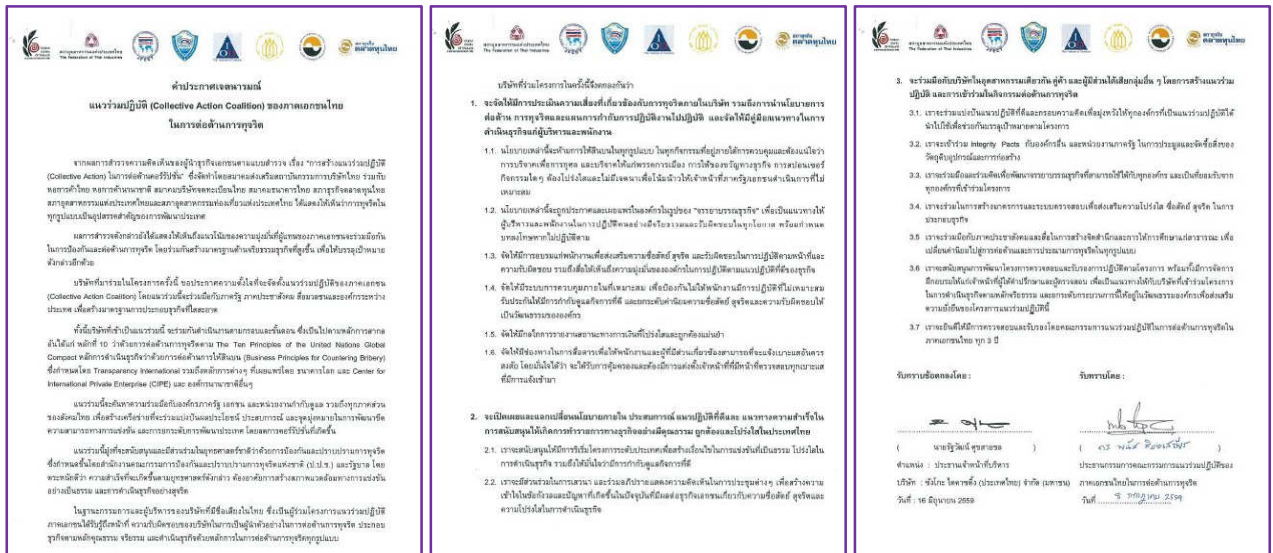
In 2016, the meeting was held to oversee the compliance with the principle of corporate governance for listed companies and to follow up the corporate governance development plan for communication, in which the Company had published as the manuals for all employees and through the seminars, and also publicly available on the Company’s website (www.sankothai.net).

Executives meet employees activities



Anti-Corruption Policies

The Company gives utmost importance to the improvement of the internal system for transparency and accountability in business operations. In 2016, the anti-corruption policy had been assigned and the Company had announce its intention to join with the Collection Action Coalition, a Thai private sector association, in combating corruption together with the Thai Institute of Directors, the Thai Chamber of Commerce, the Chamber of Foreign Commerce, the Thai Listed Companies Association, the Thai Bankers Association, the Federation of Thai Industries, the Federation of Thai Capital Markets Organizations and the Tourism Council of Thailand. Later, the Company will join the certification process by the Private Sector Collective Action Coalition Council within 18 months since the signatory date.



The Company has now adapted to use the ‘Receiving or giving gifts and entertainment policy’ during the festive seasons and any other occasions, as well as conveying this message to staffs, business partners and other 3rd parties who have contact with the Company in order to improve the corporate governance standard and to combat corruption.

Additionally, the Company provides seminars for the employees to encourage honesty, integrity and responsibility to the work, including providing communication channels for the employees to advice or report on any leads regarding corruption, misconduct or if treated unfairly at work. The ‘anti-corruption policy’ and the ‘receiving or giving gifts and entertainment policy’ are published in the Company’s ‘Business Ethics Manual’.



