



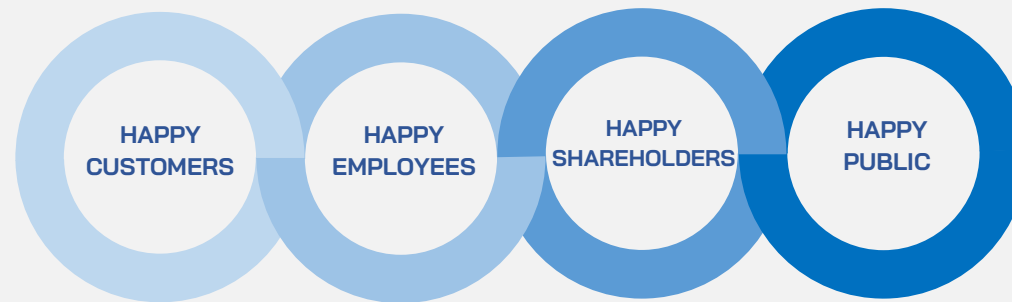
AAPICO Hitech Public Company Limited

Sustainability Report

2023

AAPICO's VISION

Our vision is to become a **Lean, Green, Happy,** and **Digital** World Class Organization with
4 Fundamental Values of Happiness.



CONSISTS OF 3 CORE PILLARS

OEM AUTO PARTS MANUFACTURING BUSINESS



THAILAND, PORTUGAL,
AND CHINA

- Metal Forming
- Chassis & Structural
- Plastics & Parts
- Fuel Tank & Washer System
- Forging, Machining, & Casting
- Jigs & Dies

CAR DEALERSHIP BUSINESS



THAILAND AND MALAYSIA

Thailand

- Changan
- Ford
- Mitsubishi
- MG

Malaysia

- Honda
- Proton

IOT CONNECTIVITY & MOBILITY BUSINESS



THAILAND

- Smart Factory
- Smart Logistics
- Smart Mobility
- Smart Office
- Smart Location
- Smart Farm

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MESSAGE FROM THE PRESIDENT & CEO



Mr. Yeap Swee Chuan
President & CEO
AAPICO Hitech Public Company Limited



Although the year 2023 marked a global resurgence in businesses following the alleviation of the COVID-19 pandemic, the world continues to face challenges and risks such as political conflicts, climate change impacts, and economic uncertainties, all significantly impacting business operations. The Company remains vigilant about applying lessons learned from the past to address these various risks.

The Company continuously monitors and assesses both short-term and long-term situations to adapt and align the Company's operations with the current circumstances. Setting strategies and business operations to align with global trends ensures sustainable business growth under the coverage of Environmental, Social, and Governance (ESG) dimensions.

In 2023, the Company emphasized environmental and social initiatives, aiming to mitigate the impacts of climate change and fulfil social responsibilities, including proactive measures to anticipate and comply with future environmental regulations and standards. The Company expanded efforts to meticulously measure and evaluate carbon footprint emissions in all three scopes with official verification conducted within the Company's operations in Chonburi province. These efforts serve as a roadmap to reduce greenhouse gas emissions throughout the Company and its subsidiaries and to prepare for forthcoming carbon tax regulations.

Furthermore, the Company increasingly integrates innovation and technology into the operations, such as promoting the use of clean energy through solar panel installations, improving energy and resource efficiency, and utilizing technology in production processes to reduce errors and waste. Collaborating with partners to develop real-time greenhouse gas emission monitoring programs for emission reduction planning is also in progress. Additionally, the Company is planning to incorporate more electric vehicles into our fleet, marking a significant step towards sustainability.

Moreover, the Company's engagement with stakeholders, including employees, investors, customers, partners, communities, and society remains a cornerstone of our approach. Particularly, our participation as a private sector collaborator with the government and local communities promotes innovation for sustainable agriculture, enhancing productivity, and managing agricultural waste to replace harmful burning practices.

The above-mentioned efforts represent a part of the Company's steadfast commitment to sustainable operations. On behalf of AAPICO Hitech, which has been in the automotive industry for over 39 years, I sincerely hope that you see the Company's dedication and responsibility on business practices are reflected in this report. I take this opportunity to express my gratitude to all stakeholders who have supported our company's effort in driving continuous and sustainable business growth.



AAPICO was awarded with SET ESG Ratings 2023 with “A” Rating for the fifth year (2018, 2020, 2021, 2022, and 2023) and included in the SET ESG index since July 1, 2021.

In addition, AAPICO has been ranked in the ESG100 index by Thaipat Institute for the second consecutive year and also rated at 5 stars or “Excellent” in corporate governance assessment.

“ We are determined and committed to improving ourselves and our strengths in operating sustainably within the organization so that we may walk along the path to becoming a responsible corporation ”

About this report

The Sustainability Reports are published annually as a means for the AAPICO Group to communicate the Company's sustainability performance on the subjects of economy, environment, social, and corporate governance to both internal and external stakeholders in order to demonstrate the transparency in the Company's operations and build up the stakeholders' confidence. This 2023 Sustainability Report will cover the Group's performance during the period of 1st January 2023 to 31st December 2023.

Guideline for the Formation of the Report

This report has been prepared in accordance with the GRI Standards (GRI Standards Revised 2021): Core Option. It will provide necessary information to the stakeholders to understand the nature of the Company's operations and its management of sustainability issues – including the Company's performance and its related impacts. Furthermore, the Company's operations included within this report were conducted in line with the UN Sustainable Development Goals. The information in this report has been reviewed by the Company's top management prior to the publication in order to ensure the accuracy and completeness of the report.

Scope of the Report

This report covers all of AAPICO Group's operations, both within Thailand and overseas; and also covers the 3 pillars of the Company: namely, OEM Auto Parts

Manufacturing Business, Car Dealership Business, and Internet of Things (IoT) Connectivity and Mobility Business.

Determining Report Content and Topic Boundaries

The process for defining the report content in this report has been prepared in accordance with the GRI standards, meaning that the contents covered within this report have been considered for their relevance on the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness; and were deemed to be the most suitable topics to include in this report. In the end, the contents included within this report have been selected through the following qualifying steps.

1. Determine the Relevance of the Topics to the Company's Business Operation – Identifying which topics are suitable to be included in the report by judging if the topics are directly associated with the Company's fields of operations. The topics that are irrelevant will then be left out of the report.

2. Rank the Significance of the Topics to the Company's Operations – In this report, only the topics that are most significant to the Company's operations are chosen to be reported.

3. Receive Approval by the Company's Executives – The chosen topics and their respective contents are to be sent to the Company's top management for revision and approval before being included in the report.



Contact Channels

For more information or suggestions, please contact the following channels:

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Silom, Bang Rak, Bangkok 10500
- ✦ aapicohitech@aapico.com
- ✦ 02-613-1504



Scope of Disclosure

This report discloses Sustainability information in the dimension of governance, environment and social collected by the Company, 2 associate companies and 35 subsidiary companies of AAPICO Hitech PLC as of 2023, as detailed below:

Topic		ENHANCE ECONOMIC VALUE							ECO-EFFICIENCY						ELEVATE QUALITY OF LIFE					
		1.1 Corporate Governance	1.2 Risk Management	1.3 Creating Shared Value	1.4 Innovation for Improvement	1.5 Customer Relationship Management	1.6 Supplier Relationship Management	1.7 Tax Governance	2.1 Environment Policy	2.2 Energy	2.3 Water	2.4 Waste	2.5 Air Emission	2.6 GHG Emission	3.1 Human Resource Management	3.2 Respecting Human Rights	3.3 Fair Treatment of Labors	3.4 Personnel Development	3.5 Safety, Occupational Health, and Work Environment	3.6 Social Responsibility and Community Development
Company	AH	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Associate companies	ASICO						●								●					
	EA					●	●								●			●	●	
Branch	AHR	●	●	●	●	●	●	●	●	●					●	●	●	●	●	●
Subsidiary companies	AHP	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	AHT	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●
	AHA	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●
	AA	●	●	●		●	●	●	●	●	●	●		●	●	●	●	●	●	●
	ASP	●	●	●			●	●	●	●	●	●		●	●	●	●	●	●	●
	AF	●	●	●		●	●	●	●	●	●	●		●	●	●	●	●	●	●
	APC	●	●	●		●	●	●	●	●	●	●		●	●	●	●	●	●	●
	APB	●	●	●			●	●	●						●	●	●	●	●	
	APR	●	●	●	●		●	●	●	●					●	●	●	●	●	
	AMK	●	●	●			●	●	●							●	●			
	AL	●	●	●			●	●	●						●	●	●	●	●	
	KCX		●	●		●		●	●											
	AMI		●	●		●		●	●	●										
	AAG		●	●				●	●	●										
	AGG		●	●				●	●											
	AVE		●	●		●		●	●											

Topic	ENHANCE ECONOMIC VALUE							ECO-EFFICIENCY						ELEVATE QUALITY OF LIFE					
	1.1 Corporate Governance	1.2 Risk Management	1.3 Creating Shared Value	1.4 Innovation for Improvement	1.5 Customer Relationship Management	1.6 Supplier Relationship Management	1.7 Tax Governance	2.1 Environment Policy	2.2 Energy	2.3 Water	2.4 Waste	2.5 Air Emission	2.6 GHG Emission	3.1 Human Resource Management	3.2 Respecting Human Rights	3.3 Fair Treatment of Labors	3.4 Personnel Development	3.5 Safety, Occupational Health, and Work Environment	3.6 Social Responsibility and Community Development
Subsidiary companies	AITS	●	●	●			●	●						●	●	●	●		
	AERP	●	●	●			●	●						●	●	●	●		
	AEC	●	●	●			●	●						●	●	●			
	AM	●	●	●	●		●	●											
	AMPK	●	●	●	●		●	●											
	AMPT	●	●	●	●		●	●											
	AMMG	●	●	●	●		●	●											
	NESC	●	●	●			●	●											
	AEV	●	●	●			●	●											
	NESM		●	●			●	●											
	AMSB		●	●			●	●											
	AMTS B		●	●			●	●											
	TSR		●	●	●		●	●											
	AIPL		●	●			●	●											
	AT	●	●	●			●	●											
	AB	●	●	●			●	●											
	ATC	●	●	●			●	●											
	AV	●	●	●			●	●											

abbreviation	OEM Automotive Parts Manufacturing Business			
	Thailand Subsidiaries		Overseas Subsidiaries	
	AH	AAPICO Hitech PLC. (Head Quarter)	KCX	Kunshan Chaitai-Xincheng Precision Forging Co., Ltd.
	AHR	AAPICO Hitech PLC. (Rayong Branch)	AMI	AAPICO Maia, S.A.
	AHP	AAPICO Hitech Parts Co., Ltd.	AAG	AAPICO Águeda, S.A.
	AHT	AAPICO Hitech Tooling Co., Ltd.	AGG	AAPICO Germany GmbH
	AHA	AAPICO Hitech Automation Co., Ltd.	AVE	AAPICO Avee Sdn. Bhd.
	AA	AAPICO Amata Co., Ltd.	Associates and JV	
	ASP	AAPICO Structural Products Co., Ltd.	ASICO	Able Sanoh Industries (1996) Co., Ltd.
	AF	AAPICO Forging PLC	EA	Edscha AAPICO Automotive Cp., Ltd.
	APC	AAPICO Precision Co., Ltd.		
	APB	AAPICO Plastics PLC (Bangplee)		
	APR	AAPICO Plastics PLC (Rayong Branch)		
	AL	AAPICO Lemtech (Thailand) Co., Ltd.		
	AMK	AAPICO Mitsuike (Thailand) Co., Ltd.		

Car Dealership Business	
Thailand Subsidiaries	
AM	Able Motors Co., Ltd.
AMMG	MG Able Motors Co., Ltd.
AMPK	Able Motors Pakkret Co., Ltd.
AMPT	Able Motors Pathumthani Co., Ltd.
NESC	New Era Sales Co., Ltd.
AEV	Able EV Co., Ltd.
Overseas Subsidiaries	
AMKSB	AAPICO Motors (Kuantan) Sdn. Bhd.
AMSB	AAPICO Motors Sdn. Bhd.
AMTSB	AAPICO Motors (Temerloh) Sdn. Bhd.
NESM	New Era Sales (M) Sdn. Bhd.
TSR	Tenaga Setia Resources Sdn. hd.

IoT Connectivity and Mobility Business and Others	
Thailand Subsidiaries	
AERP	A ERP Co., Ltd.
AITS	AAPICO ITS Co., Ltd.
AT	AAPICO Technology Co., Ltd.
ATC	AAPICO Training Center Co., Ltd.
AV	AAPICO Venture Co., Ltd.
AB	AAPICO BIKE Co., Ltd.
Overseas Subsidiaries	
AIPL	AAPICO Investment Pte. Ltd.



Company Overview



General Information (As of 31 December 2023)

Name of the Company / Name in Stock Market	AAPICO Hitech Public Company Limited / AH
Products and Services	<p>The 3 Core Pillars of AAPICO business, which are</p> <ul style="list-style-type: none"> Manufacture of OEM automotive parts which include; <ul style="list-style-type: none"> Metal Forming Chassis & Structural Plastics & Parts Fuel Tank & Washer System Forging, Machining & Casting Jigs & Dies Car dealerships and service centers <ul style="list-style-type: none"> Ford MG Honda Mitsubishi Changan Proton Internet of Thing (IoT) Connectivity and Mobility business <ul style="list-style-type: none"> Smart Factory Smart Mobility Smart Location Smart Logistics Smart office Smart Farm
Listed Date	17 October 2002
Year Established	1996

Locations of Operations	1. Thailand 2. Malaysia 3. Republic of China 4. The United Kingdom 5. Portugal 6. Germany 7. India 8. Taiwan 9. Singapore
Registration Number	0107545000179
Company Website	www.aapico.com
Number of Employees	5,900
Total Revenue	30,389 THB Million
Registered Capital	Baht 354,842,228.00 (consist of 354,842,228 Ordinary Shares ¹⁾)
Paid-up Capital	Baht 354,842,012.00 (consist of 354,842,012 Ordinary Shares ¹⁾)
Membership of Associations	<ul style="list-style-type: none"> Thai Auto-Parts Manufacturers Association (TAPMA) Electric Vehicle Association of Thailand (EVAT)
Standard and Index	ISO/TS 16949: 2016, ISO9001:2015, ISO 14001: 2015, OHSAS 18001: 2007, , Green Industry Level 3, SET ESG Rating Level A, SETESG Index, ESG100, and CGR Rating 5 stars

Remark: 1) Par Value at Baht 1 per share

Business Overview

AAPICO Hitech Public Company Limited (“the Company” or “AAPICO”) was established in 1996 and listed on the Stock Exchange of Thailand in 2002. The company’s core business initially was to design, produce, and install car assembly jigs and stamping dies for comprehensive automotive assembly, as well as to manufacture OEM automotive parts, including floor parts, cross members, pillars, brackets, clips, and fuel tanks for leading automobile assemblers in Thailand. Subsequently, the Company expanded its business to include the production of chassis frame components for pickup trucks, forging metal parts, machining metal parts, casting metal parts, plastic parts, plastic fuel tanks, and windshield washer systems.

AAPICO Hitech PLC operates under the management of Mr. Yeap Swee Chuan, the President & CEO and founder of AAPICO Group. The Company’s first factory was located at Hitech Industrial Estate, Ayutthaya. Today, it has factories in Samutprakarn, Chonburi and Rayong. Globally, the Company also expand its footprint to Malaysia, China and Portugal.

AAPICO Hitech PLC is comprised of 3 business pillars: the OEM Auto Parts Manufacturing Business, the Car Dealership Business, and the IoT Connectivity & Mobility Business. As of today, the Group comprises 49 subsidiaries and associate companies, 34 of which companies are operating in Thailand and 15 companies are located oversea.



Vision, Objective, Target, or Operation Strategy

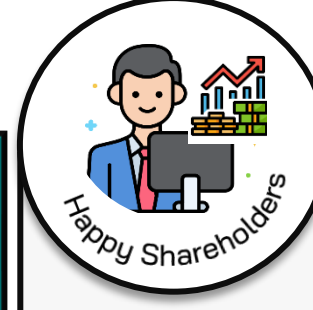
The Company has set the vision to become a **Lean, Green, Happy, and Digital** World Class Organization for sustainable growth. The Company has an important mission to grow into a Global organization with excellence in 4 fundamental values of happiness, as follows



The Company set operational targets for the organization to achieve manufacturing excellence in order to satisfy customers’ needs. This is accomplished by maintaining safety standards, product quality, competitive price, on-time delivery, engineering development, and continuous excellent management for utmost customers’ satisfaction.



The Company gives importance to employees, which are the heart to driving stable and sustainable organization growth. This is accomplished by arranging for happy workplace environment, encouraging teamwork, defying problem as opportunity, inspiring loyalty, fostering respect between colleagues, and imprinting familial love of the employees in order to lay a strong happy foundation that will carry over to the organization and country.

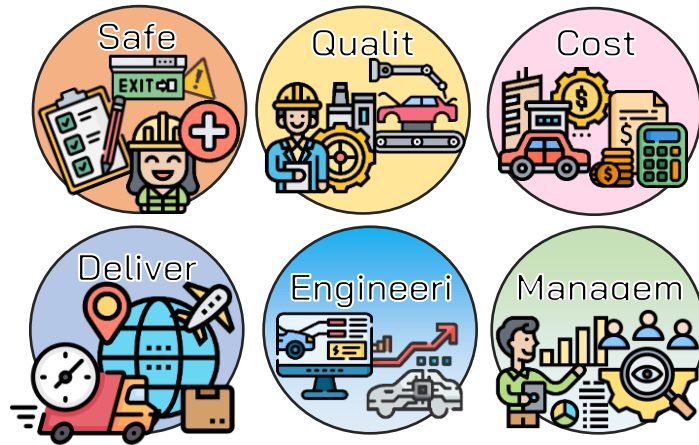


The Company is determined to operate with optimal profits and benefits for the shareholders, and to arrange for appropriate returns for the shareholders.



The Company is aware and gives precedence to the importance of managing business with regards to corporate social responsibility to the community and public for sustainable growth.

AAPICO set a clear target in becoming an organization with excellence in operations that adhere to the standard of good Corporate Governance, as to promote stable and sustainable growth. The Company has set operational production targets based on the SQCDM guideline, as follows:



- **Safety** - Safety always comes first
- **Quality** - Manufacturing operations that are up to quality standards and produce zero waste in order to achieve '0' PPM targets
- **Cost** - The ability to compete in pricing with low and appropriate cost
- **Delivery** - 100% on-time delivery, with Just-In-Time (JIT) production method
- **Engineering** - The determination to continuously improve the Company's engineering process (KAIZEN)
- **Management** - Managing operations to be clever, transparent, and attentive to details, while also utilizing digital technology to increase efficiency as appropriate.

AAPICO is determined to improve the Company's manufacturing process, strengthen the employees' knowledge, and search for new technologies from around the globe to support and increase the efficiency of the Company's manufacturing process. Our goal is to become one of the most accepted top automotive parts manufacturers within both Thai and international automotive industry, offering high quality standards, while also standing ready to support and push Thailand into becoming a global base for the production of automotive parts.

Owing to the Company's longstanding commitment to the simple visions and principles of being a lean and happy organization with transparent management and excellence in corporate governance, AAPICO has been accepted by customers from every corner of the globe as an entrepreneur with sustainable excellence in manufacturing and consistently maintain quality operation standards in accordance with SQCDM guidelines on Safety, Quality, Cost, Delivery, Engineering, and Good Management. The Company was approved and guaranteed of its quality manufacturing process with ISO/TS16949 and ISO14001 standards, in addition to various other awards and certificates continuously received from customers and suppliers combined with transparent management and attentiveness to stakeholders, which contributed to the establishing of trust with customers and suppliers, the Company is therefore able to sustainably elevate business relations with various brands of automotive manufacturers.

Long-Term Plan

The Company's long-term business plan is Globalization. Currently, the Company has firm base of operations in Thailand, Malaysia, China, India, and Europe. For the time being, the Company is looking to expand and establish the Company's presence into Japan, USA as well as other Asian countries.



Business Value Chain

With the Company's commitment to deliver innovative products and services through environmentally conscious production and service methods, while taking into account the needs and impacts on stakeholders, the Company has integrated the organizational vision, code of conduct, and sustainability framework under the "3E" concept, into the value chain. This involves linking and analyzing stakeholders' needs and expectations, leading to the creation of a 6-step strategy for sustainable operations throughout the value chain.

Inputs

Financial Capital

- Cost of sales and services
- Investment and shares

Manufactured Capital

- Property, plant, asset and equipment
- Other assets

Natural Capital

- Raw material for manufacturing
- Energy and water
- Green procurement

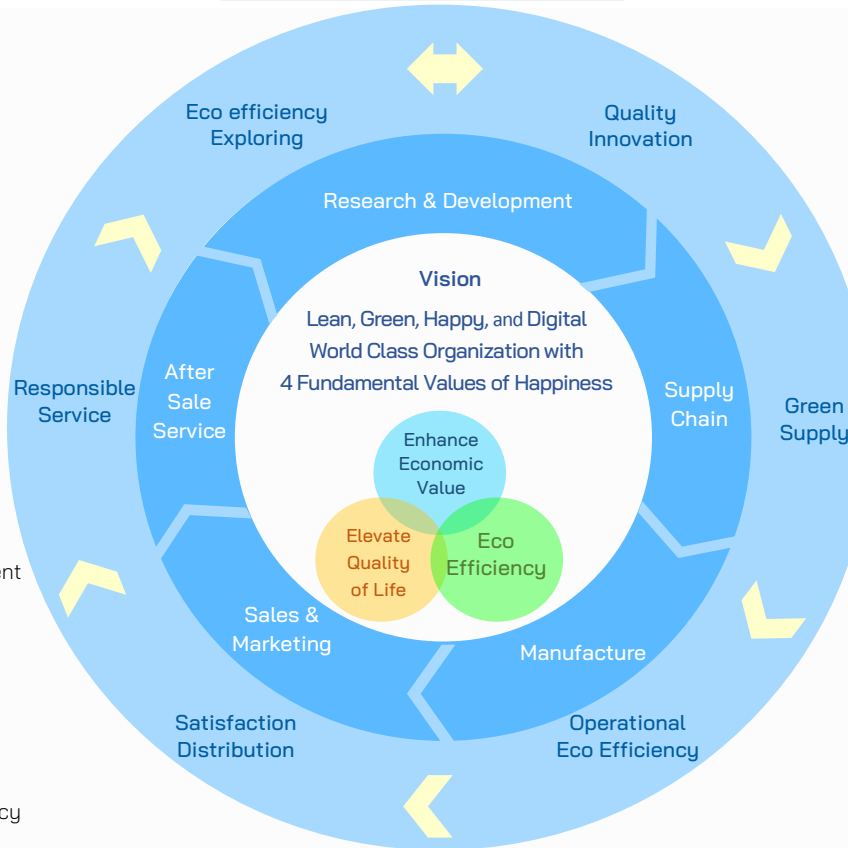
Human and Intellectual Capital

- Fair wage and welfare
- Employee training programs
- Partners' competitiveness enhancement
- Innovation supports manufacturing processes and operations

Social and Relationship Capital

- Business ethic and code of conduct
- Customers' satisfaction
- Company's reputation and transparency
- Community and social development
- Stakeholders' engagement

Company Operations



Supporting Sustainable Development Goals



Outcomes/Value

Outcomes for AAPICO

Financial Capital

- Revenue and profit growth
- Capital market accessibility

Manufactured Capital

- Efficiency production
- Effective resource management

Natural Capital

- GHG emission and waste reduction
- Effective resource and energy management
- Cost savings on raw materials and resources

Human and Intellectual Capital

- Employee engagement
- Skillful and knowledgeable employee
- Business opportunity
- Efficiency and productive operation

Social and Relationship Capital

- Organization credibility
- Stakeholders' satisfaction and trust
- Transparency in business
- Employee from the community with high competence

Outcomes for stakeholders

Financial Capital

- Dividends and stock market values
- Income tax and government taxes

Manufactured Capital

- Emission-free and safe manufacturing
- Quality goods and no defects

Natural Capital

- GHG emission and waste reduction
- Effective resource and energy management
- Resource conservation for sustainability

Human and Intellectual Capital

- Employee satisfaction
- Skillful and knowledgeable employee
- Income stability and job opportunities
- Raising the value of productivity and operational accuracy

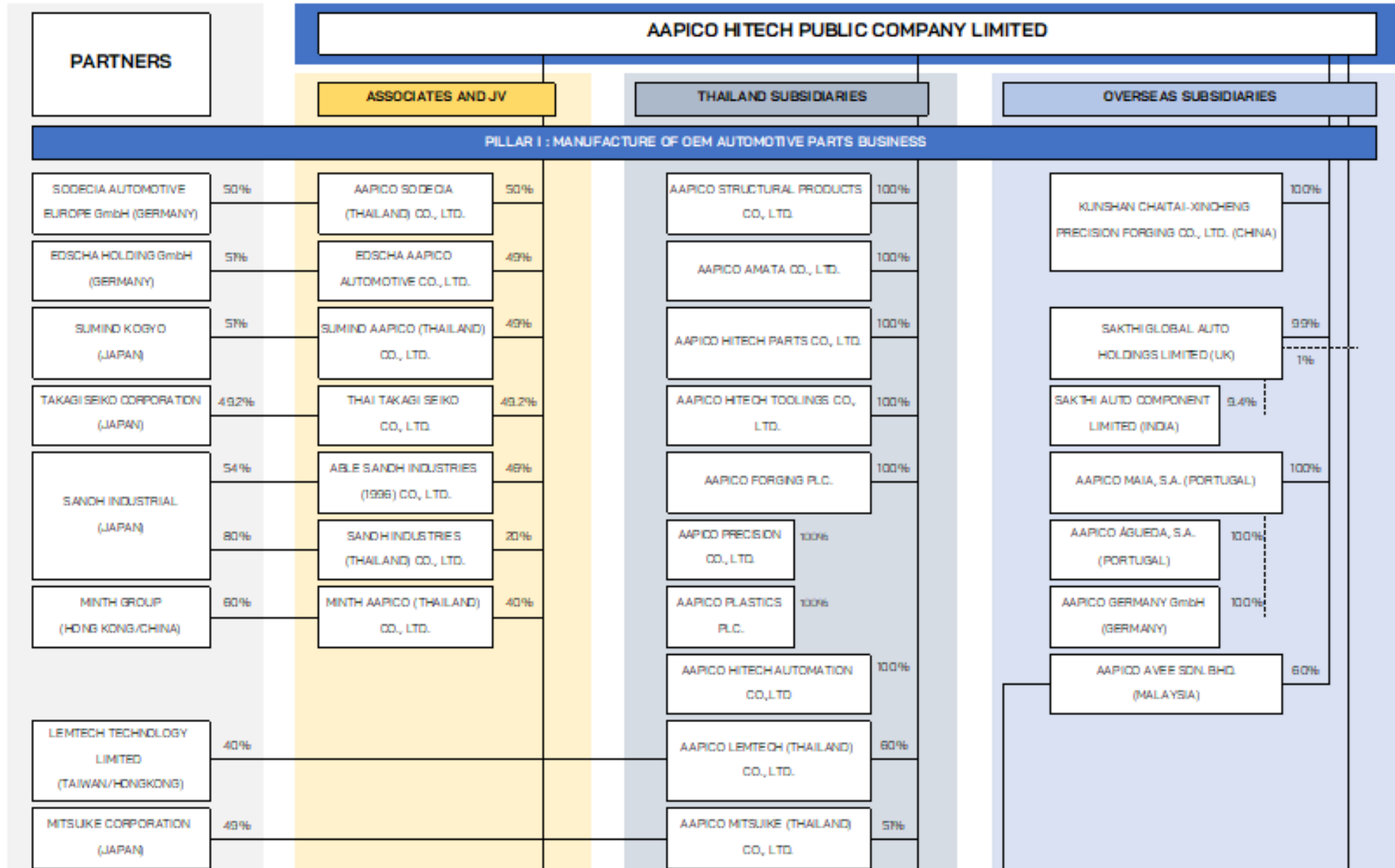
Social and Relationship Capital

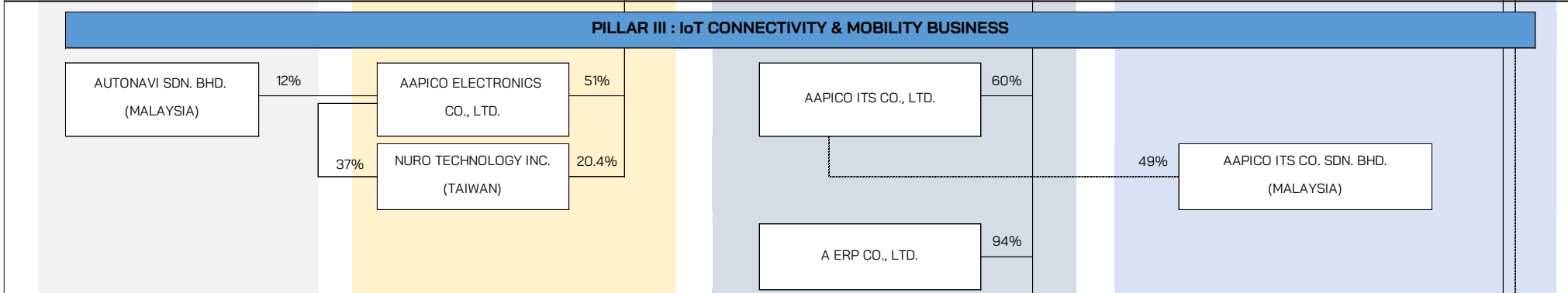
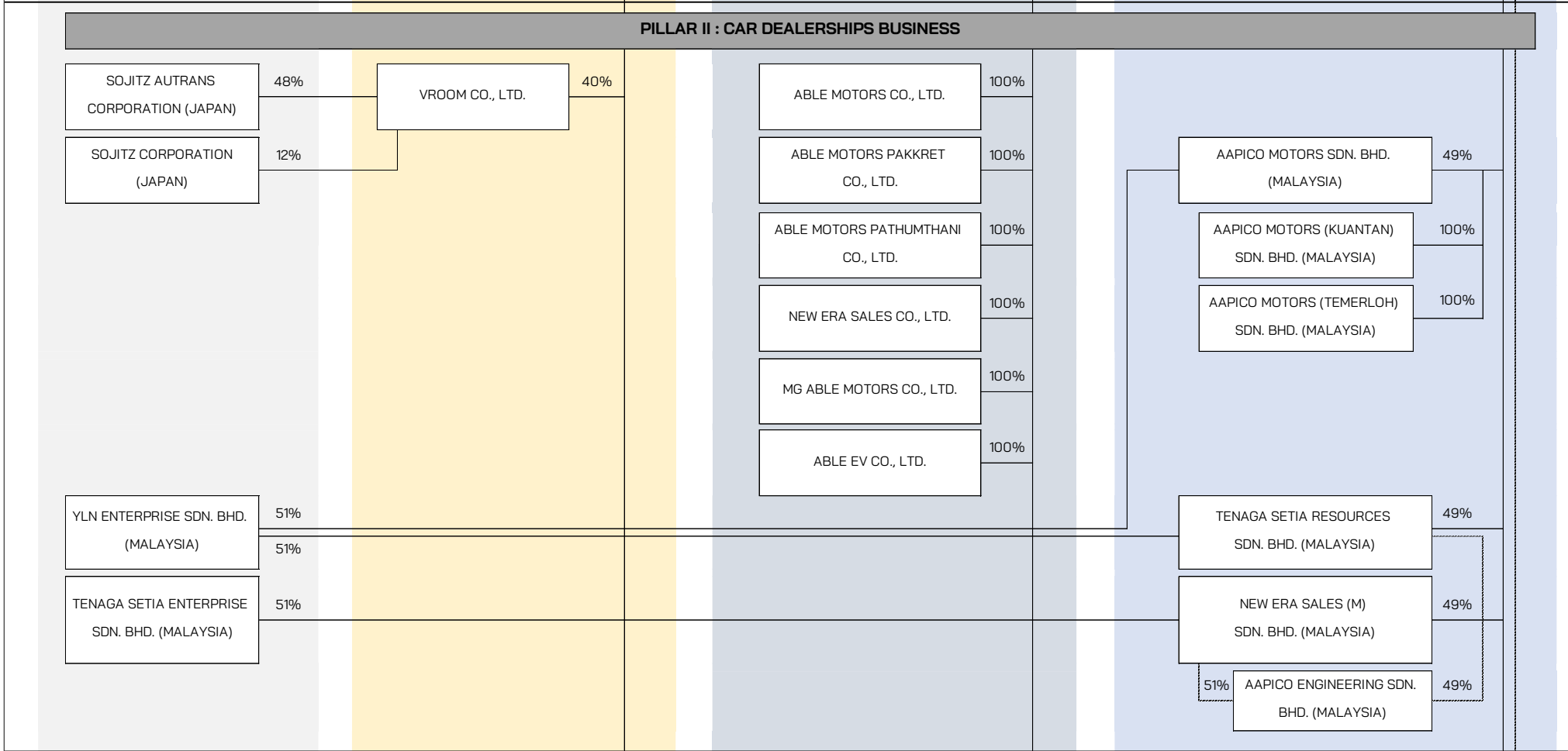
- Ethics in the supply chain
- Stakeholders' satisfaction and trust
- Quality people and consistent revenue in the community and society



Company Structure

AAPICO HITECH COMPANY HOLDING STRUCTURE





OTHER BUSINESSES TO SUPPORT THE 3 CORE PILLARS

AAPICO TECHNOLOGY
CO., LTD.

100%

AAPICO TRAINING CENTER
CO., LTD.

100%

AAPICO VENTURE CO. , LTD.

100%

SMOOTHLANE
CO., LTD.

11.9%

AAPICO BIKE CO., LTD.

97%

AAPICO INVESTMENT PTE. LTD.
(SINGAPORE)

100%

ESG Journey

START



2014

- Announced Social Responsibility Policy and Established a Committee and a Working Group of Social Responsibility Department
- Published a CSR report on the website www.aapico.com for the first time
- Awarded 2014's CSR-DIW from the Ministry of Industry

2015

- Received the Green Star-White Flag Award 2015 (the Good Governance, Environment and Safety Company) from the Industrial Estate Authority of Thailand (IEAT)



2016



- Certified Green Industry Level 3 from the Ministry of Industry
- Accredited Environmental Management System ISO14001:2004 at AAPICO Hi-Tech factory, Rayong branch and ISO14001:2015 at the AAPICO factory Amata and AAPICO Lemtech

2017

- Received the industrial waste and solid waste management awards 2017 in the branch of Amata Nakorn Industrial Estate and Amata City Industrial Estate



2018

- Be selected in the Thailand Sustainability Investment List 2018 (THSI) from the Stock Exchange of Thailand (SET)
- Brainstormed to make sustainability policy, strategy and framework



2019

- Published a sustainability policy, strategy and framework covering 3 core dimensions (Social, Environment and Corporate governance) for the first time and referred to the Global Reporting Initiative Standards (GRI Standards), which is an international standard in the corporate sustainability report
- Established a sustainability working group for the first time officially



2020

- Be selected in the THSI List 2020 from SET
- Brainstormed each department to set short-term and long-term targets along with sustainability policy and strategy



2021



- Be selected in the THSI List 2021 from SET and listed in SETTHSI Index for the period of July – December 2021
- Achieved 5-star rating or “Excellent” score on Corporate Governance from Thai Institute of Directors (IOD) in collaboration with SET
- Published short-term and long-term targets officially

2022

- Arranged for the Carbon Footprint Verification for Organization in the Company and got certification by the third-party company
- Be selected in the THSI List 2022 from SET and listed in SETTHSI Index for the period of January – December 2022
- Be selected in the ESG100 List 2022 from Thaipat Institute



2023

- Expanded the scope of the Carbon Footprint for Organization (CFO) verification to include factories in Chonburi province for the first time
- Provided scholarships for master’s degrees in engineering and technology (School of Engineering and Technology: SET) at the Asian Institute of Technology (AIT)
- Collaborated with Bangkok Industrial Gas Co., Ltd. to develop a system for collecting and displaying the organization's greenhouse gas data on a Carbon dashboard

2048

- Stepped into the renewable energy company by installed the solar rooftops and solar cells in Ayutthaya plant and Rayong branch.
- Targeted reaching the challenging net zero carbon dioxide emissions goal or

Carbon Neutrality by 2048



Sustainability Management



AAPICO and Sustainability

It should go without saying that a sustainable business operation is an important factor for many business aspects including economic growth, sustainable resource management, or responsibilities to the community and stakeholders. Therefore, AAPICO would like to become a part of this movement to drive society's stability and sustainability.

In the process of setting up the guidelines, framework, and strategies for the Company's business operation; AAPICO utilized the Company's own vision, missions, and the stakeholders' engagement in each step of the Company's supply chain. These are then combined with careful consideration on various factors that may provide benefits or pose risks to the Company with the intention of becoming a lean, green, happy, and digital world class organization under the 3 sustainability dimensions on the foundation of good corporate governance and stakeholders' engagement.



AAPICO annually revises the sustainable development policy and strategy, stakeholder engagement, and sustainable development framework and guidelines to properly evaluate and adapt our company operations to be in line with the Company strategy as well as to the global current affairs, and to improve the efficiency of achieving stakeholders' expectations. In 2023, the Company established its sustainability commitment as well as its targets in terms of economic, social, and environmental factors to align with the revised sustainability framework and strategy. In addition, the Company set up sustainable development action plans in each department to provide the greatest possible results in achieving those targets and placed a greater emphasis on good corporate governance and stakeholder engagement.



Sustainable Development Policy

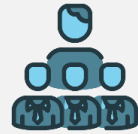
The OEM Auto Parts Manufacturing Business plays an important part in helping drive the country's industry forward. Many different businesses – such as materials, equipment, machines, parts manufacturer, and transportation – are involved in the supply chain. However, as the business operations can both positively and negatively affect the economy, social, and environment – be it directly or indirectly; the Company has taken care to set in place the Sustainable Development Policy to encourage sustainable growth and development within the Company which entails the consideration for the topics of economy, social, and environment as follows:

1. Conducting business according to both short-term and long-term plans, while also considering both internal and external risk factors
2. Conducting business with transparency and good governance
3. Conducting business with consideration to the stakeholders and the environment
4. Conducting business by increasing values with innovation



Sustainability Management's Structure and Guidelines

AAPICO Group has combined risk management and risk analysis of the Company, which are important parts of sustainable development, with sustainability management. For risk analysis, the topics of economy, social, and environment will all be analyzed; of which the dimensions of business strategy, business operation, finance, and regulation will be covered. The Board of Directors will be responsible for analyzing the risks and providing management advice to the CEO and each department, with the performance follow-up taking place at least once annually.



The Board of Directors

Roles

- Strategize, set goals, and develop management plans
- Establish sustainability policies



Chief Executive Officer

Roles

- Risk analysis on the topics of economy, social, and environment
- Providing advice on management issues



Sustainability Committee

Roles

- Consider stakeholders and key business issues
- Plan sustainability operations to achieve set goals
- Communicate within the organization about sustainability strategies, goals, and operation plans
- Promote and monitor operations to ensure alignment with sustainability policies and goals
- Report progress and performance to the working team and management

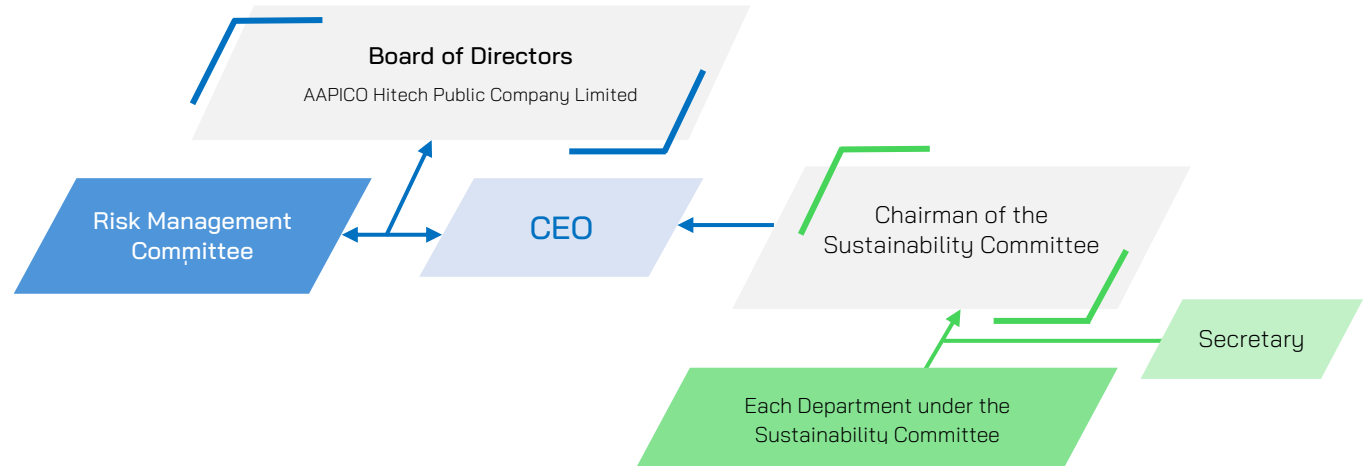
Sustainability Committee's Structure

The Board of directors and Sustainability committee have continuously been driving the Company's operations concerning the sustainability of the business; with a member of the top management acting as the committee's chairman, and the middle management and the representatives from every department acting as the committee's members – with duties, authorities, and responsibilities. This is to ensure that operations are in line with sustainability to motivate cross-departmental cooperation in order to carry out sustainability projects, and to coordinate with each department in raising employee and stakeholder awareness of the importance of operations with social responsibilities and sustainability.



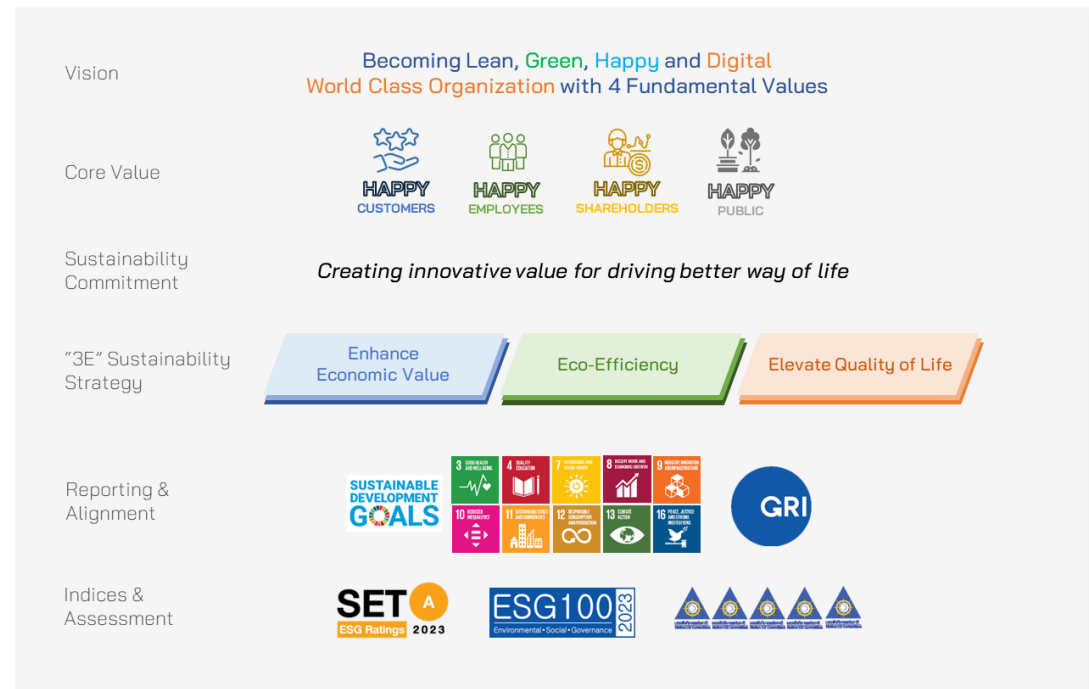
Management Performance Follow-Up and Report

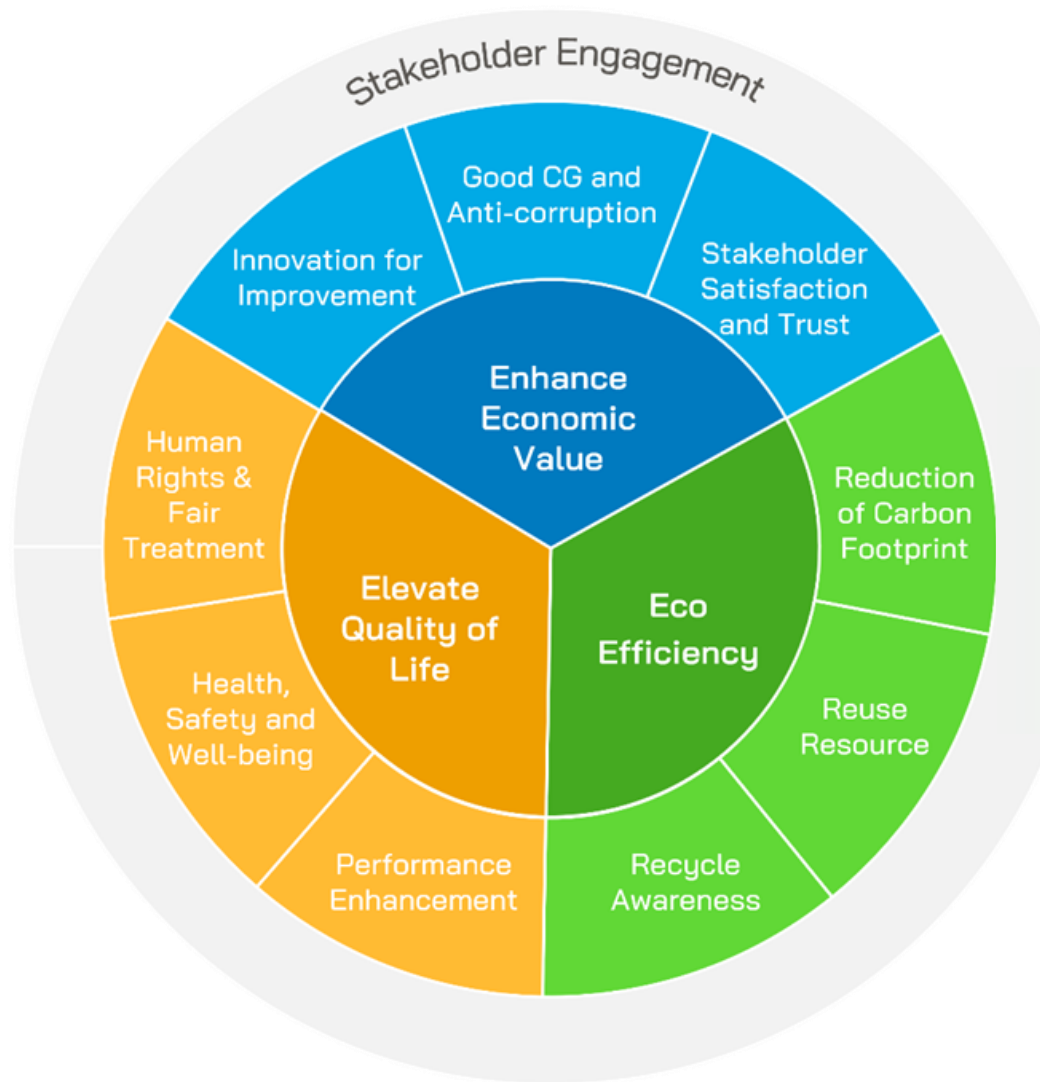
For the process of following-up and reporting management performance, each department will report the results of their follow-ups to the Chairman of the Sustainability Committee, which the Chairman will then report to the Company's CEO, and the CEO will finally report to the Board of Directors for consideration and evaluation in order to further improve upon the management guidelines.



Sustainable Operations Framework, Strategy and Targets

With the Company's intention of becoming the world's leading OEM automotive parts manufacturer, car dealership, and IoT connectivity & mobility company, AAPICO places great importance on innovation and environment. In keeping with our sustainability commitment of **"Creating innovative value for driving better way of life"**, we aim to ensure business long-term viability and integrity by balancing three dimensions: environmental, social, and governance to deliver high-quality products and service using precise and various innovations with resource optimization and less environmental and social impacts. We also reduce any repercussions to all stakeholders in order to demonstrate the Company's conscientious business conduct.





Sustainability Framework

In terms of the Company's commitment, AAPICO's sustainable development is guided by the "3E" principle, which consists of three primary components: Enhance Economic Value, Elevate Quality of Life, and Eco-Efficiency. This is the Company's strategy for collaboration and developing a solid and long-term basis for business development in accordance with the Company's vision and mission.



Supporting Sustainable Development Goals

Determined to be a part of the driving force for UN Sustainable Development Goals (SDGs), AAPICO Group has been continuously supporting their Sustainable Development Goals. For the operations in 2022, the Company focused on 10 main Sustainable Development Goals that were most in line with the Company's operations in order to create sustainable values for every stakeholder.