Measures for controlling corruption

1) Defensive measures – This is achieved by arranging the organizational chart in a way that it is appropriate to control and manage the business, arrange for written code of ethics and promote ethical conducts, prepare good internal control system and evaluate the results of internal control in each department including introducing the complaints system.

2) Inspection – This authorizes the managers in each level with the responsibility to protect, investigate the corruptions and the mistakes in the work operation, including having an independent internal auditor to investigate the compliance with the regulations and to notify any risks involved.

3) Fair treatment – The investigation of the corruption will be held in the panel for the sake of fairness to the accused and gives adequate protection to the whistle-blowers.

From the implantation of the above effective measures, in 2016, no complaints or corruption investigation were made.



By mail

Sanko Diecasting (Thailand) Public Company
Limited

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T. NongBuu, A. Ban Khai, Rayong, 21120

By website

www.sankothai.net

Society

Human Resource Development Policies

The Company upholds the ethical and moral principles when conducting its businesses by emphasizing on the respect of human rights which is the basic rights when dealing with employees and all stakeholders to be treated freely and equally. The Company has no policies to limit the basic rights, be it nationalities, religions, political ideals, gender, age or people with disabilities, including allowing the employees and all stakeholders to freely express their opinions via the channels which the Company provided.

All of the Company's employees will be treated equally. The Company states the regulation clearly that all employees are to be protected based on their basic rights equally without prejudice on genders or the states of the body or mind, for example, the rights to receive health insurance, annual health checkup, medical treatment and the rights to take training courses in order to develop skills, knowledge and experiences.

Human Resource Development Policies

The Company emphasizes on the human resource development in order to improve skills specialization and expertise for at work and increase the overall efficiency and quality of services which will benefit greatly for the business operation. The Company has the policy to encourage employees to constantly improve themselves both at the executive levels and at the operational level.

The Company hosts internal seminars by inviting experienced and knowledgeable guest speakers and also sends employees to external institutions for training courses as well. In 2016, the Company had prepared the total of 63 seminars and meetings for executives and employees where outside institutions have also participated, and 2 seminars outside of the Company which were courses involving the regulations of the listed companies, management system usage and the information disclosure of listed companies and sustainability evaluation course.

In 2016, the cost of human resource development was equal to 82,240 Baht with average training hours in 2016 of 310 hours / person / year.

Training

Staff Training	2016
No. of Staffs	330 persons
Total training hours per year	1,091.30 hours
Total training hours per person	16.18 hours / person

External courses	19 courses
Internal courses	677 courses
Training Fees	193,100 Baht
Training Fees per person	23.38 Baht / person / year

Health and Safety for Employees

Safety is considered the most important issue for all levels of employees, including other relating stakeholders. Therefore, the Company manages the occupational health, safety and environment policy according to the OHSAS18001 standard, and also develop the staffs to be able to work safely and foresee the imminent danger by themselves. The Company encourages the staffs to participate in evaluating the safety at the work place, provides thorough inspections and reviews by higher managements in order to support with sufficient resources and constantly improve the system. The Company's aim is to achieve zero accident.

Occupational Health , Safety and Environment Framework



The Safety Committee

Name		Position
1.	Miss Niparat Boonprakom	Chairman (Safety officer Profession)
2.	Mr.Narongsak Otanwarapot	Committee (Diecasting Supervisor)
3.	Mr.Nattachai Janoi	Committee (Diecasting Supervisor)
4.	Mr.Rachan Sanitto	Committee (Maintemnance Supervisor))
5.	Mr. Artaphon Yonjai	Committee (Diecasting Engineer)
6.	Miss Wannapa Changtad	Committee (Finishing Leader)
7.	Miss Somja Keadsiri	Committee (Finishing Leader)
8.	Miss Saowarot Kompirin	Committee (Personal Leader)
9.	Mr.Kamploi Parasan	Committee (Machine Supervisor)
10.	Miss Budsadee Pongpad	Committee (EHS Officer)