Sustainability Targets and Performance in 2023

Economic/Governance: Enhance Economic Value





Concept	UN SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets 2021-2023	Performance in 2023
The Company is committed to conduct our business responsibly and with integrity, honesty, transparency, and fairness. AAPICO's business principles are defined by its ethical framework and continuous improvement in response to changes in the economy, society, environment, and corporate governance circumstances.	 	Customers' trust and satisfaction in our high-quality goods and services through our efficient and innovative manufacturing and operations	<ul style="list-style-type: none"> Achieve average of 95% of customer satisfaction by 2026 	<ul style="list-style-type: none"> Achieve average of 92% customer satisfaction in 2023 	<ul style="list-style-type: none"> Average customer satisfaction¹ in 2023 was 91%, which is increase from last year but did not achieve the short-term target
	 	Create confidence and attract the interest of shareholders and investors through conducting business with integrity, transparency, and demonstrating accountability to all stakeholders based on good corporate governance practices	<ul style="list-style-type: none"> The frequency of meetings and activities organized by the Investor Relations department to disclose information transparently and increase opportunities for shareholders and investors to access company information will increase by 15% by the year 2026 	<ul style="list-style-type: none"> Increase the volume of traffic in the Company's online media with efficient and attractive information such as analyst meeting and increase in analyst coverage by 5% in 2023 compared to 2022 Be able to maintain the frequency of conducting meetings to communicate the Company's operations through organizing meetings and participating in investor engagement activities, comparable to operations in 2022 	<ul style="list-style-type: none"> Achieve Excellent Level (5 stars) in Corporate Governance Report of Thai Listed Company by Thai Institute of Directors (IOD) Increase the volume of traffic in the Company's online media with efficient and attractive information such as analyst meeting and analyst coverage, by 26% in 2023 compared to 2022 Increase the frequency of organizing meetings and participating in investor engagement activities by 150%, comparable to operations in 2022

¹ The data includes performance in AAPICO Hitech Public Company Limited (AH) and branch in Rayong (AHR) and AAPICO Hitech Parts Co., Ltd. (AHP)

Economic/Governance: Enhance Economic Value







Concept	UN SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets 2021-2023	Performance in 2023
The Company is committed to conduct our business responsibly and with integrity, honesty, transparency, and fairness. AAPICO's business principles are defined by its ethical framework and continuous improvement in response to changes in the economy, society, environment, and corporate governance circumstances.	  	<p>Managing supply chains with good corporate governance, integrity, and transparency.</p> <p>Sourcing will not only be based on best cost but will also take into account the impact on the environment and society. The Company aims to raise awareness of the development of sustainable businesses and provide local communities business opportunities for economic growth.</p>	<ul style="list-style-type: none"> 80% of the 1st tier critical direct suppliers pass ESG assessments by 2025 The 1st tier critical direct suppliers reports GHG emissions within Scope 1 and 2 boundaries or provide certification of emission quantities for products purchased by the Company At least one supplier from the critical Tier 1 supplier list receives support from the Company to become certified as a member of the Thai Collective Action Against Corruption (Thai CAC) 	<ul style="list-style-type: none"> 100% of suppliers is assessed for ESG performance by the Company within the year of 2023 	<ul style="list-style-type: none"> Established the criteria for evaluating its suppliers' ESG performance. However, it has postponed the ESG assessment with 100% of all suppliers to the year 2024 Achieved 75% of suppliers were evaluated as Grade A, being marked as having satisfactory performance both in quality, logistics, price, safety and environmental management All partners of the company, or 100%, have acknowledged and proceeded to sign documents consenting to adhere to the Company's anti-corruption policy and its whistleblowing and complaint disclosure policy

Environment: Eco-Efficiency

Concept	UN SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets 2021-2023	Performance in 2023
OEM car parts production contributes considerably to greenhouse gas emissions and a large amount of waste, both of which have severe negative effects for the environment and surrounding communities. The Company has taken steps to implement an environmental policy and raise resource efficiency awareness by applying innovation and the 3R principles (Reduce, Reuse, and Recycle) to our operations in order to improve resource management with the goal of becoming a 100% zero waste operation	   	Reduction of carbon footprint emission through operations innovations efficiency, and minimize negative environmental impacts	<ul style="list-style-type: none"> ■ Achieve Carbon Neutrality by 2048 	<ul style="list-style-type: none"> ■ Reduce the direct GHG Emission from the manufacturing processes (Scope 1) by 50% by 2030 ■ Reduce the indirect GHG Emission from the electricity usage (Scope 2) by 50% by 2030 	<ul style="list-style-type: none"> ■ The proportion of direct GHG Emissions (Scope 1) increased by 28.57% per ton of production² compared to the baseline year of 2022 ■ The proportion of indirect GHG Emissions (Scope 2) increased by 16.67% per ton of production² compared to the baseline year of 2022 ■ The proportion of indirect GHG Emissions (Scope 3) reduced by 11.70% per ton of production² compared to the baseline year of 2022 ■ Carbon Intensity (Scope 1+2) increased by 17.88% compared to the baseline year of 2022 ■ Carbon Intensity (Scope 1+2+3) reduced by 6.79% compared to the baseline year of 2022

² Total production means a product volume of 1,000 units or a thousand pieces of products

Environment: Eco-Efficiency

Concept	UN SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets 2021-2023	Performance in 2023
OEM car parts production contributes considerably to greenhouse gas emissions and a large amount of waste, both of which have severe negative effects for the environment and surrounding communities. The Company has taken steps to implement an environmental policy and raise resource efficiency awareness by applying innovation and the 3R principles (Reduce, Reuse, and Recycle) to our operations in order to improve resource management with the goal of becoming a 100% zero waste operation		Awareness on the enhancement of water conservation and efficient consumption	<ul style="list-style-type: none"> Reduce water usage in the production process by 25% by the year 2030 compared to the baseline year. 	<ul style="list-style-type: none"> Reduce water usage by 3% in 2023 compared to 2022 	<ul style="list-style-type: none"> Water usage reduced by 26.56% from 2022. When calculated per ton of production³, the Company reduced water usage by 15.36% compared to 2022⁴.
		Enhancing resource recycling and waste management awareness in order to increase efficiency and achieve zero waste operations	<ul style="list-style-type: none"> Reduce waste generated per production unit by 5% in 2026 in comparison to the baseline year of 2022 	<ul style="list-style-type: none"> Reduce waste generated per production unit by 1% per year 	<ul style="list-style-type: none"> The amount of waste generated from production processes and operations⁵ decreased by 5% from 2022. When calculated per ton of production³, the Company had a 9.5% increase in waste compared to 2022
					
					
		Strict compliance with environmental laws and regulation	The volume of air pollution is within the permissible range of environmental laws and regulations	-	<ul style="list-style-type: none"> The volume of air pollution is within the permissible range of environmental laws and regulations⁶
					





³ Total production means a product volume of 1,000 units or a thousand pieces of products

⁴ Water consumption in the area of AAPICO Hitech Public Company Limited (AH) including the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

⁵ Waste refers to general waste, solid waste, and hazardous waste, excluding industrial waste, in the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

⁶ Air pollution in the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

Social: Elevate Quality of Life

Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets 2021-2023	Performance in 2023
The Company respects human rights and fair labor treatment of laborers by promoting workplace ergonomics, suitable benefits, employees' safety as well as skills development, especially on innovation and creativity for all management and employees. The company do care about the community. It intends to extend sustainability to nearby communities through organizing social events, supporting education for schools in the area, assisting in community development, and conserving the environment.	   	<p>Promoting employee well-being and quality of life in a variety of areas;</p> <ul style="list-style-type: none"> Fair salary and benefits, as well as a willingness to listen to employees' opinions, are all important factors in increasing employee engagement and loyalty. Innovative creations are applied at all levels of operations to improve employees' safety, occupational health, and productivity. Promoting employees' skills development especially on innovation and creativity 	<ul style="list-style-type: none"> Creating 3 innovation training courses for employees' skill enhancement by 2026 0% level of IFR (Injury Frequency Rate) 0% Level of LTIFR (Lost Time Injury Frequency Rate) 	<ul style="list-style-type: none"> Achieve at least 89% of employees' satisfaction and loyalty level The average of training hour for employees was 8.5 hours/person/year⁷ 100% of employees received training on business code of conduct and anti-corruption courses prepared by the Company in 2023 IFR rate of employees not exceeding 5 LTIFR rate of employees is 0 	<ul style="list-style-type: none"> The average employees' satisfaction and loyalty level was 85.47%, but did not achieve the short term target in 2022 The average of training hour for employees was 9.96 hours/person/year⁷ which was better than the target provided The average IFR rate in 2023⁷ was 11.06 times per million working hours, which did not achieve the short-term target In 2023, the average LTIFR rate⁷ was 4.01 times per million working hours, which did not achieve the short-term target

⁷ The data includes performance in the area of AAPICO Hitech Public Company Limited (AH) and branch in Rayong (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Lamech Co., Ltd. (AL), AAPICO ITS Co., Ltd. (AITS), A ERP Co, Ltd. (AERP), Edscha AAPICO Automotive Co., Ltd. (EA), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC. (AF), AAPICO Precision Co., Ltd. (APC), AAPICO Plastic PLC. (AP) and branch in Rayong (APR) **not include** Able Sanoh Industries Co., Ltd. (ASICO)

Social: Elevate Quality of Life

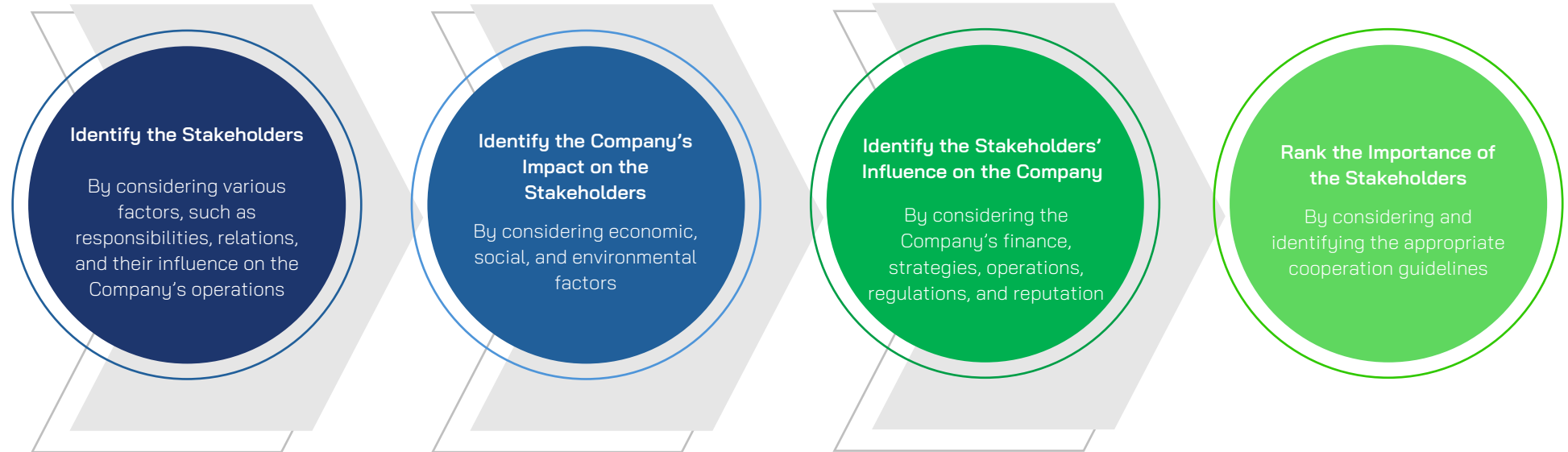
Concept	SDGs	Material issue to Sustainability	Long Term Targets	Short Term Targets 2021-2023	Performance in 2023
<p>The Company respects human rights and fair labor treatment of laborers by promoting workplace ergonomics, suitable benefits, employees' safety as well as skills development, especially on innovation and creativity for all management and employees. The company do care about the community. It intends to extend sustainability to nearby communities through organizing social events, supporting education for schools in the area, assisting in community development, and conserving the environment.</p>		Fair labor treatment, good human resource management in terms of employees' diversity, and human rights promotion	<ul style="list-style-type: none"> 0 case of Fair Treatment and human rights violation issue 	-	<ul style="list-style-type: none"> 0 case of Fair Treatment and human rights violation issue
		<p>Taking responsibility for society through the impact of the Company's operations, including community development in terms of overall environmental care and promoting educational opportunities for young people.</p>	<ul style="list-style-type: none"> 0 complaint from the community on environmental and social issues 	-	<ul style="list-style-type: none"> 0 complaint from the community on environmental and social issues
			<ul style="list-style-type: none"> 0 complaint on human rights violation and other social issues from the community 		<ul style="list-style-type: none"> 0 complaint on human rights violation and other social issues from the community
					
			<ul style="list-style-type: none"> Achieve 80% of average community satisfaction score by 2026 		
					



Stakeholder Engagement



AAPICO recognizes that stakeholders are critical to the Company's operations, and the importance of the stakeholders is reflected in the Company's vision of the four sustainable happiness goals. The firm places high value on stakeholder engagement and management, which includes analyzing all stakeholders, prioritizing the company's effects on stakeholders and the stakeholders' influence on the company, and considering relevant topics and scopes that affect and interest all stakeholders and the Company. This approach aims to satisfy the stakeholders' expectations for the Company's long-term sustainability, as well as to take responsibility for them and maintain excellent relationships with them via various platforms.




Steps for Analyzing the Stakeholders



Factors that the Stakeholders are Interested in and Communication Channels

Stakeholder	Expectations	Treatment of Stakeholders	Communication Channels	Sustainability issue
Customer 	Safety Working Conditions, Quality Products, Competitive Price, On time Delivery, , Good Engineering, Transparent and Professional Management, Environmental Management	1) Safety operation 2) 0 PPM 3) Improving Operational Efficiency in the Effort to Achieve Zero Defect 4) Effective cost management 5) On-time delivery 6) Managing good relations with customers 7) Compliance with customer policies and business ethics 8) Customer data protection 9) Following international standards in operation in terms of quality and environmental management	<ul style="list-style-type: none"> ▪ Annual customer policy acknowledgment/ customer meeting ▪ Reports ▪ Annual Report/ Sustainability Report ▪ Relationship-building activities ▪ Annual customer satisfaction and expectations survey ▪ Company website ▪ Complaint channels ▪ Attend customer's conference 	<ul style="list-style-type: none"> ▪ Managing good relations ▪ Improving products quality ▪ Implementing innovations in the Company's operations ▪ Efficient cost management ▪ Environmental Management ▪ Customer privacy and data security ▪ Business ethics
Employee 	Good pay and welfare, Fairness, Loyalty and Engagement, Human Rights, Safety, Good quality of life, Self-improvement, Advancement in job position	1) Managing good compensation and welfare 2) Managing work environment and safety 3) Developing employees' skills to fit the Companies' growth 4) Improving the employees' quality of life 5) Fair treatment and respect in human rights 6) Personal data Protection 7) Performance Evaluation 8) Equitable pay and benefits for employees	<ul style="list-style-type: none"> ▪ Weekly conference ▪ Intranet ▪ Email ▪ Employees' training ▪ Employees' relation activities ▪ Whistleblower ▪ Annual employee satisfaction and expectation survey ▪ Welfare meeting 	<ul style="list-style-type: none"> ▪ Safe working conditions ▪ Personnel development ▪ Human rights ▪ Loyalty to the Company ▪ Business ethics ▪ Fair treatment of labors ▪ Stable income and welfare ▪ Privacy and personal data protection ▪ Essential knowledge and skills advancement

Stakeholder	Expectations	Treatment of Stakeholders	Communication Channels	Sustainability issue
Shareholder 	Remunerations, Transparency in management, Future investment plans and Competitiveness, Business' sustainability, Organization risk management, Good corporate governance and financial strength	1) Building up the investors' confidence 2) Disclosure of traceable factual information 3) Reporting corporate social responsibilities 4) Risk Assessment and Management 5) Appropriate dividend payment 6) Annual credit rating	<ul style="list-style-type: none"> Shareholders' meeting Annual Report / Sustainability Report Annual report Investor relation activities Company website Company visits Whistleblower Analyst meetings Disclosure of information and participation in activities to meet investors organized by the Thai Stock Exchange (SET) 	<ul style="list-style-type: none"> Good corporate governance Business ethics Risk management Stable and sustainable performance Transparent and traceable operations Anti-corruption policy
Supplier 	Profits, Business stability, On-time payment, Transparent business conduct, Fair and clear business contracts, Improving along with the suppliers	1) Managing the Company's credibility and the business partners' confidence 2) Improving business partners' capabilities by increasing competitiveness 3) Communicating anti-corruption policy and CSR policy as well as exchange information and opinions 4) Improving relations with win-win strategy 5) Transparent, fair, and verifiable procurement	<ul style="list-style-type: none"> Annual conference Visiting the suppliers' company Meetings Arranging social activities with business partners Training / Seminar Suppliers' evaluation Policies and regulations in procurement 	<ul style="list-style-type: none"> Supplier management Fair and transparent purchasing Joint sustainable growth Anti-corruption policy

Stakeholder	Expectations	Treatment of Stakeholders	Communication Channels	Sustainability issue
Community/ Society 	Health safety, No pollution to the community, Community engagement and development, career opportunity for community	1) Complaint management and proper community remedies 2) Arranging community activities for engagement contribution 3) Building good relations between the factories and the surrounding communities 4) Career opportunity for community 5) Efficient resource management to reduce environmental impact	<ul style="list-style-type: none"> Community visit Accepting complaints Activities' support Providing assistance 	<ul style="list-style-type: none"> Community development Encouraging community activities Taking care of the community's environment Improving and supporting economic growth within the community / society Climate actions
Government 	Fully abiding by the law, Paying taxes, Giving cooperation, Managing complaints with the community	1) Following the government's regulations 2) Cooperate with the government	<ul style="list-style-type: none"> Joining seminar conference Visiting in important occasions Company Website 	<ul style="list-style-type: none"> Coming up with and enforcing regulations for clean factories Encouraging recycling for zero waste Operate in compliance with laws and regulations
Competitor 	Fair competitions	1) Transparent and fair business operations	<ul style="list-style-type: none"> Becoming a member of an association Meetings and sharing experience 	<ul style="list-style-type: none"> Corporate governance Code of conducts

Materiality Assessment

On a regular basis, the Company examines and identifies important concerns that may have a meaningful impact on our company operations, as well as internal and external stakeholders, while taking risk factors from the risk assessment into consideration. The material topics assessment is managed using the GRI Standards, which cover the four sustainable happiness features of the Company's vision, as well as ESG aspects, to allow the Company to efficiently manage the needs of all stakeholders.

Steps for Evaluating Important Topics

1

Identify Important Business Topics

Based on the concerns and goals of the sustainable development, the Company gathers information on sustainability issues that are essential to business operations from inside and outside. In addition, the Company evaluates various issues raised in the last report and considers the impacts on the Company as well as the interests and expectations of stakeholders.

2

Evaluate and Rank the Importance

The Company creates a survey that collects all sustainability concerns and asks internal and external stakeholders to rate their significance and recommend additional subjects of interest. The Company then collects all opinions, groups issues, and prioritizes them based on the level of both positive and negative impacts on business operations in the short and long term, as well as the impact on stakeholders across all three dimensions, including future opportunities in all aspects.

3

Review and Check the Correctness of the Rankings

The Company reviews and validates the priorities of sustainability issues and presented to the chairman of the sustainability working group and management for consideration and approval.

4

Sustainable Development

The Company is determined to develop its business along with sustainability and has reviewed the important sustainability topics. The comments and suggestions from the stakeholders will be used to further improve next year's report.

Topics Evaluation Results



Economic

1. Corporate Governance and ethics
2. Risk Management
3. Customer Relation Management
4. Quality of Product and Service
5. Supply Chain Management
6. R&D and Innovations to Improve Operations
7. Performance
8. Compliance and Regulation Observation
9. Personal Data Protection and Cyber Security Regulation







Environment




10. Climate Actions
11. Energy Resource Management and GHG Emission
12. Water Management
13. Air Pollution Management
14. Waste Management and Recycling for Zero Waste Awareness
15. Ecosystem Conservation and Environmental Impact Management
16. Environmental Laws and Regulations Compliance
17. Promotion of Environmental Preservation Initiatives in the Community and Society







Social

18. Supporting Human Rights and Fair Treatment of Labors within the Organization
19. Workplace Safety
20. Personnel Development
21. Cultivating Employees' Loyalty to the Company
22. Improving the Community and Encouraging Community Activities
23. Fair Compensation and Benefits

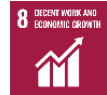



Material Topics and Scope of Affected Stakeholders

Economic/Governance: Enhance Economic Value							
Material Topics	Affected Stakeholders	Impact of Material Topics		Impact Level		Company's Indicators	UN SDGs
		Risks	Opportunities	to company	to stakeholder		
1. Corporate Governance and ethics	Customers Suppliers Employees Shareholders Government	<ul style="list-style-type: none"> - Risk of corruption and violations of human rights and laws - Lack of credibility and trust from customers, shareholders, investors and employees - Risk from cyber threats 	<ul style="list-style-type: none"> - Attracting attention and increasing the confidence of customers, shareholders and investors. - Increasing business competitiveness - Good Performance - Guidelines for preventing fraud and Violation of rights and laws - Building confidence in employees about personal data protection 	High	High	<ul style="list-style-type: none"> - Supervision assessment results and good business - Anti-corruption certification from a credible organization - Complaints about good governance and human rights 	
2. Compliance and Regulation Observation				Medium	High		
3. Personal Data Protection and Cyber Security Regulation				Medium	High		
4. Risk Management	Customers Suppliers Employees Shareholders	<ul style="list-style-type: none"> - Changes and risks in economic, environmental, and social situations impact business continuity. - Inability in supply chain management, involving a shortage of raw materials, production and inventory problem, delivery of goods was delayed due to operational disruptions. This causes a financial liquidity problem and human rights violations 	<ul style="list-style-type: none"> - Increasing customers', shareholders', and investors' trust in the company's operations in a sustainable way - Maintaining consistency with suppliers and business partners. - Maintaining reliability in the production process and delivery to customers. - Increasing financial liquidity 	High	High	<ul style="list-style-type: none"> - Business stability - Credit Rating Results - Business return - Quality and price of the product - Rights and benefits from work - Evaluation and selection of suppliers 	  
5. Supply Chain Management				High	High		
6. Quality of Product and Service	Customers Suppliers Employees Shareholders Competitors	<ul style="list-style-type: none"> - Lack of trust from customers and shareholders. - The company's income declined due to declining sales and increased expenses from sending damaged goods to customers. 	<ul style="list-style-type: none"> - Increasing business competitiveness - Increasing satisfaction and trust from customers - Ability to provide shareholders and employees returns 	High	High	<ul style="list-style-type: none"> - Customer Satisfaction - Business profit 	 
7. Customer Relation Management				High	High		
8. Performance				High	High		







Economic/Governance: Enhance Economic Value							
Material Topics	Affected Stakeholders	Impact of Material Topics		Impact Level		Company's Indicators	UN SDGs
		Risks	Opportunities	to company	to stakeholder		
9. R&D and Innovations to Improve Operations	Customers Suppliers Employees Shareholders Competitors	<ul style="list-style-type: none"> - The ability to adapt business to advanced technology - Competition in terms of price and product quality - Skill and knowledge of employees in the implementation of technology and innovation - Competitiveness in business partners 	<ul style="list-style-type: none"> - Increasing business competitiveness - Increasing satisfaction and trust from customers and shareholders - Providing returns to employees and shareholders - Improving innovation abilities and increasing opportunities with suppliers - Reducing risks to employees in factories and elevating working processes from innovation development 	High	Medium	<ul style="list-style-type: none"> - Total profit removed sales and service cost - Customer Satisfaction - Business profit - Employees' engagement and satisfaction - Accidental rates (IFR and LTIFR) 	  

Environment: Eco-Efficiency							
Material Topics	Affected Stakeholders	Impact of Material Topics		Impact Level		Company's Indicators	UN SDGs
		Risks	Opportunities	to company	to stakeholder		
10. Climate Actions	Customers Suppliers Employees Shareholders Community/Society Government Competitors	<ul style="list-style-type: none"> - Changes in laws, rules and regulations related to climate change such as the Climate Change Act., Emissions and waste laws and Carbon taxes etc. - Loss of biodiversity and ecosystems - Environmental law violations - Hazards and risks from ignoring the management of natural resources, energy, waste and air pollution - Complaints from the community 	<ul style="list-style-type: none"> - Maintaining business continuity and building confidence in sustainable business operations with climate change risk management and recognizing the value of biodiversity - Reducing resource usage, which decreases production and operating costs - Increasing business competitiveness - Restoring an ecosystems and biodiversity in communities - Monetization of carbon credits from renewable energy and reforestation project - Improving relationships and the quality of life in the community through participation in activities 	Medium	Medium	<ul style="list-style-type: none"> - Decreasing greenhouse gas emissions - Reducing amount of waste - The air pollutants emission is according to regulations. - Reducing water consumption - Reducing energy consumption by renewable energy - Community satisfaction - Complaints about environmental issue - Quantity of activities for the community 	     
11. Energy Resource Management and GHG Emission				High	High		
12. Water Management				Low	Low		
13. Air Pollution Management				Medium	High		
14. Waste Management and Recycling for Zero Waste Awareness				High	Medium		
15. Eco-system Conservation and Environmental Impact Management				Low	High		
16. Environmental Laws and Regulations Compliance				Medium	Medium		
17. Promotion of Environmental Preservation Initiatives in the Community and Society				Low	Medium		