Table comparing the accidents ratio in the past 3 years

Severity/Damages	No. of accidents /Year		
	2014	2015	2016
Minor injuries (no sick leaves)	1	1	0
Minor injuries (less than 3 days leaves)	0	1	0
Major injuries causing leaves (more than 3 days leaves)	8	3	0
Total (times)	9	5	0
Total no. of sick leaves from accident (days)	147	46	0

From the table of accidents in 2016, the numbers of accidents had been reduced to zero due to the serious campaigning by the Company about the safety at work. The Safety Officer has the responsibility to issue the warning directly to the Human Resource Department and if the workers receive 3 times, it will directly affect the year end performance evaluation. From the said policy, the number of accidents had decreased since the beginning of the year and in 2017, the Company had continued with this policy and introduce plans to create a culture of safety by campaigning to encourage everyone in the Organization including all stakeholders to have self-awareness and work safely.



Occupational Health and Safety in the Workplace

The Company strives to improve safety for the employees and the stakeholders in order to prevent accident, injuries and sickness from work and continuously try to detect, eliminate or control the insecurities regarding the business operation by establishing the occupational health, safety and environment policy at work to act as guidelines for the employees and also publish publicly to all stakeholders through the Company's website (www.sankothai.net) as well.

Safety campaigns are as follows;

- 1) **Safety & Energy Day** – A repeating event which is held within the Organization in order to raise awareness regarding safety and health of the employees (27th December 2016).



- 2) **Legally required trainings** – Courses which trains the staffs to understand the works relating to machineries and specialized equipment so that the machines can be operated correctly and safely. The examples of these are fire drills, wastes separation, how to correctly operate cranes, safety awareness trainings and how to correctly use earplugs.



- 3) *Workplace surrounding inspections* – The Company will inspect various elements in the surroundings such as noise, light, heat in the work place and the pollution in the air annually.



- 4) *Annual Health Checkup* – The Company prepares additional health checkup program especially for employees who are over 40 years old and also health checkups for employees in each area according to the risk factors which they may take.



- 5) *Inspection and Education on Piping System* – Daily inspections are carried out by Safety Officer and annually by a team from Petroleum Authority of Thailand (PTT).



- 6) *Songkran Holidays Safe Travel Support* – An event which raises awareness in safe usage of transportations and how to drive safely during the long holidays.



Healthcare

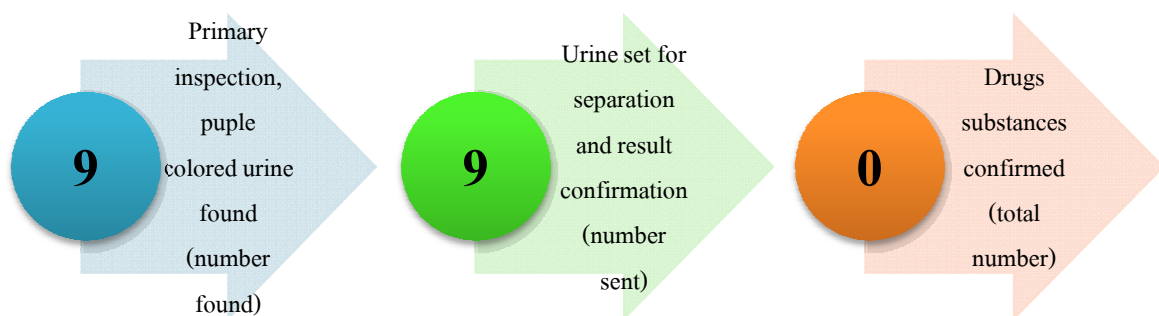
The employees' good health is an important factor in allowing them to perform their duties effectively. Therefore, the Company provides a work environment that is clean and covers all issues such as light, noise, heat, chemicals and consumptions including arranging for constant inspections and adjustments. Additionally, the Company prepares various healthcare projects so that the employees can practice healthy lifestyle such as eating correctly, resting sufficiently, exercising, excretion and also not taking drugs.