Social: Elevate Quality of Life

Material Topics	Affected Stakeholders	Impact of Material Topics		Impact Level		Company's Indicators	UN SDGs
		Risks	Opportunities	to company	to stakeholder		
18. Supporting Human Rights and Fair Treatment of Labors within the Organization	Employees Government	<ul style="list-style-type: none"> - Policy and practice on labor, human rights and employee welfare between the Company and subsidiaries are inequality. - Violations of human rights and labor laws 	<ul style="list-style-type: none"> - Increasing employee loyalty to the organization - Appropriate and fair remuneration and welfare allocation to employees - Improving the quality of employees' life - Increasing employee loyalty to the organization - Appropriate and fair remuneration and welfare allocation to employees - Improving the quality of employees' life 	Medium	High	<ul style="list-style-type: none"> - Employee turnover rate - The level of employee loyalty to the organization. - Complaints about human rights violations 	 
19. Cultivating Employees' Loyalty to the Company				Medium	Medium		
20. Fair Compensation and Benefits				Medium	High		
21. Personnel Development	Employees	<ul style="list-style-type: none"> - Employees skills are inadequate to keep up with fast-changing technology. 	<ul style="list-style-type: none"> - Increasing knowledge, skills and abilities to work - Increasing career advancement opportunities - Increasing income opportunities and elevating the quality of employees' life - Increasing the level of employee loyalty to the organization 	Medium	High	<ul style="list-style-type: none"> - Proportion of total training hours attended 	 

มิติสังคม : การยกระดับคุณภาพชีวิต (Elevate Quality of Life)

Material Topics	Affected Stakeholders	Impact of Material Topics		Impact Level		Company's Indicators	UN SDGs
		Risks	Opportunities	to company	to stakeholder		
22. Workplace Safety	Employees Community/Society	<ul style="list-style-type: none"> - Disruption in operation caused by accidents and risks. - Decreasing employees' trust and loyalty to the organization - Property loss, Working hours loss and fatality - Ruining the organization's reputation - Increasing employee turnover rate 	<ul style="list-style-type: none"> - Increasing business competitiveness - Increasing the level of employee loyalty to the organization - Reducing risks to employees in factories and elevating working processes - Increasing working efficiency 	Medium	Medium	- Accidental rates (IFR and LTIFR)	
23. Improving the Community and Encouraging Community Activities	Employees Community/Society	<ul style="list-style-type: none"> - Employees skills are inadequate to keep up with fast-changing technology. 	<ul style="list-style-type: none"> - Building good relationships and improving the quality of life in the community by participate in activities - Improving the quality of life and raising income for the community - Enhancing corporate image and reputation 	Low	High	<ul style="list-style-type: none"> - Complaints from the community - Community satisfaction - Quantity of activities for the community 	    



GOVERNANCE/ECONOMIC

- Corporate Governance
- Risk Management
- Creating Shared Value
- Innovation for Improvement
- Customer Relationship Management
- Supplier Relationship Management
- Tax Governance



Corporate Governance



Long Term Target

- The frequency of meetings and activities organized by the Investor Relations department to disclose information transparently and increase opportunities for shareholders and investors to access company information will increase by 15% by the year 2026

Short Term Target

- Increase the volume of traffic in the Company's online media with efficient and attractive information such as analyst meeting and increase in analyst coverage by 5% in 2023 compared to 2022
- Be able to maintain the frequency of conducting meetings to communicate the Company's operations through organizing meetings and participating in investor engagement activities, comparable to operations in 2022

Performance 2023

- Achieve Excellent Level (5 stars) in Corporate Governance Report of Thai Listed Company by Thai Institute of Directors (IOD)
- Increase the volume of traffic in the Company's online media with efficient and attractive information such as analyst meeting and analyst coverage, by 26% in 2023 compared to 2022
- Increase the frequency of organizing meetings and participating in investor engagement activities by 150%, comparable to operations in 2022

Reporting Boundary

AAPICO Hitech Public Company Limited is committed to conducting its business with responsibilities, integrity, honesty, transparency, and impartiality – under the operational principal of good morality and continuous development to adjust to the changing economy, society, and environment. This report presents the Company information on the corporate governance policy, composition of the Board of directors, corporate governance structure, Board of directors' meetings, directors' self-performance evaluation, and the corporate governance's performance which covers the 3 main business pillars of the Company: Manufacturing of OEM parts, Car dealerships, and Internet of Things connectivity and mobility business (IoT) in Thailand only. However, the Company also discloses other information about corporate governance practices and the details of the Board of directors in addition to the Company's 56-1 One report via the [Company's website](#) or scan the attached QR code for the information.



Management Approach

Corporate Governance Policy

AAPICO places great importance on having good corporate governance. Over the years, the Company has continually improved its governance practices and standards across the organization to gain and maintain stakeholders' trust and confidence in its operations. The Board of Directors is responsible for developing corporate governance policy, overseeing the drafting process thereof and approving the final version.

The Board also ensures that the Company adheres to good corporate governance principles and acts in compliance with its corporate governance policy in the following 6 key areas:

- 1.) Rights of Shareholders
- 2.) Equitable Treatment of Shareholders
- 3.) Role of Stakeholders
- 4.) Disclosure and Transparency
- 5.) Information on the President and CEO Position
- 6.) Responsibilities of Directors

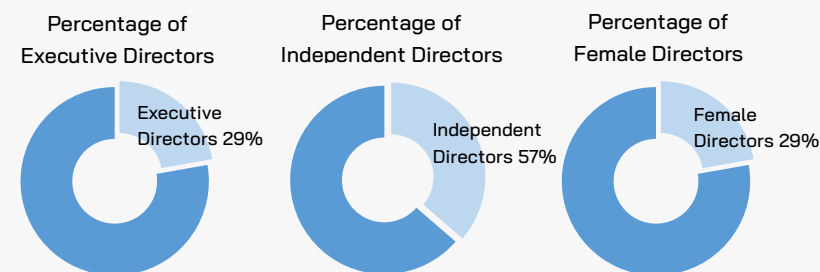


The Company structures the size of its Board of Directors to be appropriate to the size of its business. The AAPICO Board of Directors consists of 7 members, 2 of whom are executive directors namely Mr. Yeap Swee Chuan and Mrs. Teo Lee Ngo who also are executive and authorized directors to jointly sign on behalf of the Company, 1 director and 4 independent directors. None of the Board of Directors has any position in the external audit firm that the Company uses. Each director holds the necessary qualifications required by law and does not indicate any disqualifications against being entrusted with the administration of the Company, as per SEC notice and the law.

Additionally, the Company set a policy for the Board's diversity in genders, skill, professions, and specialization. To date, the number of the Company's Independent Directors has exceeded that required by law, more than half of the total number of directors. The Company has established minimum qualifications for the board of directors as a whole in order for the board to have the essential competencies to support the Company's business operations such as at least 1 director having experience in the automotive industry and at least 1 director having sufficient knowledge and experience in Finance and Accounting. More information regarding the Board Skill Matrix may be found in the company's 56-1 One report on the topic of Report on Key Performance of Corporate Governance.

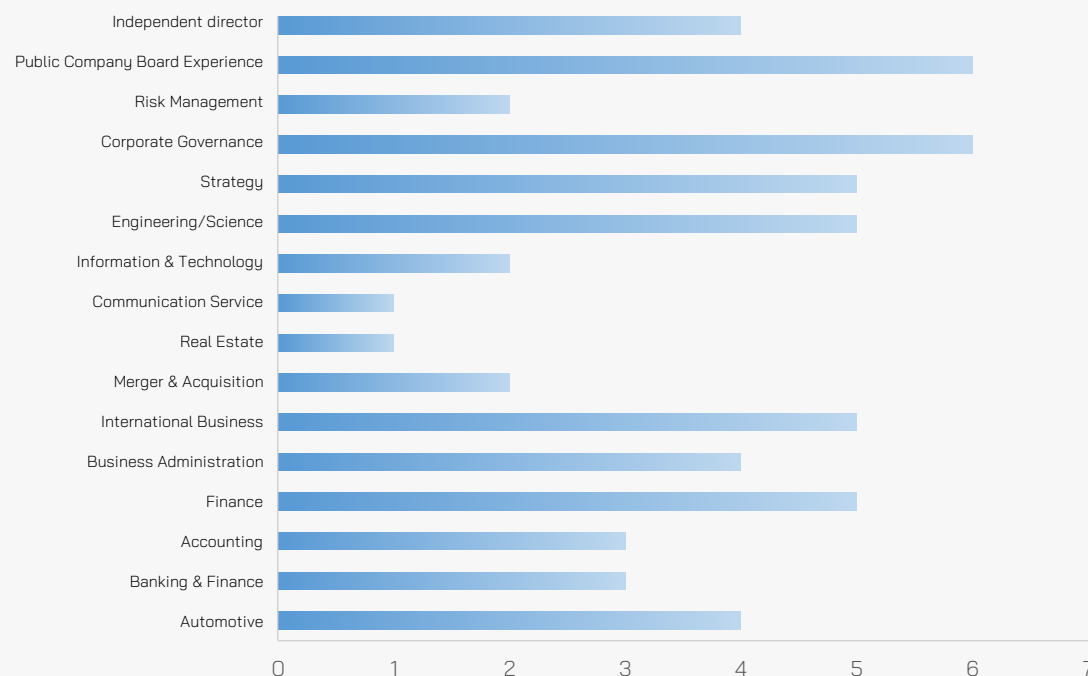


The proportion of Board of Directors and Skills



Diversity of Board Directors' Skills

Unit: person



Code of Conduct

The Company has the intention to operate business with integrity, honesty, fairness, and transparency, while also being responsible to the shareholders and stakeholders under the frameworks of the law and the Company's code of conduct. Therefore, the Company has set in place the policy and guidelines for good corporate governance for the employees to follow, which will be in line with the principles for good corporate governance by the Securities and Exchange Commission.

The Company encourages employees and stakeholders to give comments, raise concerns about any issues or suspicion of misconducts to the Company at any time for the Company to take immediate necessary actions to resolve such issues or prevent severe damages to its operations or reputation. The Company commits to ensuring that no one will suffer any unfair treatment as a result of refusing to take part in acts of bribery or corruption, or due to reporting their suspicion that actual or potential bribery or other corruption offences have taken place or may take place. The Company allows whistleblowers to report an incident anonymously in order to ensure their safeties and confidentiality.

The whistleblowers can file complaints or report suspicious activities to the management via the designated channels, in which the reported incidents will be sent – either anonymously or not, as preferred – to their supervisors/managers and then later be appealed to the independent directors/audit committee via e-mail. The cases of rights violation, corruption, non-compliance with laws and ethical practices will be brought to attention in the next Board of directors' meeting. The matters will then be sent to the Company's president for further investigation.

Investigation Process



Cultivating Awareness on Company's Code of Conduct



Internal communication via Company's policy



Orientation to notify new employees of the Company's corporate governance and code of conduct



Employee's handbooks for setting up guidelines



Communication Channels for Complaints, Comments, Whistleblowing, and Reports



Direct report to supervisors or managers



File report via Whistle Blowing Box which is placed in front of the entrance of the canteen



Direct email to AC@aapico.com

Anti-Corruption

Anti-Corruption Policy

AAPICO Group is determined to operate business with integrity by committing to its responsibilities to society and the stakeholders in accordance with good corporate governance. The Company therefore pushes for the cultivation of employees' anti-corruption sentiment in all its form and promotes their understanding and drive to oppose corruption. In line with the Company's good corporate governance, the Company assigned the Board of Directors to investigate and review the complaints and reports of inappropriate or unlawful conducts in order to police corruption within the Company.

Duties and Responsibilities

The Company's Board of Directors and the audit committee are responsible for approving anti-corruption policy and supporting the fight against corruption within the organization in order to promote employees' awareness of the problems that may resulted from corruption. The audit committee is responsible for reporting any complaints or suspicions of corruption to the Board of Directors. The Board of Directors and the audit committee are also responsible for giving advice, recommendations, and consider the related punishments and the rectification for the reported incidents.

Guidelines on Compliance with the Anti-Corruption Policy

The objective of the anti-corruption policy is for the Company's employees and stakeholders – including the

shareholders, customers, and suppliers – to strictly abide by the anti-corruption policy by refraining from becoming involved in any act of corruption, whether directly or indirectly.

Therefore, AAPICO Group cultivates conscience in the employees and assign responsibilities to every individual in the Company in the fight against corruption. The Company makes announcements in order to notify the personnel of the anti-corruption policy and remind them to follow its guidelines. The Company's anti-corruption policy is made accessible to the public, with related policies which are disclosed in the Company's 56-1 One report in the topic of Report on Key Performance of Corporate Governance.

Contact Channels for Reporting Corruption

1. The Whistle Blower can report suspicious behaviors or incidents directly to their superiors or managers.

2. In the event that the Whistle Blower is uncomfortable with reporting to their own superiors or managers, the Whistleblower may report to those higher in the chain of commands or directly to the Board of Directors via the email AC@aapico.com or at the following address:

Chairman of the Audit Committee
Unit 100/11, 9th Floor (Low Zone), Sathorn Nakorn Tower
100 North Sathorn Road, Silom, Bang Rak,
Bangkok, Thailand, Postcode 10500

3. The Whistle Blower may choose to do so anonymously if they prefer.

Investigation Procedures and Punishments

When notified, the Board of Directors and the Audit Committee will be the ones to investigate the reported incident, with time limit on how long the process may take at the maximum. If it was determined that the accused individuals indeed committed the offence as was reported, the individuals will be disciplined according to the Company's regulation. If the Whistle Blowing report was found to be reported with malicious intent, the Whistle Blower will be disciplined according to the Company's regulation if they are the Company's employees, or in the case that it was an outside source and the Company is affected by the event, the Company will take the legal steps as necessary in retaliation.

The Announcement of Anti-Corruption Policy

To ensure that every individual in the Company is informed of the anti-corruption policy, the Company therefore notifies the personnel through various channels, such as the Company's website, email, and the Company's 56-1 One report. The anti-corruption policy is reviewed annually and the Company's business partners are also informed of the policy as well.

In 2023, the company received certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC) for the period from June 2023 to June 2026. This certification will be reviewed every three years. The company has implemented its anti-corruption policies accordingly. Further details can be found in the 56-1 One Report.

Performance

Board Meetings

In 2023, AAPICO held 4 meetings of the Board of Directors. The Audit Committee also convened 4 times, holding quarterly meetings to review and approve the company's financial statements. These meetings included sessions between the Audit Committee and the external auditors, conducted without management present, to ensure an independent evaluation of the company's performance. The Risk Management Committee met twice to assess and review the company's risk factors. They also acknowledged the results of the operational risk assessments conducted under a comprehensive internal control system, ensuring compliance with the international standard IATF 16949. The Nomination and Remuneration Committee held 1 meeting to propose the appointment of board members and determine compensation for both the board and its subcommittees. Additionally, they provided recommendations for the company's executive succession planning. Furthermore, the Board of Directors participated in 2 meetings to monitor the progress of the annual business plan and attended the Annual General Meeting of Shareholders once.

Each member of the Board of Directors achieved 100% attendance at all meetings throughout the year. The detailed breakdown is as follows:

The details of the Board of Directors' meeting attendance for the year 2023:

Name	Meeting Attendance in 2023				
	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Risk management Committee	Annual General Meeting of Shareholders
	(Total 4)	(Total 4)	(Total 1)	(Total 2)	(Total 1)
1) Mr. Yeap Swee Chuan	4/4	-	-	-	1/1
2) Mrs. Teo Lee Ngo	4/4	-	-	-	1/1
3) Mr. Kenneth Ng	4/4	4/4	1/1	-	1/1
4) Mr. Wichian Mektrakarn	4/4	4/4	-	2/2	1/1
5) Mrs. Vachira Na Ranong	4/4	-	1/1	2/2	1/1
6) Mr. Arvind Mathew	4/4			2/2	1/1
7) Mr. Jianhui Shi	4/4	4/4	1/1	-	0/1

Directors' Performance Evaluations

The Board of Directors conducts a self-assessment of its own performance on an annual basis. The Company applies assessment criteria according to the guidelines of the SET. There are three sets of assessment forms: for the evaluation of the Board of Directors as a collective body and as individuals; and the assessment of committee performance. The Board of Directors is assessed in 6 areas, as follows:

- 1) Structure and characteristics of the Board
- 2) Roles and responsibilities of the Board
- 3) Board meetings
- 4) The Board's performance of duties
- 5) Relationship with management
- 6) Self-development of directors

The self-assessment of the directors' performance for the year 2023 is disclosed in the table below:

The Assessment Result	Rating (%)			Performance
	2021	2022	2023	
Collective Board of Directors	95	95	96	Excellent
Individual Directors	97	93	94	Excellent
Individual Committee	96	94	94	Excellent

Performance Evaluation of Chief Executive Officer

The CEO's performance evaluation was assessed by the Company's independent directors and applies assessment criteria according to the guidelines of the SET. The scoring was based on the CEO's skills and knowledge, yearly accomplishments, and the planning and execution of the Company's long-term plan. The results of the CEO's performance evaluation were then taken into consideration for both the CEO's short-term and long-term remuneration. The assessment form consists of 10 topics as follows:

- | | |
|---|---------------------------------------|
| 1. Leadership | 2. Strategy |
| 3. Implementation of Strategy | 4. Financial Planning and Operations |
| 5. Relationship with Board of Directors | 6. Relationship with external parties |
| 7. Management and Relationship with employees | 8. Succession Plan |
| 9. Knowledge of Products and Services | 10. Personal Characters |

For this year of 2023, the average score of the CEO's performance evaluation results was 95%, unchanged from 2022.

CEO Performance Evaluation	Year			Performance
	2021	2022	2023	
Score (%)	94	95	95	Excellent



Assessment of good corporate governance

AAPICO places great importance on being good corporate governance by conduct its business with integrity, transparency, impartiality as shown in the evidence that the Company has been ranked in "Excellent" score, equivalent to 5 stars in 2023 CG rating with the total average score of 99%, an increased from the 90% score in 2022. This award reflects the Company's sincere attitude towards all stakeholders, which the Company commits to respecting the rights of the shareholder and build good relationships with all stakeholders.

Year	Score	Performance
2021	90	Excellent
2022	90	Excellent
2023	99	Excellent



Investor Relations

The Company designated Investor Relations (referred to as "IR") Department as the principal point of contact for communication with shareholders, investors, analysts, SEC, SET and other relevant authorities and is responsible of disclosing and disseminating information in accordance with the SET, SEC, and the Ministry of Commerce announcements, which are made available in both Thai and English on several channels, including the SET website and Company's website. The following below channels is also available for shareholders and others to communicate with:

- 1.) The Opportunity Day Conference and SET digital Roadshow held by SET
- 2.) Analyst Meeting
- 3.) Company visits between management team and shareholders, investors, and analysts
- 4.) Meeting with investors in Non-Deal roadshow

- 5.) Forums or panel discussion events for knowledge sharing
- 6.) Communication via email, intranet, internal bulletin boards, and activities with employees
- 7.) The Company website “www.aapico.com” and email aapicohitech@aapico.com
- 8.) Annual General Meeting of Shareholders of the Company

In 2023, IR Department organized activities to increase contact and interaction with stakeholders and allocated time for executives to attend and participate in meetings both in Thailand and abroad. The details of activities in addition to the Company’s 56-1 One report via the [Company’s website](#) or scan the attached QR code for the information.



IR Department has various activities in line with the sustainable business development. The activities and its results can be summarized as follows:

1. Increasing the frequency of meetings with investors

The Company increased the frequency and channels of meeting investors to communicate information and disclosed the Company's performance to stakeholders and new investors by showing the operations and capabilities with the expectation of increasing funding opportunities. Therefore, the Company had set a target for this project by maintaining the frequency of conducting meetings to communicate the Company's operations with the shareholders and investors as in 2022.

The performance in 2023 can be summarized as follows:

Activities	Activity frequency rate (times)			
	Target	2021	2022	2023
Site visit		12	9	26
Onsite Roadshow	16	4	6	12
Digital Roadshow		2	1	2
Total	16	18	16	40

According to the table, the Company has significantly increased its engagements with shareholders and investors. The number of company visits rose from 9 in 2022 to 26, and participation in roadshows and digital roadshows doubled from the previous year, reflecting a 100% increase. Overall, the Company achieved a 150% increase in the frequency of investor engagement activities in 2023 compared to 2022, surpassing the set target. Moving forward, the Company will consider revising its engagement frequency targets to be more challenging and will continue to enhance communication efforts to ensure stakeholders have greater access to information.

2. Increasing the number of Securities research analysis

Securities research analysis is a channel that helps the Company communicate information and operations with shareholders and investors. If the Company is mentioned in the article, it shows that the Company's operations are attractive and tend to grow in the future. That means securities research analysis can help increase investment and fund opportunities.

To enhance business opportunities and attract more investor interest, the Company has launched a project to increase the number of securities analysis reports. In 2023, the Company aimed to boost the frequency of analyst reports by 5% compared to the same period in 2022. This was achieved by organizing quarterly analyst meetings to engage and attract analysts.

The results showed that in 2023, the frequency of analyst meetings and coverage reports from various securities firms increased by 26% compared to the same period in 2022. This surpassed the initial target. Going forward, the Company will review its communication frequency targets with investors, shareholders, and analysts to further attract interest, enhance the company's image, and create more business opportunities.

Activities	2565	2566
Analyst Meeting	7	12
Coverage Report	39	46

Risk Management



Reporting Boundary

The process of risk management in the Company is conducted under the supervision of the Risk Management Committee, which is one of its responsibilities. The Company considers risk management and risk factor assessment as important missions to drive the organization's sustainable and steady growth. In this regard, the Company has disclosed its risk management policy on its website under the Investor Relations section, specifically under the subtopic of Corporate Governance: Good Corporate Governance Policy.

The Company assesses and identifies significant risk factors, as well as establishes control measures to mitigate and/or reduce the likelihood of risks to an acceptable level. However, certain types of risks may be beyond control or have an impact on the financial status and reputation of the Company. In this regard, the Company discloses information on the Risk

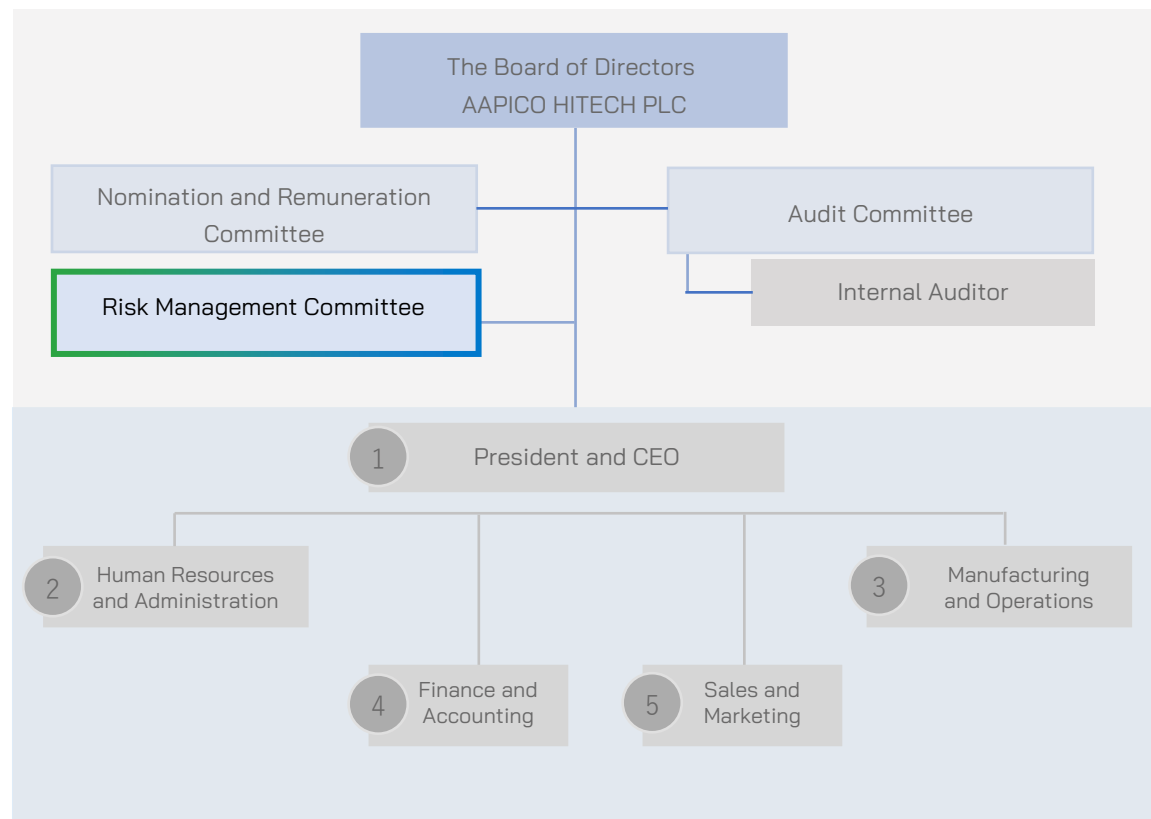
Matrix, which includes the ranking of risk importance, various risk factors, and approaches to risk management, in the 56-1 One report available on the [Company's website](#) under the topic of Risk Management or by scanning the QR code.



This sustainability report will disclose information about the structure of risk management, the risk management process, risk management culture, as well as new emerging risk factors and ESG-related risks and their impacts on the Company's operations. This risk management will cover all three core business segments of the Company, which include the automotive parts manufacturing and distribution business, the automobile dealership and service center business, and the technology connectivity and Internet of Things business.

Management Approach

Risk Management Structure



Risk Management Framework

1 Identify Risk

Indicating and specifying risks involves identifying the causes, both internal and external factors, and considering the overall assessment of strengths and weaknesses, as well as opportunities and threats that may arise from those risks. This includes anticipating the existing risks and potential new risks that the Company may face in the future.

3 Monitoring and Controlling Risks

The management team considers planning projects to prevent and mitigate risks, and delegates tasks to employees in each department to execute the planned actions. Reports on the progress of implementation are prepared, responsibilities are assigned to various sections of the plan, and the outcomes of the actions are identified. The management team must continuously monitor and track the progress of the activities and prepare reports to present to the Company's board of directors for evaluation.

2 Risk Assessment

Assessing and evaluating risks involve using appropriate tools and methodologies to assess both risks and opportunities. This includes considering the potential negative impacts, severity levels, and likelihood of occurrence for each risk and opportunity. Accordingly, prioritization of risks is carried out to determine their significance.

4 Risk Report

A risk report is prepared to present the progress and outcomes of risk management activities across all categories to the Company's board of directors. The purpose is to enable the board of directors to review and provide guidance on the implementation of risk management, as well as to assess the adequacy of the risk management system and the effectiveness of risk management practices. The report also aims to identify and evaluate risks for the upcoming year.

Risk Management Culture

The Company recognizes that risk management culture is akin to a mechanism for managing organizational risks, aiming to ensure the resilience and strength of the organization for sustainable business operations. The primary objective is to foster awareness of potential risks in various operations and promote a responsible approach to risk management. To achieve this, the Company actively promotes and supports various activities to cultivate a sound risk management culture, including the following:

1. Communicating with employees within the organization to create motivation and raise awareness about potential risks that may affect business operations, fostering a sense of responsibility towards risk management and encouraging the identification of opportunities from crises or risks.
2. Establishing an IATF16949 Quality Management System task force comprising personnel from various departments to conduct risk and opportunity assessments within the organization. This initiative aims to identify practices and strategies to reduce risks and enhance opportunities for business operations.
3. Managing employee training on risk management and mitigation within the organization by incorporating risk management as a core component in the Company's training curriculum for employees at all levels.
4. Providing channels for employees at all levels to voice complaints or report incidents that pose risks to business operations, ensuring their active participation in risk awareness and management.

In addition, the Company annually announces and reviews its risk management policies to ensure they are up to date with current events and enable timely preparation and response plans. Furthermore, the Company communicates these policies and risk management plans to the management team, employees at all levels, and all departments throughout the organization. This is done to raise awareness of emerging risk trends, the impact of risks, risk management practices, and shared responsibility in risk management. Detailed information regarding the risk management policies can be accessed through the [Company's website](#) or by scanning the QR code.



Performance

In the year 2023, the Company carried out risk management activities as follows:

1. Evaluate and review risk factors

Identify and prioritize the important risks that may impact the Company's operations, along with implementing control measures to mitigate and reduce the likelihood of these risks to an acceptable level. This year, the risk priority matrix remains unchanged from the previous year, but some risks have been reviewed and re-evaluated due to the Company's operations and the current global situation. The reviewed risks include corruption issues, raw material price volatility, foreign investment risks, and emerging risks. The details are as follows:

Risk	Importance	Impact	Risk Management Plan
Corruption Risk	The Company is well aware of risks related to bribery and corruption arising from a lack of transparency, which can significantly and negatively impact the Company's operations and result in unnecessary costs to the organization.	The risk of corruption reflects a lack of transparency in business operations and the absence of a well-defined auditing process. This can negatively impact the Company's image and erode the trust of stakeholders, including customers, partners, business associates, shareholders, investors, and regulatory bodies. Such issues can disrupt the business model, potentially affecting sales and the customer base. Additionally, corruption risks may lead to legal complications, including lawsuits, which could incur legal expenses and financial compensation. This can also result in lost business opportunities, hindering the organization's potential for future growth and development.	The Company is committed to conducting business with integrity, honesty, and fairness, and has expressed its intention to fight corruption. The Company has issued an anti-corruption policy as a guideline for operational transactions across the organization including sales, services, purchasing, recruitment, donations, support services and the offer & acceptance of hospitality events, entertainments, and gifts. The Company has reviewed its activities in compliance with working procedures and audits them on an annual basis. Furthermore, the Company also encourages employees and third-party stakeholders to report their suspicions of wrongdoings or inappropriate actions directly to the Audit Committee via the Whistle Blowing Policy. In 2023, the Company has been certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC) during the period from June 2023 to June 2026, the renewal process has to be made every 3 years.

Risk	Importance	Impact	Risk Management Plan
Raw Material Price Fluctuation Risk	The Company is exposed to the risk of fluctuation in steel prices for its automotive part business. As the primary raw material, accounting for approximately 70-80 % of the product costs	Fluctuations in steel prices can impact production planning and raw material procurement. Rising steel prices may force the Company to adjust product prices, potentially affecting market competitiveness and business profitability. Additionally, this risk can influence product forecasting and may affect the Company's ability to control costs and manage finances effectively.	The Company has therefore taken actions to mitigate this risk by adopting a centralized purchasing policy. Under this policy, the Company has negotiated with its customers to purchase steel from approved suppliers at a mutually agreed price. When the steel prices change, the part price paid by customers will then be adjusted according to the change in price of the raw material. The Company therefore passes on this risk to car automakers and reduces its potential impact on profitability of the Company to a low level.
Overseas Investment Risk	Given the Company's strategic goal of becoming a global company, the Company must evaluate the risks arising from business ventures with partners and investments in other countries – as conflicts with business partners; including the possible deviation from the management plan by the Company's overseas subsidiaries, associated companies, and joint ventures; may affect the Company's operations and profits, including the Company's investment values and reputation with its customers and business partners. The formation of joint ventures and expansion to foreign countries may pose risks from political uncertainties that may affect business operations and profits	Investing abroad exposes the Company to financial risks, such as losses from currency conversion, exchange rate fluctuations, and instability in the financial systems of the invested countries. The Company may also face political and legal risks, such as changes in political policies and legal regulations that could impact business operations. Furthermore, foreign investments may encounter instability in certain countries, including political conflicts, social unrest, and challenging climatic and geographical conditions. These issues can affect business operations, production, and exports, potentially leading to financial losses for the Company.	<p>The Board of Directors has defined criteria and guidelines for the management to perform a feasibility study for each project to ensure that the management evaluates new investments carefully. The agreements with business partners must be clear and agreed upon by the management, including the roles and responsibilities of each party in the joint venture.</p> <p>New investments that are significant in value or are considered an important part of the organization must be considered and approved by the Board of Directors, according to the values set out in the notice from the Stock Exchange of Thailand. Subsequently, the Company's management also engage in the annual budget and operation performance review with the managers of the overseas subsidiaries and joint ventures partner. The Company also reports the business progress and results to the Company's Board of Directors every 6 months. Additionally, they are also responsible for conducting and reporting risk evaluation on overseas investment to the risk committee every 6 months, while also providing the necessary support and ensuring that the operations are carried out smoothly and are generating the appropriate returns to shareholders.</p>

Risk	Importance	Impact	Risk Management Plan
Emerging Risk <i>(Geopolitical risk)</i>	Politics and international relations play a pivotal role in shaping investment landscapes, influencing economic growth, business performance, market dynamics, and production costs. Geopolitical conflicts, encompassing policy changes, terrorist threats, theft, and warfare, escalate risks, potentially leading to increased costs, supply chain disruptions, and delayed investment decisions.	In 2022, the Russian-Ukrainian conflicts triggered issues, ranging from heightened energy costs to supply chain disturbances, significantly impacting the global economy. Subsequently, in late 2023, a surge in attacks in the Red Sea, linked to the Israel-Hamas conflict, emerged as a substantial threat to global shipping and economic stability, exacerbating inflationary pressures and underscoring supply chain vulnerabilities in this strategically crucial region.	<p>The Company closely and regularly observes global geopolitical situations, particularly developments and policies that could affect its business both domestically and internationally.</p> <p>With presence across many countries in Europe and Asia, the Company follows geopolitical situation close by through biweekly meetings in which each country representative is to update on important events and developments, as well as an action plan to deal with the situation to mitigate risks associated with these developments.</p>

2. Climate Change Risk Assessment and Carbon Tax Measures

Given the current global climate change scenario, many countries are increasingly aware of rising global temperatures. Reducing greenhouse gas emissions has become a critical measure to create a sustainable environment and prevent climate-related incidents. Consequently, numerous countries have introduced carbon tax measures to promote climate change mitigation, impacting the environment, human health, and the overall economy.

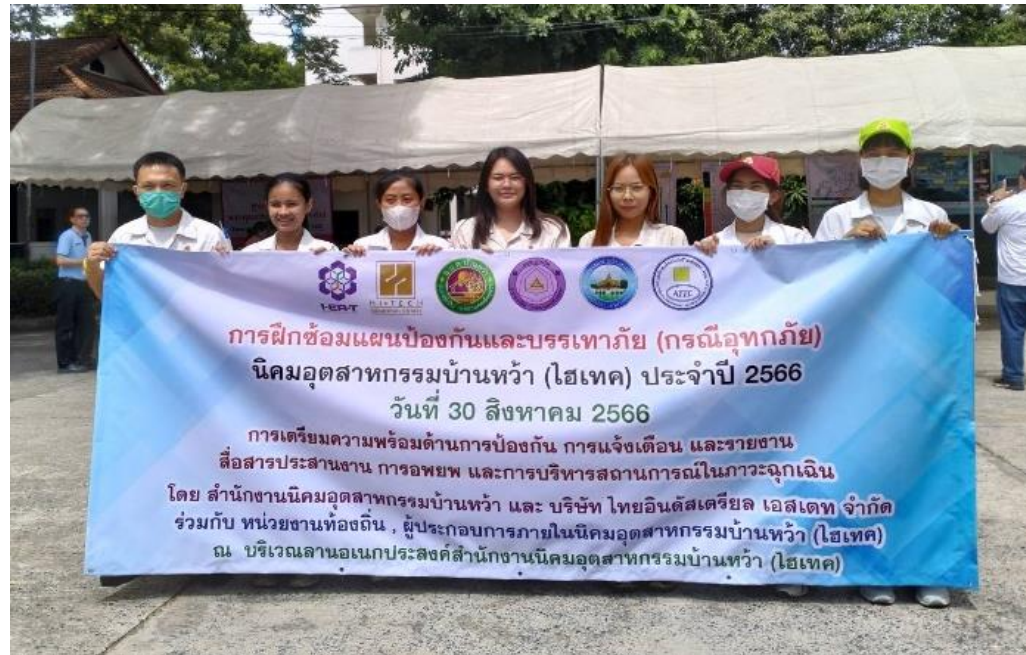
The Company recognizes the potential future impacts on business operations. These include regulations requiring detailed reporting of greenhouse gas emissions from our products and those intended for import. We may also face carbon taxes if the emissions exceed specified thresholds, or even import bans on such products, affecting production, exports, revenue, and overall financial health. In response, the Company has taken several steps to prevent risks and prepare for these changes. By assessing risks related to climate change and carbon tax measures, we can effectively plan and reduce risks, ensuring our business remains resilient and adaptable to changing conditions.

In 2023, the Company undertook various actions to mitigate these risks, detailed as follows:

1. Risk Assessment and Forecasting: The Company studied relevant carbon tax measures and their implementation timelines. We analyzed the potential impacts on the Company and its subsidiaries.
2. Planning and Execution: The Company planned and implemented measures to reduce associated risks. This included evaluating actual greenhouse gas emissions from our operations and subsidiaries and planning improvements in production processes. We also promoted the use of renewable energy to reduce emissions.
3. Monitoring and Improvement: The Company continuously monitors global and local developments in climate-related measures. We adjust our planning and risk prevention measures to remain responsive to changing circumstances.

3. Business Continuity Plan: BCP

Due to the severity of the COVID-19 virus outbreak, coupled with the assessment of risks from climate change, it has led to events resulting from various weather changes, including natural disasters and resource shortages. These include floods, hurricanes, water scarcity, droughts, and increasingly acidic conditions due to rising temperatures. These events may have an impact on company operations and resource procurement. In order to mitigate such risks, the Company has analyzed the potential impacts on its business and reviewed, improved, and developed a Business Continuity Plan (BCP) to align with the situation, to be prepared to handle any risks that may occur in the workplace, ensuring that operations can continue even in the midst of unavoidable circumstances. Similar to preparing plans for weather changes, one important plan among these is water management. Thus, the Company has implemented processes to monitor water levels and has developed water management plans and daily weather checks to reduce the risks of flooding caused by changing weather conditions. In 2023, the Company conducted a comprehensive flood prevention and mitigation drill as part of our business continuity management plan.



Creating Share Value



Reporting Boundary

AAPICO Group is determined to operate business on the basis of economic value along with the creation of shared value and benefit with the stakeholders in order to facilitate organizational growth and enable economic flexibility within the community and society. The Company aims to operate business by considering the benefits of the Company and the stakeholders. This report presents information on AAPICO Group's management and performance both within Thailand and overseas and covers the 3 main business pillars of the Company: Manufacturing of OEM parts, Car dealerships, and Internet of Things connectivity and mobility business (IoT).

Business Operations and Performance

Enhance Economic Value

Eco – Efficiency

Elevate Quality of Life

GRI Index

Management Approach

The Company emphasizes encompassing economic distribution to stakeholders in order to meet the stakeholders' expectations and show responsibility to the economy, social, and environment. The Company doesn't only pay dividends to the shareholders and remunerations to the employees, but also considers the benefits of the customers, suppliers, society, communities, and government.

Performance

In 2023, the Company's performance for creating shared value to all stakeholders is disclosed as follows:

Stakeholder	Economic Benefits	Economic Value
Customer	Quality Products with Low Costs	Average Customer Satisfaction Level 91% ¹
Employee	Salary, Wages, Welfare, Bonus, Provident Fund	Total 2,889 million Baht ²
	Scholarship Funds for Employees' Children	36 Scholarships, Totaling to 142,000 Baht ³
	Personnel Development Courses	Total of training hour 21,923 Hour ⁴
Shareholder	Dividend	Total 1.65 Baht per share
Supplier	Business Stability	Grade A Supplier evaluation 95% ⁴
Community	Community Development Project	The funding allocated for CSR and community development projects amounts to 0.1% of the Company's net profit ⁵
Government	Corporate Income Tax	Taxes paid to the government amounted to 114 million baht
Competitor	Experience Exchange	Inspiration for Innovations

¹ Average Customer Satisfaction in AH, AHP and AHR

² Employees in Thailand and overseas subsidiaries cover 3 core businesses of the Company.

³ Scholarships for the employees' children in the areas of AH, AHP, AHT, AHR, and ASICO

⁴ In the business of manufacturing automotive parts in Thailand

⁵ In the business of manufacturing automotive parts and car distributing in Thailand

Innovation for Business Development



Material Issue to Sustainability

Customers' trust and satisfaction in our high-quality goods and services through our efficient and innovative manufacturing and operations

Performance

The Company has created additional innovations in its operations, focusing on reducing unnecessary employee working time, as well as developing innovations to promote management and reduce the amount of waste generated from production prior to delivery.

Reporting Boundary

Innovation is considered as one of the important factors for the operation of a company, as innovation can help improve production and work efficiency, as well as reduce some costs.

This report will present information on innovation that have been developed within the scope of the following companies: AAPICO Hitech Public Company Limited (AH), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Public Company Limited Rayong Branch (AHR), and AAPICO Plastic Co., Ltd. Rayong Branch (APR).

Management Approach

In 2023, the Company focused on innovation aimed at reducing unnecessary working hours for employees and reducing the amount of waste resulting from production errors by using machinery and robots. They also aimed to improve work efficiency by analyzing problems and weaknesses that occurred during the production process and work, in order to develop and expand the process innovation. Quality control was emphasized along with improving work efficiency, increasing productivity, and a greater focus on environmental sustainability.

Furthermore, the Company has plans and goals to develop by creating smart factories and offices, as well

as developing employees to adapt and benefit from various innovations and technologies. This is done by incorporating innovative ideas, technology, and supporting the application of innovation and creativity in the production process to increase productivity and efficiency. This includes improving the use of resources and valuable raw materials in line with the Company's expectations of becoming a zero-waste factory. Some projects have been planned and implemented from 2021 until the present.

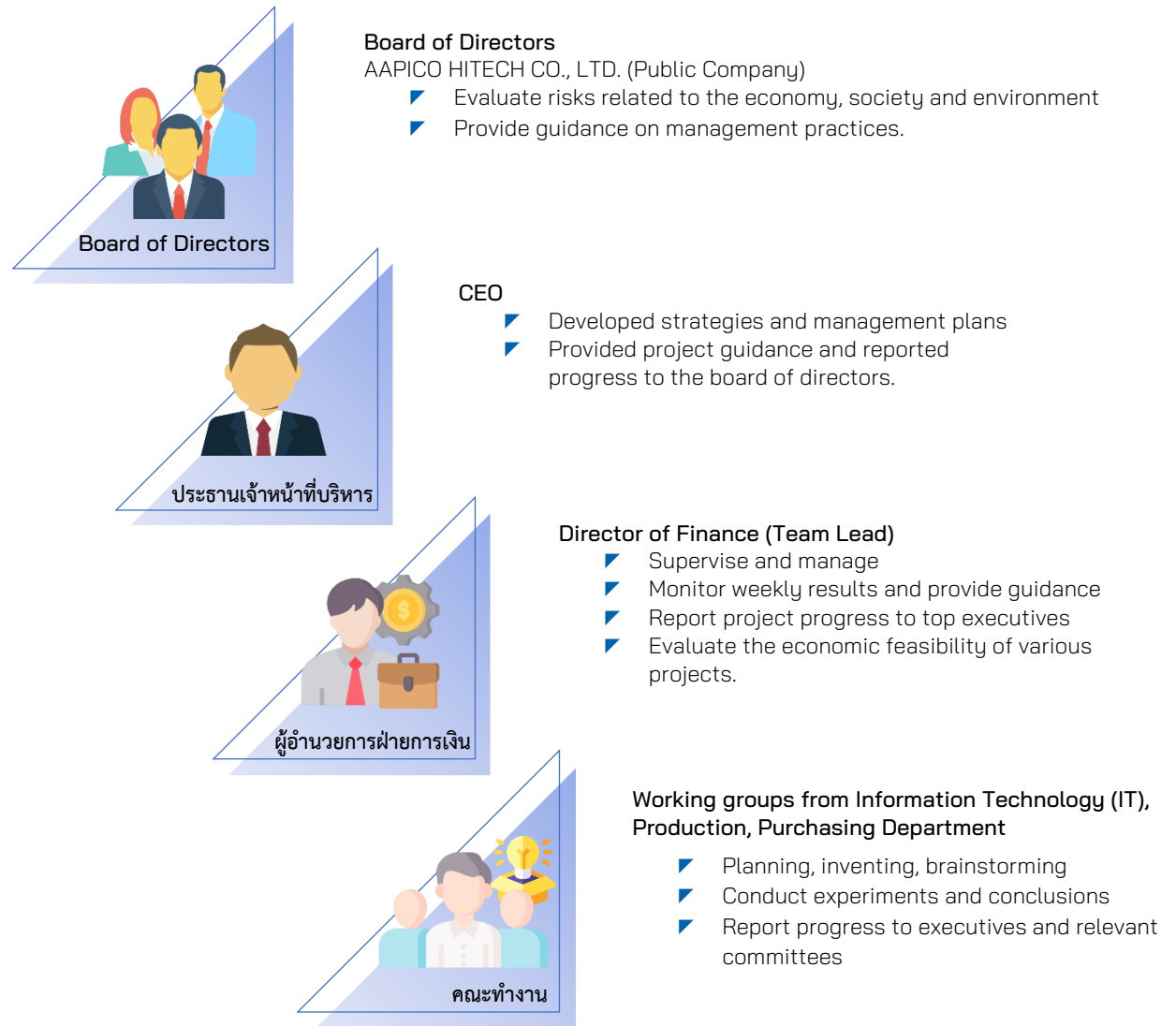
The main objectives of the smart factory and office policy are as follows:

1. To develop work processes to be more efficient and flexible.
2. To increase productivity and product quality.
3. To use resources and raw materials effectively and to recycle them to maximize benefits and reduce waste and garbage from the factories.

The Company focuses on innovation at two levels: creating innovations within the organization or its subsidiaries through KAIZEN Activities Competition and creating sustainable innovation through the Company's development plans and goals, especially in the smart factory and office project.

Project Management and Monitoring Report Structure

The work process of both formats is similar, which is to establish committees and working groups for each project. These committees and working groups consist of personnel within the organization who have knowledge and expertise in various areas, especially in information technology (IT), production, and purchasing department. They work together to gather ideas and divide tasks according to their respective positions, conduct experiments, and summarize the results of the experiments. High-level executives act as strategic planners, managing and monitoring project results, providing guidance for projects, assessing the economic viability of various projects, and presenting operational results in terms of economic value to the Company's committees.



Steps of Implementation

Analyzing work problems and studying various technological innovations

The various departments' working groups conduct research to assess problems and losses occurring in factories and offices, including in the areas of economics, society, and the environment. They also study interesting innovations and technologies.



Brainstorming, summarizing problems and innovations, and creating sub-projects

The working group gathers ideas by compiling and studying problems and innovations. They then create sub-projects and present the issues that need to be addressed, as well as the innovations that will be applied. The objectives of the project, its targets, the duration of the project, the expenses involved in the implementation, and the expected outcomes are all presented.



Propose a sub-project to the Head, conduct experiments, and monitor the results of the experiments

Present sub-project proposals to the head of the working group for consideration, evaluation, and approval. The working group can proceed to create experimental models, conduct experiments, record results, and present them for discussion in the group. The head of the working group will monitor, inspect, and hold weekly meetings to provide guidance on the work process. If there are any problems or issues that arise during the work, they will be addressed immediately. As for sub-projects that have not yet been approved, the head of the working group will provide guidance to the working group to conduct further studies to make the sub-project more effective and achieve the desired objectives



Report sub-project performance to upper management

When the experimental project achieves its goals, the head of the working group will be presented to the highest level of management. If there are any further suggestions, the head of the working group will be brought back to manage the project again. If upper management approves the idea, it will be presented and reported to the Board of Directors.



Activity to foster Innovation in organization

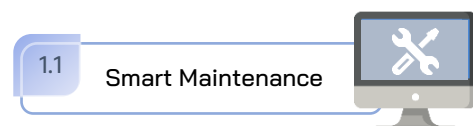
The Company has arranged the monthly KAIZEN project competition within the organization included AAPICO Hitech PLC. (AH), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Automation Co, Ltd. (AHA), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Lemtech (Thailand) Co., Ltd. (AL), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC. (AF) and AAPICO Precision Co., Ltd. (APC). The aim of this initiative is to encourage employees from all departments to improve and develop their work processes. Through this activity, employees are required to observe their work routines, devise ways to enhance their work methods, and engage in experimentation, documentation, and process adjustments to increase efficiency. This could involve reducing work time, minimizing accidents, etc. Winners of the competition receive awards and certificates as a motivational incentive to continually improve themselves. This activity helps employees develop a questioning mindset about their work processes, which can lead to innovative changes. The KAIZEN project competition serves as a starting point for introducing other innovations to solve problems, leading to sustainable activities such as projects to replace key point displays with screens and barcode readers, projects to introduce machinery to replace manual labor. These innovations ultimately contribute to reducing waste in the factory, achieving a higher level of innovation.