White Factory Campaign :

A campaign to encourage drugs prevention and elimination

The Company emphasizes constantly on the active prevention and elimination of drugs usage, since the Company is well aware of the danger from drugs which can affect the employees, families, communities and also the Company. Random drugs inspection for substances are being held regularly without prior notice and the regulations are strictly enforced.

Drugs substance testing results for the year 2016



Happy Workplace

Happy 8 is one of the many ways of management for sustainable happiness, creating positive attitude to life, living with others, responsible for the society and be a good member of the family and of the Organization and the society. This results in a healthy lifestyle, not burdening others, being kind and helpful towards colleagues, being professional at works, care about their families, the Organization and the society. In the year 2016, the Company arranged various Happy Workplace events which can be divided into 8 categories as follows;

1.) *Happy Body* – Being healthy both body and mind. This comes from healthy life style of eating correctly, sleeping correctly and having a happy way of life. The activities involved are;

- *Lunch break exercise* : Hula Hoop, tug of war



2.) *Happy Heart* – Be kind to each other. Encourage kindness and generosity in the work place so that the employees are unified. The activities involved are;

- *Sanko Family Support Campaign* : A campaign that sells consumer goods at cheaper price for the Company's employees.



3.) *Happy Relax* – Knows how to relax and enjoy life, relieves stress from work and allows the employees to have good morale. The activities involved are;

- *2016 New Year Party*



4.) *Happy Brain* – Thirst for knowledge. Encourage the improvement of knowledge, skills and experience for the workers and learn from various sources in every opportunities leading to professionalism and work stability. The activities involved are;

- *Safety & Energy Day*



5.) *Happy Soul* – Upholds religion, faith and lives life morally. Encourage moral and ethical values to the employees for happiness in the minds and to be able to co-exist harmoniously. The activities involved are;

- *Pay respects to the elders during the Songkran festival in 2016*



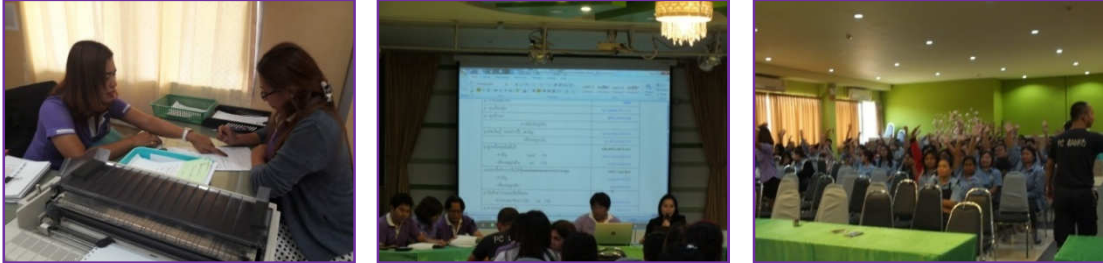
- *Sanko Miss Songkran Beauty Contest 2016*



- *New year alms giving ceremony*



6.) *Happy Money* – Learn to save money, spend wisely and not getting into debt. Encourage the employees to spend conservatively and plan to save money for emergency. The Company establishes Sanko-Thai Saving and Credit Cooperative co.ltd., to provide financial services to the employees both deposits and loans with the lower interest rates than other commercial banks.



7.) *Happy Family* – Encourage the love, unity and good relations between the employees’ families and the Organization. The activities involved are;

- *Good Kids Classroom Campaign*: A campaigns that nurses closely the children from the age of 1 year old to 3 years old so that the mothers may breastfeed and spend time with them more and also lessen the burden of cost to the employees’ families.



- *15 Years Sanko* : An award given to employees who have worked with the Company for more than 15 years. This is to show the value of the employees and consider them as the same family.