Performance

The Company continues to focus on innovation that meets the needs of the workplace, both in reducing unnecessary work time and increasing work efficiency to be more accurate. However, such innovation must have the least impact on the environment and society by supporting the use of renewable energy, reducing waste and unnecessary waste, as well as promoting safe work and good occupational health for employees, responding to the needs and expectations of stakeholders as much as possible. This is implemented under the Smart Factory task force and can be categorized into 3 main areas which are (1) Innovation for system development, (2) Innovation to increase work efficiency, and (3) Innovation to reduce waste from production process. In 2023, the Company has implemented new innovations into the factory, and developed the existing innovations to enhance their efficiency, including:

1. Innovation for system development

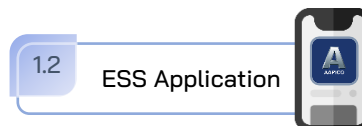


1.1

Smart Maintenance

The Company has developed a remote-control system for machinery repairs, enabling responsible personnel to remotely address machine stoppages via PLC (Programmable Logic Controller) programs. This eliminates the need for nighttime travel to the factory, reducing break times by up to 70%.

Additionally, the Company has revamped the machinery and mold repair notification system to allow reporting through an application. This change has expedited the approval and repair process, making it significantly faster. The system also records repair data for each machine, which is used to analyze efficiency and deterioration, helping in future machinery replacement planning.

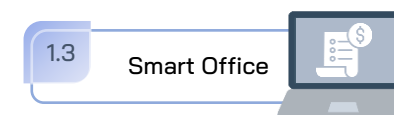


1.2

ESS Application

The Company has developed the Employee Self Service (ESS) application to provide employees with convenient access to both company and personal information. Key features of the ESS application include booking company vehicles, requesting entry and exit approvals during and outside of working hours, checking personal attendance records, storing employee training data, and announcing important company news.

In 2023, the Company enhanced the ESS application by adding an online leave and approval system. This feature simplifies the process for employees to utilize their leave benefits and allows them to check their available leave days of various types directly through the application. Additionally, this initiative has contributed to reducing paper usage, further details of which can be found in the environmental section of this report.



1.3

Smart Office

Supplier Management Portal (SMP)

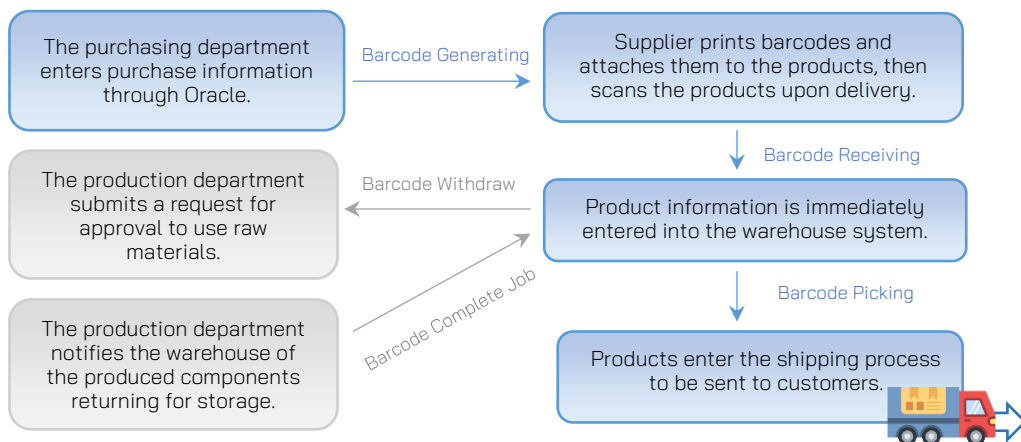
The Company has developed a Supplier Management Portal (SMP) to enhance connectivity with suppliers. This platform serves as a communication channel and a repository for critical documents, such as purchase orders, invoices, and billing schedules, along with required compliance policies. It also facilitates real-time product receipt through barcode scanning, integrating with the raw materials inventory control system.

E-Tax Invoice and E-Billing

The Company has transitioned to electronic formats for issuing tax invoices and receipts (E-Tax Invoice and E-Billing), replacing traditional paper methods. This shift reduces resource usage associated with printing invoices and alleviates the burden of document preparation for submission to the Revenue Department.

1.4 AAPICO Barcode Inventory System

The Company has developed a warehouse management system to integrate with the ERP system, aiming for a real-time operational system to enhance data accuracy. This project began in 2021, and by 2023, AAPICO Hitech Parts Co., Ltd. (AHP) had fully implemented it across all processes. The integration involves three platforms: SMP (Supplier Management Portal), APS (AAPICO Production System), and BARCODE (Barcode Creation Approval System). The overall workflow is as follows:



This innovation enables the factory to monitor inventory continuously, reducing excessive raw material orders and minimizing errors in goods receipt entries. It also streamlines employee workflows. Moreover, it serves as a data repository for future production planning and analysis, including inventory management and supplier performance metrics related to delayed deliveries. Looking ahead, this could evolve to incorporate data-driven approaches, potentially utilizing artificial intelligence for highly efficient warehouse management.

1.5 AAPICO e-ISO system

The Company has implemented a streamlined document management system that adheres to global standards, entirely online. This initiative aims to expedite document approval processes across multiple departments, reducing the need for printing document copies for internal approvals or distributions. The system enhances convenience for document managers, covering various processes such as registration, editing, review, cancellation, and requesting copies electronically. All documents are stored in the e-Cabinet system for easy access. This project has been operational at our facility in Ayutthaya province¹ since October 2023.



¹ In the area of AAPICO Hitech Public Company Limited (AH) including the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

2. Innovation to Enhance Work Efficiency

2.1

LED High Bay Installation



The Company has embarked on a project to replace T5 high bay light bulbs with LED high bay light bulbs to enhance efficiency, offering brighter and more durable illumination while significantly reducing monthly electricity consumption. This year, the project has been extended to include AAPICO Hitech Parts Co., Ltd. (AHP). Further details are available in the Environmental section of this report.



The average reduction of electricity consumption at AH and AHP plants is by

11.77%

2.2

Solar Rooftop Installation



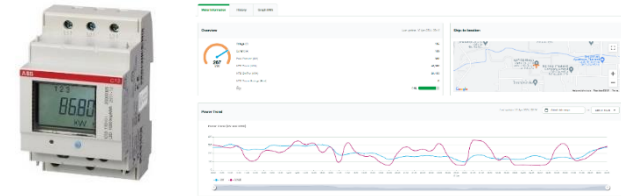
The Company has installed solar rooftops at two facilities in Rayong province: AAPICO Hitech Public Company Limited, Rayong Branch (AHR), and AAPICO Plastics Public Company Limited, Rayong Branch (APR). This initiative aims to reduce electricity consumption and energy costs. There are plans to extend this installation to the facilities in Ayutthaya province and other locations in the future. Further details can be found in the Environmental section of this report.



Total cost reduction in 2023 of **THB 3.97 million**

2.3

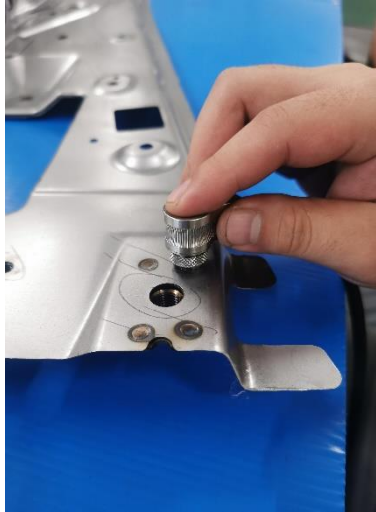
Electric Meter Monitoring System



The Company recognizes the importance of advancing technology for measurement and monitoring within its factories, establishing a foundation for data collection. This initiative aids in verifying and tracking actual electricity usage by machinery and electrical appliances along the production lines. It includes alerts for instances where machines are left running by oversight, thereby reducing the risk of excessive electricity consumption.

This year, AAPICO Hitech Public Company Limited collaborates with Bangkok Industrial Gas Co., Ltd. to install electricity metering devices in 5 main production lines. The data from these meters is displayed on a platform. Additionally, the Company plans to expand meter installations to subsidiary production lines within 2024.

3. Innovation for Waste Reduction from Operation Process



3.1

Ultrasonic Nugget Test



Save the cost of discarding workpieces unnecessarily by more than **THB 1.97 million**



3.2

Welding manager

Reduce the number of damages to the workpieces



3.3

Die Cushion to Gas Spring

Reduce the number of damages to the workpieces



3.4

Camera Check Collar

Minimize waste leakage to customers



The Company values the efficient use of resources and has successfully extended innovations from previous years to various production lines. These innovations aim to reduce and prevent unnecessary waste and debris generated from manufacturing processes. Moreover, they respond to customer preferences for environmental innovations and resource conservation. Examples include the implementation of Welding Manager to ensure component accuracy and the use of cameras for detecting faulty welds. Additionally, Ultrasonic technology, originally used to check standard thickness, is now applied to inspect weld quality, resulting in significant cost savings totaling over THB 1,970,000. These efforts enhance operational efficiency, prevent errors, and support employee convenience in alignment with the organization's vision of "Happy Employee". Further details on the comprehensive waste reduction project are available in the Environmental section of this report.

Customer Relationship Management



Long Term Target

- Achieve average of 95% of customer satisfaction by 2026

Short Term Target

- Achieve average of 92% customer satisfaction in 2023

Performance 2023

- Average customer satisfaction in 2023 was 91%, increased from 90.24% in 2022 but did not achieve the short-term target

Reporting Boundary

Customers are important stakeholders for the Company, and thus, customer relationship management is crucial to ensure sustainable business operations. This report presents information about the Company's activities and customer satisfaction in 2023. This will only include the Company's business of OEM auto parts manufacturing in Thailand which are AAPICO Hitech Public Company Limited, AAPICO Hitech Parts Co., Ltd., and AAPICO Hitech Public Company Limited (Rayong Plant) as it is the Company's main business with many important customers and long relationship.

Management Approach

The customers' satisfaction, or "Happy Customer", is one of the Company's main missions. The Company therefore focuses on building good relationships with customers and placing priorities on listening to the customers' opinions in order to continuously raise the customers' satisfaction. The Company utilized the **SQCDDEM principle** to manage this good relation as follows:

S: SAFETY	The Company places great importance on safety during operations – be it the safety of the Company's own employees, contractors, or suppliers. 100% of new employees and suppliers are required to first receive safety training before taking part in an operation.
Q: QUALITY	The Company places great importance on putting out products that fit the customers' requests, including the products that were made by the Company's suppliers. Every product is traceable to the manufacturing line to build up customers' confidence in the case of a problem.
C: COST	The Company is well aware of the matter of fair competition and is also striving to improve manufacturing process to ensure the product costs remain within the range of customer satisfaction.
D: DELIVERY	The Company is aware that late delivery can greatly affect the customers' operations. Therefore, the Company always strives to maintain a 100% on-time delivery standard.
E: ENGINEERING	Continuously improving engineering – be it the process, techniques, methods, or implementation of new technologies – to improve products' qualities, reduce cost, enable on-time delivery, and minimize impacts on the environment
M: MANAGEMENT	The Company has received ISO/TS 16949: 2009 ¹ quality standard, environmental management system ISO 14001: 2004 and ISO 14001: 2015 ² , and occupational safety and health OHSAS 18001: 2007 ³ . In addition, the Company also set policies for intellectual property and customers' confidential information to ensure that the Company will not take advantage of the customers for the Company's own benefits.

¹ Companies that received the ISO/TS 16949: 2009 standard include AH, AHP, AHR, ASICO, AL, AA, ASP, AF, APC, AP and APR, and all of these companies are in the process of changing to IATF 16949: 2016

² Companies that received the ISO 14001: 2004 standard include AH, AHP, AHT, ASICO, AF, APC, AP, APR and AA, and the ISO 14001: 2015 standard includes AL

³ Companies that received the OHSAS 18001: 2007 Occupational safety and health standard is AP

Performance

The Company is committed to operating effectively and providing customers with high-quality products and services that meet their expectations. To improve the efficiency of its operations in various areas and to collect opinions and information on various issues from customers, the Company conducts a customer satisfaction survey in order to identify problems with our operations and to correct any errors in order to maintain customer satisfaction for many years to come.

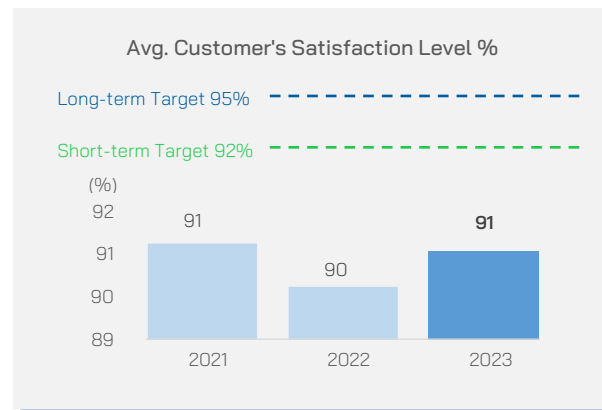
In 2023, the Company has focused on achieving high customer satisfaction with our products, services, and overall operations. We have set a short-term goal of an average customer satisfaction rate of 92% by 2023 and a long-term goal of 95% by 2026. We consistently prioritize delivering value to our customers and use their feedback to develop plans for continuous improvement of our products, services, and operations.

The average customer satisfaction rate in 2023 was 91%, increased from 90.24% in 2022. Breaking down the satisfaction scores by category, customers were particularly satisfied with our targets, pricing, financial and accounting operations, and production, scoring 88%, 96%, 95%, and 95%, respectively. This aligns with our SQCDM principles, which focus on building customer confidence in our operations. These improvements are the result of various initiatives aimed at quality assurance, reducing waste, and enhancing our workflow based on customer feedback.

However, in terms of quality, customer satisfaction was 85%, a decrease from the previous year's average of 89%. As a result, the overall customer satisfaction rate for 2023 was 91%, falling short of our short-term goal of 92%. Nevertheless, we appreciate our customers' feedback and are committed to improving product quality and production processes in the coming year.

Satisfaction	2021	2022	2023
Target %	87 %	87%	88%
Quality %	91%	89%	85%
Price %	86 %	83%	96%
Marketing Department %	89%	90%	88%
Accounting & Finance %	97%	95%	95%
Production Department %	94%	94%	95%
Quality Department %	91%	88%	88%
Avg. Satisfaction Level %	91%	90%	91%

* The information reported in this topic includes those of the following plants belonging to AAPICO Group: **AH, AHP, and AHR**



Innovation for Sustainability" Project

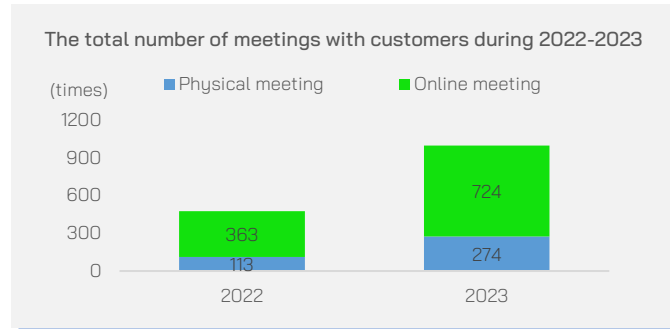
The Marketing department has implemented projects within the sustainability framework, focusing on environmental, social, and governance (ESG) aspects. This approach has fostered customer trust and garnered both national and international quality awards for the Company. In 2023, the Company undertook several initiatives to promote sustainable relationships with customers. The key projects and their outcomes are summarized as follows:

1. New Normal Online Meeting Project: Enhancing Satisfaction and Reducing Carbon Footprint

Communication is crucial in building and maintaining good relationships with our customers. Recognizing this, the Marketing team has increased the frequency of online meetings with customers. This initiative aims to better understand customer needs, promptly address issues, and gather valuable feedback. Moreover, online meetings significantly reduce carbon emissions compared to traditional in-person meetings, which require travel.

By converting the number of online meetings in 2023 into the equivalent greenhouse gas emissions of a gasoline car, the Company was able to reduce approximately 24.30 tCO₂eq. This shift also resulted in travel cost savings of about 380,100 Baht.

This project has been ongoing since 2022 and continues to date. When comparing the total number of physical and online customer meetings between the two years, it is evident that in 2023, the Company increased its communication with customers through both physical and online meetings by 109% compared to the total number in 2022.



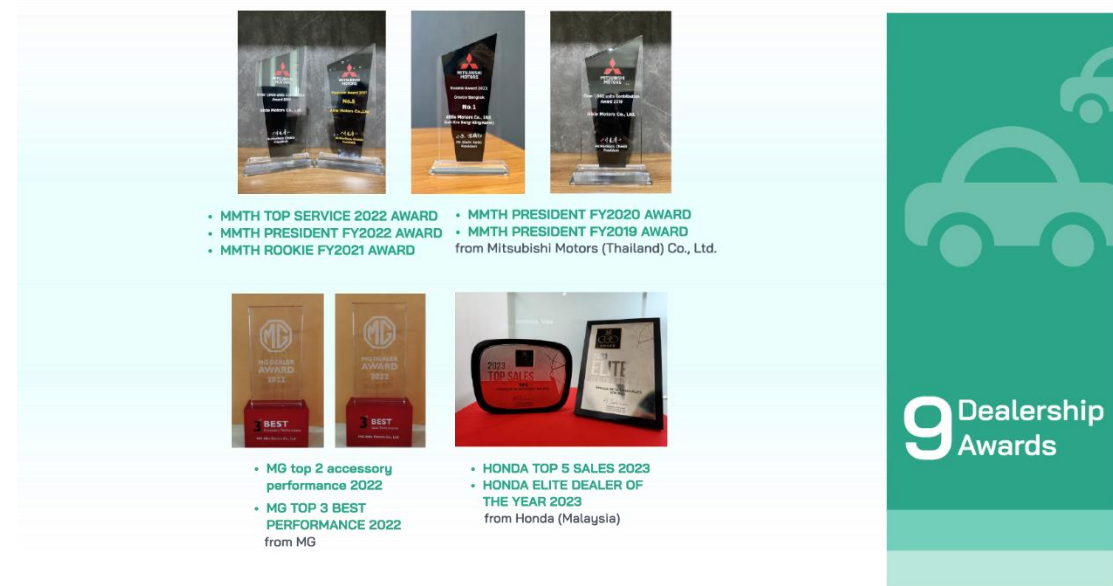
2. Project for Enhancing Operational Readiness and Prompt Action Based on Customer Needs

In addition to increasing customer interactions to gather feedback and understand their needs, the Company places great importance on being prepared and acting swiftly to meet customer demands. This approach aims to boost customer satisfaction and create more business opportunities. Consequently, this project encourages the marketing team to enhance their operations, gain a deeper understanding of customer needs, and promptly resolve issues.

In 2023, the marketing team improved its operational efficiency, enabling faster coordination with various departments to address customer issues. After completing specific tasks, customers were asked to evaluate the performance. The average customer satisfaction score for this project in 2023 was 89%, surpassing the target of 85%. The Company remains committed to continuously improving its operations to enhance efficiency and respond more quickly to customer needs.



Awards and Achievements



Supplier Relationship Management



Long Term Target

- 80% of the 1st tier critical direct suppliers pass ESG assessments by 2025
- The 1st tier critical direct suppliers reports GHG emissions within Scope 1 and 2 boundaries or provide certification of emission quantities for products purchased by the Company
- At least one supplier from the critical Tier 1 supplier list receives support from the Company to become certified as a member of the Thai Collective Action Against Corruption (Thai CAC)

Short Term Target

- 100% of suppliers is assessed for ESG performance by the Company within the year of 2023

Performance 2023

- Achieved 75% of suppliers were evaluated as Grade A, being marked as having satisfactory performance both in quality, logistics, price, safety and environmental management

Reporting Boundary

The Company emphasizes the importance of its business suppliers as stakeholders and recognizes their crucial role in achieving sustainable success. Therefore, the Company must manage its relationships with suppliers to ensure smooth business operations and mutual growth.

This report discusses the activities and evaluation of suppliers' capabilities in adhering to quality systems, environmental management, occupational safety, engineering, delivery and cost management. It specifically focuses on the automotive component manufacturing and distribution businesses in Thailand, as they are the main businesses with a large customer base. Consequently, the raw materials and products obtained from these suppliers are highly significant for the Company's production and business operations.

Management Approach

Every year, the Company will evaluate and rank both new and existing suppliers. This is done to select suppliers or service providers who have the capability to produce and deliver goods or services according to quality requirements and meet the specifications of ISO 9001:2015/IATF 16949:2016/ISO 140001:2015. The evaluation takes into account various aspects such as quality, price or cost, delivery, safety in the process, maintenance and management of environmental concerns as well as financial stability. This ensures that

the Company can have confidence that its suppliers will be able to operate smoothly, efficiently, with good governance and transparency, and demonstrate responsibility towards the environment and society.

As the Company considers suppliers as important business stakeholders, it has developed a strategy for managing them. This strategy involves inviting suppliers to participate in meetings and activities together, aiming to communicate important information about the Company. This includes business ethics, quality policies, pricing and delivery policies, transparent business practices, anti-corruption and compliance policies, organizational social responsibility policies, and safety policies. These activities provide feedback to suppliers regarding the performance evaluation and collaborative work conducted in the past year.

Before conducting the annual general meetings and activities, the purchasing department will evaluate risks, opportunities and response to risks based on the IATF1949 system. This evaluation allows for the assessment and review of the purchasing department's work with suppliers. If any deficiencies are identified, corrective actions are taken, and strategies are developed to mitigate those risks. The suppliers are notified and made aware of these actions.

Risk, Opportunities and Response to Risks Assessment Steps



1. Risk Assessment, Opportunities and Risk Response

The purchasing department evaluates potential negative risks and impacts, including both the severity level and the likelihood of those impacts. It also assesses opportunities and analyzes methods to mitigate the risks according to the IATF 16949 system.



2. The development of a plan to mitigate undesirable impacts (risks)

Specify the objectives of the project, the details of the implementation process, the timeline for operations, and the person responsible for carrying out the plan to mitigate undesirable impacts.



3. Implement the necessary measures to mitigate those risks according to the established plan

Execute operations according to the established plan, including preparing progress reports, assigning responsibilities for different parts of the plan, and documenting the outcomes of the operations.



4. Report on the progress of the operations and evaluate the outcomes of the implemented activities

Provide a report on the progress of the operations and evaluate the work outcomes, while actively soliciting suggestions and feedback to find the best possible approach. These inputs will be used to continuously improve and enhance future work processes.

New Supplier Assessment

The Company conducts evaluations of new partners before engaging in business with them. The evaluation covers key areas such as management, pricing, product quality, delivery, engineering production, safety, and environmental concerns. New suppliers must provide evidence of their management practices in these areas. If certain aspects are not yet implemented, they must outline future plans that can be monitored. The evaluation encompasses all dimensions of sustainability, including:

1. Corporate Governance Assessment: The Company checks the quality management systems according to TS 16949 or IATF 16949 standards, along with risk assessment procedures and the organization's emergency or business continuity plans.
2. Environmental Assessment: The Company verifies certifications for ISO 9001 and ISO 14001 standards, assessing hazardous waste management, wastewater treatment, noise pollution control impacting ecosystems or communities, other environmental activities, and any environmental disputes and their resolutions.
3. Employee and Social Assessment: The Company examines employee safety practices, providing safety training, and appropriate protective gear.

Additionally, the Company monitors and reviews partners' compliance with our code of conduct and operations monthly and conducts at least one annual site visit. Suppliers are required to make corrections if any non-compliance is found.

The Company organizes annual meetings with suppliers to share important business information, an overview and value of the past year's procurement, procurement policies, supplier's code of conduct, and sustainable business processes. Awards are given to outstanding suppliers in various areas to boost morale and show appreciation. These awards include Excellence in Delivery, Excellence in Quality, and Excellence in Cost Management.