8. *Happy Society* – The good society encourages on the love, unity and generosity towards the working communities and the surrounding communities. If the community is happy, so with the Organization within that community. The activities involved are;

- *Work attitude adjustment : Breaking the ice 2016*



Workplace Occupational Health, Safety and Environment Inspection

The Company inspects the surroundings of the workplace and the health of employees both generally and specifically according to the risk factors as a precaution and as a planning for adjustments. The frequency of the inspection is according to the regulations and the adjustment plans. The frequency is also in accordance with the law, such as;

Workplace surrounding inspection results compared in the past 3 years

Inspection Area	Work Type	Heating Value(°C) (WBGT)		
		2014	2015	2016
1.Diecasting- Furnace 1	Medium	28.4	-	31.4
2.Diecasting -Furnace 2	Medium	-	29.1	31.5
3.Diecasting- Furnace 6	Medium	28.6	30.6	31.4
4.Diecasting- Machine 12	Medium	28.4	31.6	31.2
5.Diecasting- Machine 16	Medium	28.4	30.9	31.1
6. Machine 1	Medium	27.1	29.5	30.3
7. Machine 2	Medium	27.6	28.4	30.8
8. Finishing Line	Medium	28.2	29.4	30.1
9. IQC	Medium	29.3	30.4	30.5
10. Maintenance / Mold	Medium	28.0	30.4	31.2
11. WH	Medium	28.7	30.2	30.2
12. Waste Housing	Medium	30.8	30.4	31.0
Standard		< 32.0		
Evaluation		Pass	Evaluation	Pass

Sound level inspection average of 8 hours results compared in the past 3 years

Inspection Area	Sound level inspection results (dB(A))					
	2014		2015		2016	
	Leq 8 Hrs.	L max	Leq 8 Hrs.	L max	Leq 8 Hrs.	L max
1.Diecasting - Furnace 1	80.0	91.8	-	-	84.6	108.2
2.Diecasting - Furnace 2	-	-	72.3	94.4	80.3	100.9
3.Diecasting - Furnace 6	81.1	98.7	83.1	93.0	87.9	101.5
4.Diecasting - Machine 12	88.0	100.9	84.8	101.3	84.8	108.1
5.Diecasting - Machine 16	85.8	89.7	76.4	90.4	78.5	95.2

Inspection Area	Sound level inspection results(dB(A))					
	2014		2015		2016	
	Leq 8 Hrs.	L max	Leq 8 Hrs.	L max	Leq 8 Hrs.	L max
6.Diecasting -Personnel inspection	82.1	89.3	80.5	101.9	88.4	106.6
7. machine 1	72.6	85.6	79.0	84.6	84.5	101.7
8. machine 2	85.9	95.1	74.8	93.1	86.0	126.5
9. machine 1-Personnel inspection	88.2	94.1	71.1	89.2	86.5	101.6
10.machine2–Personnel inspection	88.0	93.0	77.6	86.0	80.4	93.7
11.Finishing /Line	87.2	96.5	57.8	80.4	84.0	96.5
12.Finishing /Grinders	84.3	108.9	61.9	81.2	83.9	99.3
13.IQC	78.6	86.1	70.9	88.7	79.0	117.9
14.Maintenance/Mold	83.1	98.9	82.6	96.2	84.8	105.6
15.Diecasting- Factory 1 walkway	86.5	97.7	74.9	91.5	79.8	90.2
16.Diecasting- Factory 2 walkway	82.9	86.6	72.1	97.7	89.5	107.2
17.Diecasting- Factory 3 walkway	83.3	92.3	70.9	90.8	84.3	94.0
18.WH	80.1	100.6	62.7	80.1	71.1	89.6
Standard	≤90	≤140	≤90	≤140	≤90	≤140
Evaluation	Pass	Pass	Pass	Pass	Pass	Pass

General sound level inspection results compared in the past 3 years

Inspection Area	Sound level inspection results (dB(A))					
	2014		2015		2016	
	Leq 24Hrs.	L max	Leq24 Hrs.	L max	Leq24 Hrs.	L max
1.Front of the Factory	66.7	92.9	66.6	94.9	68.6	93.4
2.Back of the Factory	67.3	96.1	64.7	86.8	64.8	93.7
Standard	≤70	≤115	≤70	≤115	≤70	≤115
Evaluation	Pass	Pass	Pass	Pass	Pass	Pass

Total dust inspection results compared in the past 3 years

Inspection Area	Measuring Index	Unit	Results						Standard
			2014		2015		2016		
			1 st	2 nd	1 st	2 nd	1 st	2 nd	
1.Diecasting – Furnace 1	Zinc Oxide	mg/m ³	0.120	0.09	-	0.057	0.132	-	5
	Lead (Pb)	mg/m ³	0.014	0.022	-	0.018	0.051	-	0.2
	Aluminium	mg/m ³	0.02	0.026	-	0.026	0.125	-	5
	CO	ppm	4.0	4.2	-	3.8	2.0	-	50
2.Diecasting – Furnace 2	Zinc Oxide	mg/m ³	-	-	0.15	-	0.145	0.035	5
	Lead (Pb)	mg/m ³	-	-	0.018	-	0.023	0.079	0.2
	Aluminium	mg/m ³	-	-	0.028	-	0.134	0.045	5
	CO	ppm	-	-	4.4	-	3.0	14.7	50
3.Diecasting – Machine6	Silica as Totaldust	mg/m ³	0.010	0.017	0.017	0.016	0.024	-	5
	Fe Fume	mg/m ³	0.319	0.201	0.214	0.106	0.253	-	10
	Zinc Oxide	mg/m ³	0.02	<0.01	0.03	<0.01	0.141	-	5
	CO	ppm	13.0	9.0	3.0	6.5	2.0	-	50
4.Diecasting– Machine 12	Silica as Totaldust	mg/m ³	0.01	0.017	0.033	0.012	0.012	0.033	5
	Fe Fume	mg/m ³	0.482	0.187	0.325	0.150	0.241	0.307	10
	Zinc Oxide	mg/m ³	0.04	<0.01	0.04	<0.01	0.123	0.031	5
	CO	ppm	6.0	5.0	5.0	5.1	1.0	7.3	50
5.Diecasting – Machine 16	Silica as Totaldust	mg/m ³	0.010	0.017	0.017	0.023	0.024	-	5
	Fe Fume	mg/m ³	0.385	0.234	0.312	0.206	0.241	-	10
	Zinc Oxide	mg/m ³	0.03	<0.01	0.04	<0.01	0.114	-	5
	CO	ppm	9.0	9.0	3.0	8.2	1.0	-	50
6.Diecasting– personnel inspection	Silica as Totaldust	mg/m ³	0.017	0.017	0.008	0.016	0.014	0.021	5
	Fe Fume	mg/m ³	0.062	0.030	0.101	0.032	0.221	0.018	10
	Zinc Oxide	mg/m ³	0.02	<0.01	0.03	<0.01	0.132	0.027	5
	CO	ppm	8.0	6.0	7.0	3.2	<0.1	2.1	50
7.Machine1	Phosphorus	mg/m ³	<0.001	<0.001	<0.001	<0.001	0.002	<0.001	0.1
	IPA	mg/m ³	2.921	<0.1	2.021	<0.01	<0.1	<0.01	980
	Oil Mist	ppm	<0.01	0.048	<0.01	0.021	0.012	0.020	-
8.Machine2	Phosphorus	mg/m ³	<0.001	<0.001	<0.001	<0.001	0.003	<0.001	0.1
	IPA	mg/m ³	1.877	<0.1	1.744	<0.01	<0.1	<0.01	980
	Oil Mist	ppm	<0.01	0.045	<0.01	0.032	0.011	0.046	-