Performance

Risk And Opportunity Assessment and Response to Risk

In the year 2023, the Company conducted risk assessment, opportunity assessment, and response to risk according to the IATF1949 system. It developed a plan to mitigate undesirable impacts (risks) and promptly implemented corrective measures to address those risks. The key risks identified and the corresponding response can be summarized as follows:

Risk or opportunity require evaluation	Risks	Negative Impact	Severity Level	Likelihood	Average Severity Level and Likelihood	Opportunity	Severity Level	Likelihood	Average Severity Level and Likelihood	Action plans
Economic risks of suppliers	Quality and delivery do not meet the specifications	Production disruptions may lead to delayed deliveries.	3	2	6	Ensuring that suppliers have implemented Safety Stock improvements.	2	2	4	Suppliers must document the revised schedule to notify the Company and revise agreements, particularly for export-bound goods when unable to meet delivery deadlines.
Environmental and social risks of suppliers	Suppliers do not adhere to code of conduct or legal requirements	Production suspended due to unforeseen employee accidents.	3	2	6	Developing suppliers in areas vulnerable to legal risks.	2	2	4	The Company develops a comprehensive supplier assessment encompassing detailed environmental and social dimensions, and regularly monitor performance.
Price volatility of steel	Purchasing steel at higher prices during periods of steel price increases	This leads to higher costs and reduced profits.	3	2	6	Negotiating price agreements based on material prices	3	2	6	The Company implements a plan for price agreements that adjust up or down based on material prices.

Annual supplier evaluation

In the year 2023, the Company conducted evaluations of the suppliers, totaling 105 in number, with each level of assessment described as follows:

Grade A: This group falls within the "good" criteria of the evaluation and is considered a group that must maintain and adhere to standards.

Grade B: This group falls within the "satisfactory" criteria of the evaluation. Suppliers of the Company must be at least at the Grade B level to be accepted. This group needs improvement to reach Grade A.

Grade C: This group requires improvement and monitoring in terms of quality and delivery. Meetings and discussions are necessary to find solutions and improvements in order to meet the development goals. If any supplier remains at Grade C for consecutive 4 months, their orders may be reduced or suspended.

Grade D: This group requires immediate corrective actions and must have close control over quality and delivery. Meetings and discussions are necessary to provide guidance for improvements, and a timeline must be set to achieve better standards. In cases where the standards are below the specified targets, if any supplier receives Grade D 4 times within a year or consecutively for 3

Evaluation result

The annual evaluation of suppliers for the year 2023 specifically covers data from AAPICO Hitech PLC (AH) and AAPICO Hitech Parts Co., Ltd. (AHP). The detail as follows:

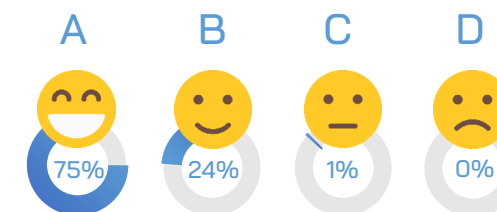
Grade	2020	2021	2022	2023
Grade A	39	36	48	79
Grade B	2	9	6	25
Grade C	0	0	0	1
Grade D	0	0	0	0
Number of Suppliers evaluated	41	45	54	105
Grade A supplier ratio (%)	95	80	88	75

According to the evaluation results, it was found that the Company has a proportion of supplier that have been assessed at Grade A, which is 79 out of 105 companies. representing 75%. This marked a 5% decrease from last year. However, the decrease has not impacted to the Company's standards in quality,

delivery, pricing, safety and environmental management of its suppliers.

Regarding the one supplier rated at grade C due to delivery discrepancies, immediate meetings were conducted with the concerned parties for prompt issue resolution. The Company has also devised corrective action plans to address such issues with the supplier.

Proportion of Evaluated suppliers in 2023



Tax Governance



Reporting Boundary

The Company recognizes the importance of effective tax management as a hallmark of responsible corporate governance. All taxes are meticulously paid on time, demonstrating transparency to shareholders and investors who calculate dividends from post-tax profits. Furthermore, the company has established a comprehensive tax policy certified by its audit committee, guiding and standardizing tax practices across the AAPICO Group. This commitment ensures compliance with regulations and fosters a reputation as a company that upholds best practices.



Management Approach

The Company's tax policy serves as guidelines and procedures for associate companies, as follows

1. **Compliance** - AAPICO aims to minimize the administrative burden involved in order to follow tax laws; while also fully and efficiently complying with the tax laws, rules, and regulations in the jurisdictions in which the AAPICO Group operates.
2. **Transfer Pricing** - Using the arm's-length principle for transactions among companies within the AAPICO Group.
3. **Accountability and Transparency** - The Company encourages paying taxes on time, while also providing all relevant information requested by the associated state's department without delay in order to accurately establish the Company's tax liabilities.
4. **Preventing and reducing significant tax risks** - The Company ensures that the personnel responsible for tax matters have the necessary skills, technical expertise, and knowledge to fulfill their responsibilities effectively. It also regularly reviews updates and changes to tax legislation to assess their impact on the Company. AAPICO handles general tax cases internally, but external tax advisors are contracted in cases of uncertainties or specific tax areas/jurisdictions to ensure appropriate handling of the process.
5. **Tax planning** – The corporation intends to use tax benefits as efficiently and legally as possible, without resorting to tax avoidance. All tax payments are clearly mentioned in order to check and reduce the issue of improper payments, which result in fines and surcharges.

Performance

In 2023, the Company had consolidated revenue of 30,389 million baht and paid taxes to the government in the amount of approximately 114 million baht, with a profit before tax in the consolidated financial statements of 1,664 million baht at an effective tax rate of 6.9%. Different from the actual tax paid at 13.1%, with the right to exempt corporate income tax under certain promotional certificates (BOI).

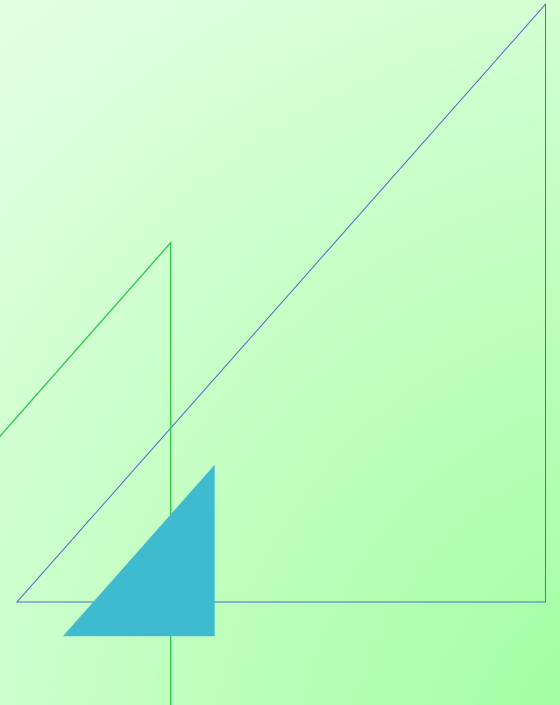
The Company has prepared 56-1 ONE REPORT 2022 with contents that clarify additional details about the financial statements and the list of corporate income tax exemptions by accessing the Company's tax policy [here](#) and the [Company's website](#) or scanning the QR code.





ENVIRONMENT

- Environmental Policy
- Energy
- Water
- Waste
- Air Emission
- Organizational Carbon Footprint Verification



Environmental Policy

One of AAPICO Group's main businesses is the manufacturing of OEM automotive parts. Inevitably, this means that the Company's operations will involve factories and the subsequent waste and emission that such operations entail. However, the Company does recognize the importance of the environment and has therefore established an environmental management system and policy to be followed in order to preserve and improve the environment for the better by subjecting the management and the employees to comply with the following regulations:

1. Improve environmental management processes, services, and products of the Company in accordance with the requirements of the ISO 14001 standard.
2. Comply with laws and regulations relating to the environment by various criteria to develop a minimum standard for the operation of the Company.
3. Conserve natural resources, including energy, in order to benefit a worthy cause of minimal environmental impact.
4. Protect the environment to create awareness on the quality of the environment.
5. Prevent the pollution of water and air from the Company's operations, and continuously seek to improve the Company's operations to keep the resulting waste and emission to a minimum.

This Policy was announced and communicated to the employees for their awareness and compliance and has also been made available to the public. Regarding environmental compliance, the Company reported no instance of non-compliance with environmental laws and regulations in 2023 – thus reflecting the Company's commitment in supporting a sustainable environment.



Energy



Long Term Target

- Reduce 50% electricity consumption by 2030 compared with base year
- Reduce 50% oil and gas consumption by 2030 compared with base year

Short Term Target

- Reduce electricity consumption per total of production by 4%
- Reduce oil and gas consumption per total of production by 5%

Performance 2023

Ayutthaya facilities performance

Electricity consumption:

- 11,216.68 MWh which increase by 2.25% from last year
- 0.183 MWh per total of production which increase by 17.83% from last year

Oil-type Fuel consumption:

- 152.42 KL which increase by 18.01% from last year
- 0.00249 KL per total of production which increase by 35.99% from last year

Gas-type Fuel consumption:

- 8,832 KL which decrease by 10.68% from last year
- 0.1441 KL per total of production which increase by 2.92% from last year

Reporting Boundary

AAPICO Group is aware of the importance of energy efficiency in order to deliver low production costs and competitive product pricing to the market while minimizing the environmental impact on neighboring communities to the greatest extent feasible. Therefore, the Company advocates for its personnel to be mindful and keep energy consumption to a minimum. This report will give details of the Company's performance in energy consumption management in 2023.

The Company has set the scope of data collection to cover the area of AAPICO's facilities in Ayutthaya Province, including AAPICO Hitech PLC (AH), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Hitech Tooling Co., Ltd. (AHT) and has expand the scope to AAPICO's facilities in Chonburi Province, including AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC. (AF) and AAPICO Precision Co., Ltd. (APC). This report discloses the divided data of the Ayutthaya and Chonburi facilities and compares the energy consumption only for the Ayutthaya facilities in order to see the trend of the Company's performance.

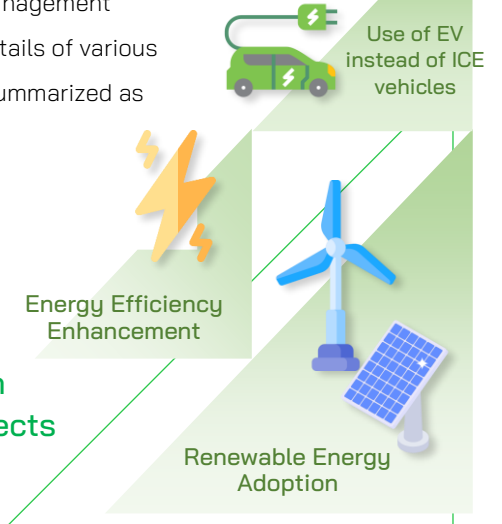
Additionally, the Company has disclosed the renewable energy usage in AAPICO Hitech PLC (Rayong) (AHR), AAPICO Plastic PLC (Rayong) (APR), AAPICO Maia Co., Ltd. (AMI) and AAPICO Águeda Co., Ltd. (AAG).

Management Approach

According to the sustainability framework, the Company is committed to properly controlling energy consumption in the workplace because electricity and fuel are the major energy sources utilized in the operations. As a result, the Company recognizes the importance of developing management standards and targets for decreasing energy usage in order to benefit the Company by lowering expenses and negative impacts on the environment and community.

The Company encourages its subsidiaries to create activities and innovations that control and reduce the amount of energy consumed within the Company. The management guidelines and details of various projects can be summarized as follow

3 main projects



1. Energy Efficiency Enhancement

To achieve the energy reduction target, the Company has collaborated with a researcher team under the project of Industrial Estate Authority of Thailand (IEAT) to assess the facilities' potential of greenhouse gases reduction from replacing the low efficiency by higher efficiency machines in order to approach a short-term target that will reduce 50% of electricity consumption compared with the base year by 2023. The performance of project implementation in 2023 is as follows.

LED High Bay Lighting Replacement Project

AAPICO Hitech (AH) initiated replacing the 189 sets of T5 High Bay light bulbs with LED High Bay light bulbs in 2022. The result is a 9.09% reduction in electricity consumption at its plant.

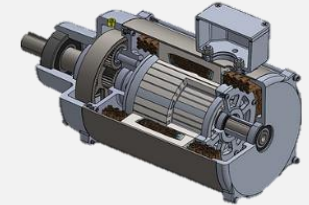
In 2023, the Company expanded the project to AAPICO Hitech Parts (AHP), replacing 141 sets of T5 High Bay light bulbs with LED High Bay light bulbs, with completion by May 2023. This extension helps reduce a 15.38% of energy consumption compared to the old T5 bulbs. Overall, the project can reduce the energy consumption by an average of 11.78% across AAPICO Hitech (AH) and AAPICO Hitech Parts (AHP).

Type	T5 High Bay (Past)	LED High Bay (Present)
Electric power (AH)	41,580 Watts	37,800 Watts
Electric power (AHP)	31,020 Watts	26,250 Watts
Amount of working hour	12 hour/day	12 hour/day
Amount of electricity usage per month	26.13 Megawatt-hours	23.06 Megawatt-hours
Reduction result		11.78%

High Efficiency motor replacement project

The Company has replaced two VS motors in the stamping production line with high efficiency induction motors and inverters. The project was implemented in April 2023. This project reduces 367 Megawatt-hours per year compared with old motor or equivalent to 1,833,000 baht

In addition, the Company has planned to gradually replace the low efficiency motor to higher efficiency by prioritize from life cycle and working hours. The results of the project will be disclosed further in the next issue of the sustainability report.



Reduce energy consumption
367 Megawatt-hours/year
or saving **1.8** million Baht

Maximum efficiency for the network switch project

The Company has designed and implemented a new network switch system to maximize efficiency at AAPICO Hitech (AH) and AAPICO Hitech Parts (AHP) by reducing the number of network switches from 15 to 7, and achieved a 50% reduction in energy consumption compared with the previous system.

The network switch project completed in September 2023, resulting in energy savings of 2.05 Megawatt-hours per year or equivalent to reduce greenhouse gases emission by 1.025 tCO₂eq per year.



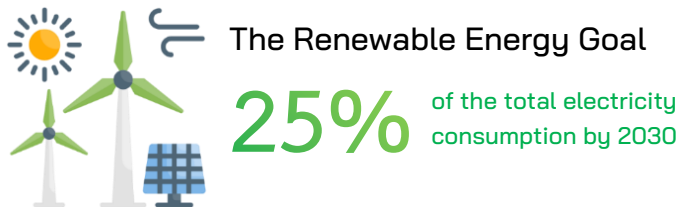
Reduce electricity usage
2.05 Megawatt-hours/year
or reduce greenhouse gases
emission **1.025** tCO₂eq/year

2. Renewable Energy Adoption

► Solar Rooftop Project

The Company implemented solar rooftop panels in the workplace at AAPICO's facilities in AAPICO Hitech Public Company Limited, Rayong Branch (AHR) and AAPICO Plastic Company Limited, Rayong Branch (APR) since 2021 and has generated the solar energy to the present.

In 2023, the Company was in process of PPA (Power Purchasing Agreement) for installing solar cells in the factories' roof in the areas of AAPICO Hitech Public Company Limited (AH), AAPICO Hitech Parts Company Limited (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA). This project is expected to generate 2.8 Megawatt-hours of solar energy per year, which is estimated to account for 25% of the total electricity consumption. However, the schedule planned was delayed because of the regulation that the factories must conduct a public hearing from the surrounding community before starting installation. The process will be completed and ready for electricity generation by the end of 2024.



¹ The total of electricity consumption which is the total usage FY'2023 in the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

Company and subsidiary	Renewable energy status	Achieving date
Rayong subsidiary		
<ul style="list-style-type: none">- AAPICO Hitech PLC (Rayong Branch) (AHR)- AAPICO Plastic Co., Ltd. (Rayong Branch) (APR)	Generate renewable energy up to 20% compared with the total electricity consumption	February 2022
Ayutthaya company and subsidiary		
<ul style="list-style-type: none">- AAPICO Hitech PLC (AH) (Headquarters office)- AAPICO Hitech Parts Co., Ltd. (AHP)- AAPICO Hitech Tooling Co., Ltd. (AHT)- AAPICO Hitech Automation Co., Ltd. (AHA)	expected to generate 2.8 Megawatt-hours per year, which is estimated to account for 25% of the total of electricity consumption ¹	Start generating in 2024
Ayutthaya subsidiary and associated company		
<ul style="list-style-type: none">- AAPICO Lemtech (Thailand) Co., Ltd. (AL)- Able Sanoh Industries (1996) Co., Ltd. (ASICO)	expected to generate 0.2 and 2.3 Megawatt-hours per year	Start generating in 2024
Chonburi and Samutprakarn subsidiary		
<ul style="list-style-type: none">- AAPICO Amata Co., Ltd. (AA)- AAPICO Structural Products Co., Ltd. (ASP)- AAPICO Forging Public Limited Company (AF)- AAPICO Precision Co., Ltd. (APC)- AAPICO Plastic PLC (Headquarters office) (APB)	Chonburi plants is in process of roof restructuration	Start generating in 2026

Renewable Energy from wind turbines

AAPICO Maia Co., Ltd. (AMI) and AAPICO Agueda Co., Ltd. (AAG), AAPICO facilities located in Portugal, consume 100% of their electricity generated from wind turbines and certified by EPD, the power producer. In 2023, they utilized wind energy of 81,780 and 40,754 Megawatt-hours respectively.



Additionally, AAPICO companies, which produce OEM automotive parts located in Thailand, has the ultimate goal of Carbon Neutrality by 2048 and also target to achieve 100% renewable energy utilization in the same timeframe. Therefore, the Company prioritized to reduce electricity energy usage, increase the proportion of renewable energy and consider offset excess carbon emission by purchasing the International Renewable Energy Certificates (I-REC) for achieving Carbon Neutrality along with the Company's strategy plan.

Skylight rooftop replacement

The Company has replaced the skylight roofs of AAPICO Hitech Public Company Limited (AH) and AAPICO Hitech Parts Co., Ltd. (AHP) to provide employees with adequate natural daylight and reduce electricity usage.

After installing the new skylight roofs, the Company can reduce daytime energy consumption by 33 Megawatt-hours per year or equivalent to reduce 16.50 tCO₂eq per year.



The skylight roof (before and after)

3. Use of EV instead of ICE Vehicles

Electric Forklift

Based on the organization's greenhouse gas accounting in 2022, it was determined that the Company's use of diesel fuel for forklifts accounts for 19% of its Scope 1 greenhouse gas emissions. Therefore, the Company has planned to replace diesel forklifts with electric forklifts.

In 2023, the Company acquired two electric forklifts with capacities of 1.54 and 2.5 tons for a testing project. This initiative is part of the long-term plan to replace all diesel and LPG forklifts with electric forklifts by 2030.

Electric company car

The Company aims to increase the proportion of electric vehicle (EV) internal use, extending beyond company cars use. To initiate this project, the Company purchased an electric car, installed a charging station, and began testing in May 2023.

In 2023, the Company used electric cars for approximately 30,000 kilometers, representing 7% of the car usage approved through the ESS Application system. This initiative resulted in a reduction of greenhouse gas emissions by 4.7 tCO₂eq compared to an internal combustion engine (ICE) vehicle over the same distance.

During the trial period, some limitations were observed, such as battery capacity restricting long-distance travel. Despite these challenges, the Company recognizes the advantages of using electric cars and is actively planning to increase their proportion to maximize efficiency and sustainability.



100% electric forklifts use by 2030



Initiative electric company car project reduces GHG emission by 4.7 tCO₂eq

Performance

Energy Consumption

The AAPICO's facilities in Ayutthaya² and Chonburi province³ had the electricity consumption as table follows:

Energy Consumption	Unit	2022	2023	%Change
<p>➤ The total electricity consumption of the facilities in Ayutthaya Province²</p>	Megawatt-hours	10,970.01	11,216.68	▲ 2.25%
<p>➤ The intensity of electricity consumption of the facilities in Ayutthaya Province²</p>	MWh per production ⁴	0.1553	0.1830	▲ 17.83%
AAPICO Hitech PLC (AH) and AAPICO Hitech Automation Co., Ltd. (AHA)	Megawatt-hours	3,933.00	3,849.88	▼ 2.11%
AAPICO Hitech Parts Co., Ltd. (AHP)	Megawatt-hours	5,676.00	5,891.46	▲ 3.80%
AAPICO Hitech Tooling Co., Ltd. (AHT)	Megawatt-hours	1,361.01	1,475.34	▲ 8.40%
<p>➤ The total electricity consumption of the facilities in Chonburi Province³</p>	Megawatt-hours	N/A	33,289.14	
<p>➤ The intensity of electricity consumption of the facilities in Chonburi Province³</p>	MWh per production ⁵	N/A	0.001286	
AAPICO Amata Co., Ltd. (AA)	Megawatt-hours	N/A	8,678.48	
AAPICO Structural Products Co., Ltd. (ASP)	Megawatt-hours	N/A	7,473.36	
AAPICO Forging PLC (AF)	Megawatt-hours	N/A	12,984.76	
AAPICO Precision Co., Ltd. (APC)	Megawatt-hours	N/A	4,152.54	

In 2023, the total energy consumption of the facilities in Ayutthaya Province² increases 2.25% from the year 2022. When comparing the electricity consumption to the production volume, increases by 17.38%. Due to the Company's operations returning to the previous COVID-19 situation, coupled with a 13% decrease in production compared to the previous year. The Company is actively planning to reduce electricity consumption by maximizing efficiency in production process and solar rooftop installation, which is expected to generate electricity by 2024.

Furthermore, the Company has conducted to disclosure the electrical energy usage across Chonburi facilities. This data will serve as a baseline year. Among the facilities in Chonburi Province, AAPICO Forging PLC (AF) has the highest electricity usage, attributed to its operation of an electric induction furnace in production process. The following closely is AAPICO Amata Co., Ltd., (AA) due to its high production volume and dominant use of electricity in the production process. Detailed information of production can be accessed in the annual report via website or scan QR Code. The electricity usage data in factories within Chonburi Province will be reported and compared to demonstrate the company's performance in the sustainability report next year.



² In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

³ Chonburi facilities include AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC (AF) and AAPICO Precision Co., Ltd. (APC)

⁴ Production means a product volume of 1,000 units or a thousand pieces of products

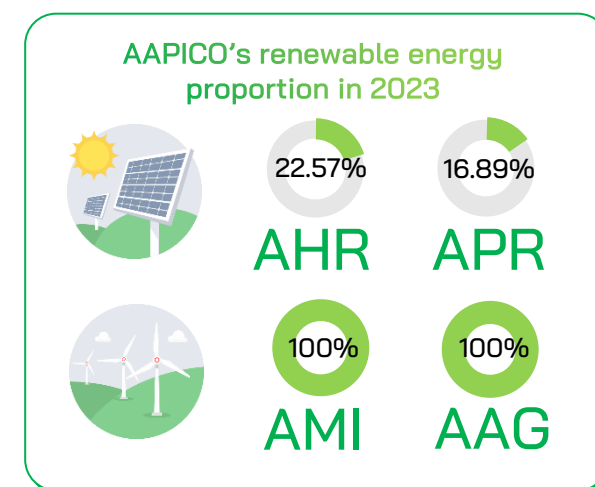
⁵ Production means weight of products (ton)

Renewable energy utilization





Renewable energy utilization	Unit	2022	2023	%Change
Electricity consumption from the Grid				
AAPICO Hitech PLC (Rayong Branch) (AHR)	MWh	4,350.18	4,351.88	
AAPICO Plastic Co., Ltd. (Rayong Branch) (APR)	MWh	5,467.64	2,980.12	
Renewable energy utilization				
AAPICO Hitech PLC (Rayong Branch) (AHR)	MWh	1,069.09	1,268.35	
AAPICO Plastic Co., Ltd. (Rayong Branch) (APR)	MWh	499.74	605.57	
AAPICO Maia Co., Ltd. (AMI)	MWh	78,080	81,780	
AAPICO Agueda Co., Ltd. (AAG)	MWh	43,870	40,754	
The proportion of renewable energy				
AAPICO Hitech PLC (Rayong Branch) (AHR)	%	19.65%	22.57%	▲ 2.92%
AAPICO Plastic Co., Ltd. (Rayong Branch) (APR)	%	8.37%	16.89%	▲ 8.52%
AAPICO Maia Co., Ltd. (AMI)	%	100%	100%	= 100%
AAPICO Agueda Co., Ltd. (AAG)	%	100%	100%	= 100%
Cost saving				
AAPICO Hitech PLC (Rayong Branch) (AHR)	Baht	1,844,979.00	2,506,462.87	▲ 35.85%
AAPICO Plastic Co., Ltd. (Rayong Branch) (APR)	Baht	848,740.76	1,468,382.76	▲ 73.01%

The Company has installed solar rooftop in AAPICO Hitech Public Company Limited, Rayong Branch (AHR) and its subsidiary, AAPICO Plastic Company Limited, Rayong Branch (APR) and began generating solar electricity since February 2022. The Company has recorded data on the amount of electricity produced and the corresponding cost savings.