Inspection Area	Measuring Index	Unit	Results						Standard
			2014		2015		2016		
			1 st	2 nd	1 st	2 nd	1 st	2 nd	
9.Finishing/ Line	Total Dust	mg/m ³	0.002	-	0.033	-	0.047	-	15
	Respirable Dust	mg/m ³	0.004	-	0.033	-	0.021	-	5
10.FS/ Grinder	Total Dust	mg/m ³	-	-	-	-	0.083	-	15
	Respirable Dust	mg/m ³	-	-	-	-	0.062	-	5
11.Finishing/ SB	Total Dust	mg/m ³	0.010	0.017	0.033	0.086	0.067	0.075	15
	Respirable Dust	mg/m ³	0.011	0.025	0.025	0.029	0.045	0.033	5
12.MTMold	Oil Mist	ppm	0.3	0.045	0.2	0.02	0.011	0.038	-
13.WH	Total Dust	mg/m ³	0.009	-	0.017	-	0.017	-	15
	Respirable Dust	mg/m ³	0.011	-	0.025	-	0.011	-	5
14.FS/Line B	Total Dust	mg/m ³	-	0.033	-	0.024	-	0.033	15
	Respirable Dust	mg/m ³	-	0.025	-	0.018	-	0.024	5
15.FS/Line L	Total Dust	mg/m ³	-	0.008	-	0.031	-	0.058	15
	Respirable Dust	mg/m ³	-	0.027	-	0.022	-	0.033	5
16.FS/Table grinder	Total Dust	mg/m ³	0.003	0.033	0.008	0.046	-	0.067	15
	Respirable Dust	mg/m ³	0.006	0.017	0.011	0.020	-	0.050	5
17.IQC	Total Dust	mg/m ³	-	0.033	-	0.043	-	0.058	15
	Respirable Dust	mg/m ³	-	0.033	-	0.010	-	0.022	5
Evaluation			Pass	Pass	Pass	Pass	Pass	Pass	

Health inspection results according to risk factors compared in the past 3 years

General Health Inspection	2014		2015		2016	
	Precaution	abnormal	Precaution	abnormal	Precaution	abnormal
Hand muscles strength inspection:HGD	-	-	-	-	0	0
Leg muscles strength inspection:LSD	-	-	-	-	0	0
Audiometry	38	10	35	5	45	7
Spirometry	36	2	49	5	61	14
Al in Blood (Al)	0	0	0	0	0	0
Lead in Blood (Pb)	0	0	0	0	0	0

Regarding the health inspection according to risk factors, the Company had invited specialized doctors on occupational medicine to perform the check up and advise the employees in the case of abnormal results.

- Audiometry results: In 2016, 7 employees' results were abnormal which was 0.03% and is on a decreasing trend. This is because the Company had relocated the employees with high risks to work at the posts where the risks are lower.
- Spirometry results: In 2016, 14 employees' results were abnormal which was 6.66% and with follow up inspections, the doctor was of the opinion that 5 employees had asthma, 4 people were heavy smokers and 2 employees had a cold. The doctor gave healthcare advice and avoided the works which are in contact with dust.
- No other risks were found in other abnormal results.

Environmental Management

The Company deeply cares about the effect on the environment causing by the business operation be it directly or indirectly. The Company operates with the environmental management standard ISO14001 since 2003 and will applied the energy management standard ISO50001 in 2017. The Company emphasizes on protecting the environment and the natural resources by raising the awareness of the employees and educate through communication channels and campaigns so that they know the fundamentals of environmental management such as, conserving the water and electricity, using resources efficiently and wastes separation. This leads to a unified responsibility towards the environment.

Electricity and Heat Saving Campaigns

The Company encourages the employees to have an awareness on saving NG and electricity which is mainly used for production with NG to electricity ratio of 3:1. The Company arranges for energy saving measures every year and, as for the part of the office, all electricity must be turned off during lunch break or when there are no works in the office, including conserving water for usage and consumption as well.

Energy Conserving Measures

Energy Conserving Measures	Saving results	Payback time
1.)Changing 18W LED bulbs instead of T8 fluorescent light 36W in the IQC department	10,948.99 Baht	1.37 Year
2.)Reducing the pressure of the 500 kVA appropriately	15,262.47 Baht	0.53 Year

Utilize the Resources Beneficially

The Company encourages the employees to reduce wastes under the 3R concept as follows;

- *Reduce* – Decrease the overall amount of rubbish wastes, for example, use goods with large packaging instead of smaller ones such as 100 litre spray or 200 litres hydraulic barrel and use product that have the least effect on the environment.



- *Reuse* – Use the products repeatedly, for example, turn the leftover pallets into shoes shelf, equipment containers or decorate the work place for better atmosphere, use the other side of the A4 paper, use the product's packaging on other items, use the plastic or paper back repeatedly or use the papers as packaging for the products during the manufacturing process.



- *Recycle* – Recycle the wastes so that it can be used again by organizing the wastes bank which separates and collects the rubbish from the office that can be recycle such as glass, plastic, steel and aluminum and sell them to other relating parties.



Society and Community Development

The Company supports and encourages the development of the society and the community. This is achieved by promoting the employees to have a public mind and contributing in helping and doing good things for the society and the community. In 2015, the Company had helped developing the community and the society through these activities;

1.) *Children’s day* – The Company distributes dolls and snacks to the students of 3 schools which were WatNong Grub School, Ban Hin Kong Prachanukroh School and Ban Mae Nam Koo School.



2.) *Constructing check dams* – The Company, together with the natural gas clients PTT group, had constructed 10 check dams at Ban Huay Ma Had, Ban Chang, Rayong.



3.) *Blood Donation 2016 “100 years Thai Cooperatives by Rayong Saving and Credit Cooperative”* – The Company, together with Sanko-Thai Saving and Credit Cooperative co ltd., donated blood at the Rayong Police Saving and Credit Cooperative. The event was participated by 8 employees.



4.) *Vehicle support for teachers' desks and chairs transportation* – The Company, together with Esco Engineering & services and other volunteer groups such as ‘Song LorAok Trip’, ‘Ling Chan Mini Bike’ and ‘Rayong Touring’ had sponsored 9 desks and chairs for the teachers and also the fees for transportation (Truck), to be given to WatTakiem Thong School (Petcharopathum, T. Takiem Thong, A. Kaokitchakul, Chantaburi).



5.) *Corals Plantation with Sustainable Coral Preservation Techniques* – The Company deployed 30 cement casted fossils to be the panting foundation at Kai Tia island, Kao Kwang Coral Reefs Preservation Area, ToeyNgam beach, Nawigayothin Gulf, A. Sattaheeb, Chonburi.



6.) *Donations to SakedNgern Hospital* – The Company, together with Sanko-Thai Saving and Credit Cooperative co ltd, donated goods such as 50 boxes of gauze, 50 boxes of gloves and 5 crates of alcohol for the treatment of Psoriasis with Mr. ChalernpolSukkum, the Mayor of Ta Chang Municipality, the founder and the treatment providers acting as the receiver on behalf of the hospital at Ta Chang Municipality, T. Ta Chang, A. Maung, Chantaburi.



7.) *Kathin Ceremony at Pibpliwannaram Temple 2016* –The Company, together with Sanko-Thai Saving and Credit Cooperative co ltd, hosted the Kathin Ceremony in order to construct the Bodh Gaya Pagoda (modeled from India) and build the roads all the way to the pagoda. Additionally, the Company also provided traditional Thai dessert and drinks to the ceremony attendees at Pibpliwannaram Temple, T. Nonbua, A. Ban Khai, Rayong.



8.) *Academic Skills Competition 2016* – This is hosted as a PR campaign to promote the Company and to support the academic skills competition which helps improve the local community’s education. The competition was held at WatPatummawas School, A. Ban Kai, Rayong.



9.) *Support the 2016 Annual General Meeting with souvenirs* – The Company, together with Sanko-Thai Saving and Credit Cooperative co ltd, supported 20 blankets as souvenirs for the members of the funds in the Annual General Meeting in 2016 for Nong Community Welfare Fund at the WjitThammapirat Activities Square, La HarnRai Temple, T. NongBua, A. Ban Kai, Rayong.