In 2023, AAPICO Hitech Public Company Limited, Rayong Branch (AHR) and its subsidiary, AAPICO Plastic Company Limited, Rayong Branch (APR), have a proportion of renewable energy utilization of 22.57% and 16.89% respectively, relative to their total electricity consumption. This resulted in cost savings of 2.51 million baht and 1.47 million Baht. Additionally, the electricity cost savings increased by 35.85% and 73.01%, respectively, compared to 2022.



Oil-type Fuel Consumption

Oil-type Fuel Consumption	Unit	2022	2023	%Change
<div>  The oil-type fuel consumption of the facilities in Ayutthaya Province² </div>	kiloliters	129.16	152.42	▲ 18.01%
<div>  The intensity of oil-type fuel consumption of the facilities in Ayutthaya Province² </div>	kiloliters per production ⁴	0.00183	0.00249	▲ 35.99%
Benzene consumption	kiloliters	29.51	43.32	▲ 46.79%
The intensity of benzene consumption	kiloliters per production ⁴	0.00042	0.00071	▲ 69.15%
Diesel consumption	kiloliters	99.65	109.10	▲ 9.55%
The intensity of Diesel consumption	kiloliters per production ⁴	0.00141	0.00178	▲ 26.17%
<div>  The oil-type fuel consumption of the facilities in Chonburi Province³ </div>	kiloliters	N/A	95,442.45	
<div>  The intensity of oil-type fuel consumption of the facilities in Chonburi Province³ </div>	kiloliters per production ⁵	N/A	0.00000369	
Benzene consumption	kiloliters	N/A	57.144	
The intensity of benzene consumption	kiloliters per production ⁵	N/A	0.00000221	
Diesel consumption	kiloliters	N/A	38.298	
The intensity of Diesel consumption	kiloliters per production ⁵	N/A	0.00000148	

The Company collected data on the oil-type fuels consumption, specifically benzene and diesel, across various activities including production processes, company car usage for business travel, and internal transportation within AAPICO's facilities located in Ayutthaya² and Chonburi³ province. This data is used to analyze and demonstrate actual fuel consumption trends, reflecting the Company's operational performance.

In 2023, AAPICO's facilities in Ayutthaya Province² experienced an overall increase in oil-type fuel consumption compared to the previous year, with benzene consumption notably rising by 46.79%. This increase can be attributed to the expanded scope of data collection which includes the employee travel reimbursements, as well as there was a significant reduction in online activities due to the Company's operations returning to the previous COVID-19 situation and a 13% decrease in production volume.

Despite being unable to achieve its short-term fuel consumption reduction target for 2023, the Company has formulated plans to transition from oil-type fuels to electricity by increasing the use of electric cars and electric forklifts within its operations, details of which will be presented in the sustainability report next year.

Gas-type Fuel Consumption

Gas-type Fuel Consumption	Unit	2022	2023	%Change
The LPG consumption of the facilities in Ayutthaya Province²				
LPG consumption	kilogram	9,888	8,832	▼ 10.68%
The intensity of LPG consumption	kilogram per production ⁴	0.1400	0.1441	▲ 2.92%
The LPG and Natural Gas (NG) consumption of the facilities in Chonburi Province³				
LPG consumption	kilogram	N/A	210,002.94	
The intensity of LPG consumption	kilogram per production ⁵	N/A	0.00812	
Natural Gas (NG) consumption	MJ	N/A	4,312,297	
The intensity of Natural Gas (NG) consumption	MJ per production ⁵	N/A	298.37	

The AAPICO's facilities in Ayutthaya Province² use LPG in two main areas: approximately 5% in production and maintenance, and 95% in cafeteria. The usage is reported in kilograms and kilograms per production to clearly reflect the facilities' activities.

In 2023, AAPICO's facilities in Ayutthaya Province² consumed 8,832 kilograms, a decrease of 10.68% from the previous year. When comparing the amount of LPG used with the total production, the intensity was 0.1441 kilograms per unit of production, representing a 2.92% increase due to normal operations in the cafeteria and a 13% decrease in production, resulting in the Company being unable to achieve its short-term goal.

Additionally, the Company has expanded the scope of gas-type fuel consumption data collection to Chonburi Province³. The main objective is to verify the Carbon Footprint of Organization (CFO). The gas used as fuel includes natural gas (NG), which is used exclusively in the production process at the AAPICO Forging PLC (AF), and LPG gas, which is used for production, maintenance, cooking, and forklifts' fuel across all AAPICO's facilities in Chonburi Province. The additional data reported will serve as the baseline for comparing the Company's reduction performance.

Water



Long Term Target

- Reduce 25% of water usage by 2030 compared with base year

Short Term Target

- Reduce Water Usage per total of production by 3%

Performance 2023

Ayutthaya facilities performance

- 37,144 m³ which decrease 26.56% compared with year 2022
- 0.606 m³ per total of production which decrease 15.36% compared with year 2022

Chonburi facilities performance

- 82,714.82 m³
- 0.0014 m³ per total of production

Reporting Boundary

AAPICO Group realizes the importance of water as a resource, as it is a valuable resource for any industrial business and is also a limited resource which is crucial for human survival. As a result, the Company developed an approach to utilize water efficiently and regularly monitoring the water leakage point to avoid wasting water, which wastes valuable resources and money. This report will give details of the Company's performance in water consumption management in 2023.

In 2023, the Company expanded its data collection scope to cover AAPICO's facilities in Ayutthaya and Chonburi Provinces, including AAPICO Hitech PLC (AH), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC (AF), and AAPICO Precision Co., Ltd. (APC). The reported data has been certified accurate by a verifier to conduct carbon emission accounting and reporting in accordance with ISO 14064-1 standards.

Management Approach

The Company encourages employees to recognize the value of water consumption and to advocate for water conservation. To meet the Company's commitment, the sustainability working group began a project to replace water pipes in the area of AAPICO's facilities in order to prevent

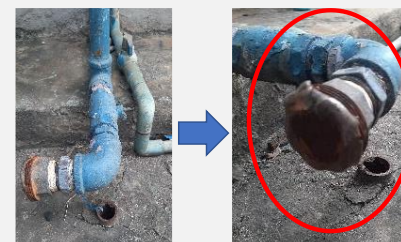
water loss at various places. The following details can be clarified:

Restoration of pipe Project

AAPICO Hitech Parts Co., Ltd. (AHP) undertook a project to replace galvanized steel pipes with polyethylene plastic pipes (PE Pipes) in its water system to reduce water leakage. Since the project's completion in December 2022, there have been no reports of water leaks. Due to these satisfactory results, the project scope has been expanded to include the factory of AAPICO Hitech PLC (AH), with the installation expected to be completed by April 2024.

Underground water pipe filling project

The Company regularly evaluates its water supply system. However, recurring leaks in the underground pipes made inspections and maintenance challenging. To address this issue, the Company implemented a project to seal the underground pipes and transition to an above-ground system. This project aimed to prevent water leaks at AAPICO Hitech PLC (AH) in Ayutthaya Province."



Performance

Water consumption	Unit	2022	2023	%Change
➤ The total of water consumption	m ³	N/A	119,862	
➤ The total water consumption of the facilities in Ayutthaya Province ¹	m ³	50,574	37,144	▼ 26.56%
The intensity of water consumption of the facilities in Ayutthaya Province	m ³ per production ²	0.716	0.606	▼ 15.36%
➤ The total energy consumption of the facilities in Chonburi Province ³	m ³	N/A	82,718	
The intensity of water consumption of the facilities in Chonburi Province	m ³ per production ⁴	N/A	0.003197	
AAPICO Amata Co., Ltd. (AA)	m ³	N/A	29,721	
AAPICO Structural Products Co., Ltd. (ASP)	m ³	N/A	15,663	
AAPICO Forging PLC (AF)	m ³	N/A	22,229	
AAPICO Precision Co., Ltd. (APC)	m ³	N/A	15,105	

In 2023, the Company collected data on water consumption in Ayutthaya¹ and Chonburi Province³, with a total water usage of 119,858.82 m³. This total is divided into 37,144 m³ used in the Ayutthaya facilities and 82,718 m³ in the Chonburi facilities.

Comparing water consumption and intensity in Ayutthaya facilities between 2022 and 2023, there was a reduction of approximately 26.56% and 15.36% respectively. The Company achieved its short-term target. This reduction was supported by initiatives such as replacing water pipes to reduce leaks in the factory and campaigning for cost-effective water use.

Moreover, the Company is studying the feasibility of recycling used water within its facilities for maximizing benefit before sending to treatment process outside the factory.

¹ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

² Production means a product volume of 1,000 units or a thousand pieces of products

³ Chonburi facilities include AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC (AF) and AAPICO Precision Co., Ltd. (APC)

⁴ Production means weight of products (ton)

Waste



Long Term Target

- Zero waste to landfill
- Reduce waste generated per production by 5% in 2026 in comparison to the baseline year of 2022

Short Term Target

- Reduce waste generated per production by 1% per year
- Reduce hazardous waste per production by 1% per year

Performance 2023

Ayutthaya facilities performance

- Total waste generated in Ayutthaya plants is 18,889.74 tons which increase 0.94% compared with year 2022
- Waste generated excluding industrial waste, decreased from 2022 by 5%, but increased by 9.5% when calculating the production (per a thousand pieces of products)

Reporting Boundary

Waste is one of the foremost concerns of the Company, as mismanagement of waste from the Company's operations may result in severe damage to the environment and health issues for the employees and the surrounding communities, which will, in turn, also affect the Company's reputation. The Company is committed to creating innovations that reduce the use of resources. Including preventing and reducing waste from the production process to a minimum. The Company has collected more comprehensive data according to the ISO 14064-1 standard, which is classified into solid waste, general waste, industrial waste, and hazardous waste.

In 2023, the Company expanded its data collection scope to cover AAPICO's facilities in Ayutthaya and Chonburi Provinces, including AAPICO Hitech PLC (AH), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC (AF), and AAPICO Precision Co., Ltd. (APC). This report compares the waste generated only for the Ayutthaya facilities in order to see the trend of the Company's performance.

Management approach

The Company has a way to minimize the amount of waste from the production process according to the regulations and report a total of waste disposal to the government annually.

The Company provides information on the type of waste, disposal methods, waste sources and data comparison with the previous year.

In 2023, the Company implemented various projects to manage and reduce waste generated from defective production parts before forwarding to subsequent processes or customers in alignment with the sustainable development strategy. The details of projects as follows:

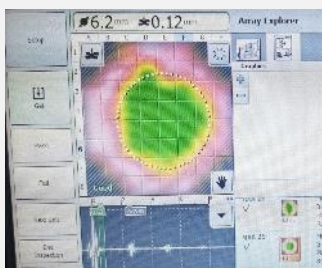




1. Waste Prevention Project through Production and Quality Control Development



The total amount saving cost
by **1.9 million baht**
in 2023



Ultrasonic Nugget Test

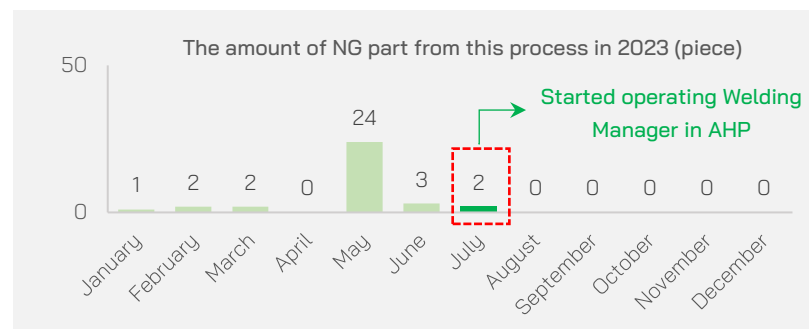
The Company has implemented ultrasonic technology to replace micrometers for checking part thickness. The project can reduce waste from random inspections and quality checks. In 2022, this initiative led to a significant reduction in scrap from destructive testing and cost savings of 250,000 Baht.

In 2023, the Company expanded the utilization of ultrasonic technology to check the size and quality of welding spots called nuggets, adjusting with customer standards. Initially applied to nugget quality checks since January 2023, the Company has achieved zero lost workpieces and realized cost savings of approximately 1,970,000 Baht per year.

Welding Manager for Poka-Yoke Assy Part

In 2022, AAPICO Hitech (AH) utilized 12 machines in the Assy line to prevent NG parts from being assembled with incorrect nuts or positioned improperly during the welding process, ensuring correct assembly before advancing to the next production step.

This year, the Company has expanded this project to Assy line of the AAPICO Hitech Parts (AHP), totaling 11 machines, and the installation was completed by July 2023. As a result, there were no NG part from this process.



Replace Die Cushion by Gas Spring in stamping process

In 2023, the Company observed cracks in 2-3 stamping parts per production lot, which were traced back to a die cushion press machine. Consequently, the Company decided to replace a die cushion with a gas spring type to mitigate the shock impact during the stamping process. The transition to gas springs was implemented in the press machines for testing across 10 models from March to October 2023. Following the trial phase, no cracks appeared on parts from this process.



2. Waste Reduction Project through Inspection Process Development

Camera Check Collar for Assy IMV Line

The Company has utilized the Camera Check Collar in Assy IMV line since 2022. This innovation aims to detect errors early, ensuring that each workpiece meets quality standards before advancing to the next stage or being delivered to customers. This initiative enables timely corrections by employees, preventing waste and increasing customer satisfaction.

In 2023, the initiative has expanded to include the inspection of 13 manually welding parts. The installation completed by July 2023. As a result, no NG part have been delivered to customers.

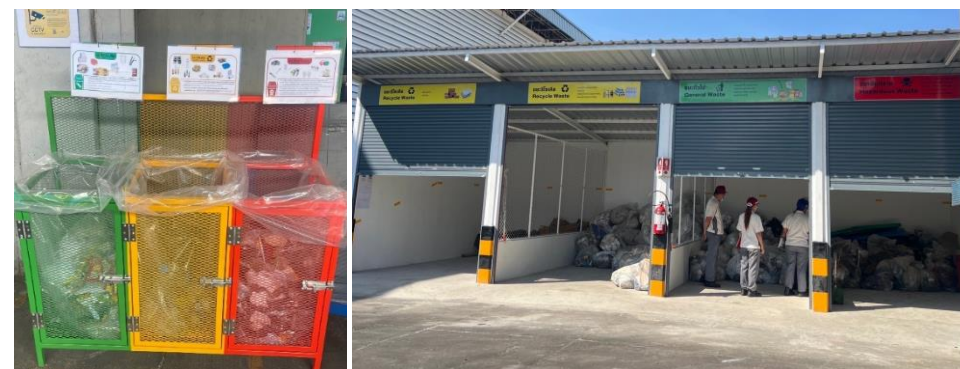
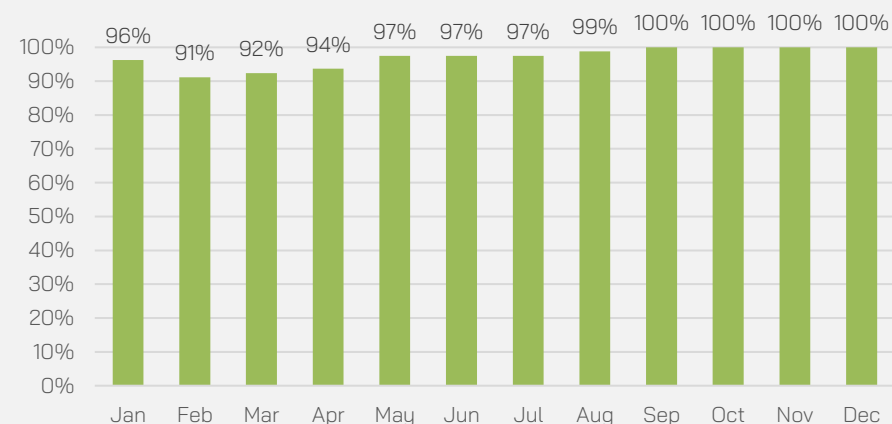


Waste sorting project

In accordance with our sustainability framework, the Company has identified waste management as a critical issue encompassing all processes, including waste generated through employee consumption. This year, significant efforts were undertaken at AAPICO facilities in Ayutthaya province¹ to enhance waste sorting system through improved garbage bins and waste collection point. A monthly assessment system was implemented to ensure the accuracy of waste sorting by a working group following ISO 14001 and ISO 9001 standards. Any instances of wrong sorting are promptly addressed through feedback to responsible person in the respective areas.

During the initial phase of operations this year, there were instances of waste disposal misunderstandings, such as recyclable materials being incorrectly disposed of in general or hazardous waste bins. Improvements were swiftly implemented, leading to refined practices by mid-year and zero instances of incorrect waste disposal reported since September 2023. Moreover, the Company is exploring incentives for waste separation among employees, including establishing an employee's activities fund from selling recyclable waste. The result of these initiatives will be disclosed in the sustainability report next year.

The accuracy of waste sorting in 2023



¹ In the area of AAPICO Hitech Public Company Limited (AH) including the area of AAPICO Hitech Public Company Limited (AH) and its subsidiaries in Ayutthaya Province, AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

3. System Digitization

Smart Key Point Project

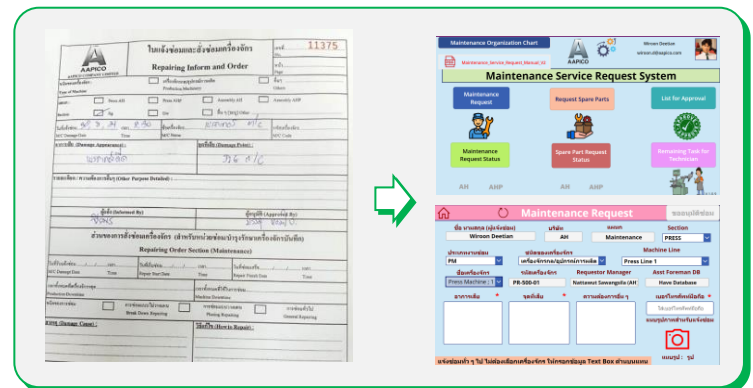
In the past, the quality checking process required employees to refer to paper documents detailing over 100 inspection points per workpiece, which was inconvenient and time-consuming. To address this, the Company has installed touch screen monitors to display all details and inspection points on a single device. This innovation streamlines the inspection process, enabling employees to easily access key information. In case of any changes to the inspection points, employees can simply scan barcodes on the parts to instantly display the updated inspection points. This approach not only saves time and reduces work steps but also cuts down the use of color printed at checkpoints by over 100 sheets per year.



Maintenance Service Request System

The Company has implemented a system for sending repair or issue report requests to the maintenance department. In the past, employees were required to fill out paper forms to report issues with machinery or electrical equipment, which were then forwarded to the maintenance department for approval and assignment to an engineer. This process generated at least 1,000 repair request forms annually.

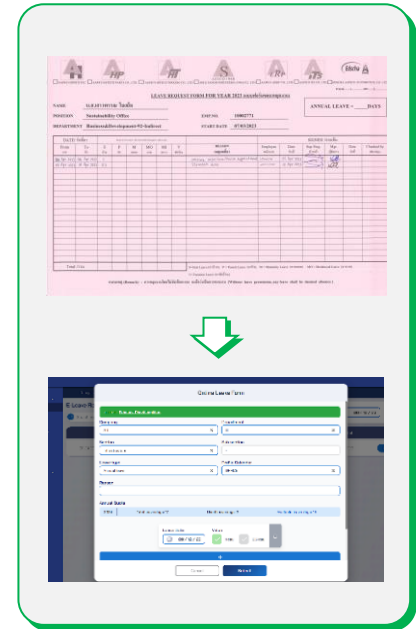
To reduce paper usage and expedite the process, the Company developed an online maintenance service request system accessible through the organization's intranet. Employees can now submit requests via computers or smartphone applications. This initiative not only reduces paper consumption but also speeds up the operational process. Additionally, the program records repair history, enabling better assessment of machine health and providing a valuable database for considering machine replacements.



E-leaving on ESS Application

In 2022, the Company launched the Employee Self Service (ESS) application, designed for checking attendance records, leave approval results, training history, and company news, thus facilitating employees in managing information by themselves.

In 2023, the Company enhanced the ESS with an online leave request function. This upgrade allows employees to utilize leave benefits without needing paper forms for approval requests and history recording. Training sessions were conducted to guide employees on using the system before its official implementation in December 2023. This development has significantly reduced paper usage, saving over 3,600 sheets per year. Additionally, it streamlines the process by eliminating the need to send documents for approval, thus avoiding delays in document verification. This initiative also contributes to reducing greenhouse gas emissions by decreasing fuel consumption for document transportation.



✔ E-Tax invoice & E-Billing

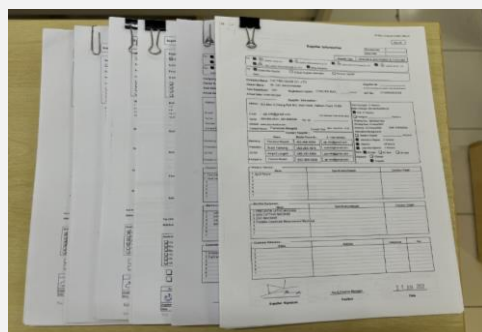
The Company has changed the format of tax invoices and receipts from paper-based to electronic-based since September 2022. Initially, due to the registration process with the Revenue Department, these documents were exclusively issued to the Company and subsidiary at inception.

In 2023, the Company conducted a survey among current customers to expand the initiative to those interested in participating, in accordance with the Company's commitment to resource conservation. As a result in 2023, the Company achieved significant reductions in paper usage. Approximately 4,200 sheets of E-Tax invoices were issued to customers, and an additional 24,400 sheets of billing copies were eliminated.

✔ New Supplier Approval Online System

The Company has streamlined its process for approving new suppliers, an important procedure in supplier management. Previously, the electronic documents submitted by suppliers required printing, resulting in unnecessary steps and an annual average paper waste of approximately 500 sheets.

In 2023, the Company implemented the New Supplier Approval Online System. This initiative eliminates the need for physical documents by enabling all approval requests to be submitted directly through an online platform accessible to executives and staff. Notifications are sent via company email, enhancing efficiency in the approval process. Since its launch in March 2023, this initiative has successfully added 15 new suppliers into the online approval system. Beyond reducing paper usage and expediting approval times, the system reduces the need for physical document storage. This project underscores the Company's commitment to operational efficiency, digital transformation, and sustainable resource management.



Digitization Project in 2023
Reduce the total of paper usage 33,800 sheets
equal to reduce greenhouse gas emission 0.133 tCO₂eq

Performance

Waste Generated	Unit	2022	2023	%Change
► The total waste generated of the facilities in Ayutthaya Province ¹	Ton	18,713.22	18,889.74	▲ 0.94%
The intensity of waste generated	Ton per production ²	0.1390	0.3082	▲ 16.32%
Solid waste	Ton	109.56	103.00	▼ 5.99%
General waste	Ton	9,362.01	9,174.60	▼ 4.75%
Hazardous waste	Ton	75.94	50.03	▼ 34.12%
Industrial waste	Ton	8,895.69	9,562.11	▲ 7.49%
► The amount of waste excluding industrial waste	Ton	9,817.53	9,327.63	▼ 5%
The intensity of waste excluding industrial waste	Ton per production ²	0.139	0.152	▲ 9.5%
The amount of offsite-recycled waste	Ton	9,444	9,617	▲ 1.83%
The proportion of offsite-recycled waste compared with the total waste generated	%	50.47%	50.91%	

In 2023, the AAPICO facilities in Ayutthaya province¹ generated 18,889.74 tons of solid waste, general waste, hazardous waste, and industrial waste, reflecting a 0.94% increase compared to the previous year. However, the proportion of off-site recycled waste, including steel scrap from the production process and recyclable waste from employee consumption, rose to 50.91% of the total waste generated at the facilities.

When excluding industrial waste, the Company generated 9,327.63 tons of waste, representing a 5% decrease from the previous year. Despite this reduction, the waste intensity increased to 0.152 tons per production² which increase 9.5% from the previous year, due to a 13% decrease in production in 2022. Consequently, the Company is unable to achieve its short-term targets.



The proportion of off-site recycled waste in AAPICO Ayutthaya facilities by 2023
50.91% of total waste generated

² Total production means a product volume of 1,000 units or a thousand pieces of products

The Company expanded its data collection scope to cover AAPICO's facilities Chonburi Provinces⁴ to prepare the organization's greenhouse gas accounting and use it to set the base year for planning to emission reduction. In 2023, the AAPICO's facilities Chonburi Provinces⁴ generated 20,051.40 tons of general waste, hazardous waste, industrial waste and recycle waste. The below table shows that AAPICO Amata Co., Ltd. (AA) had the highest amount of total waste generated, because of the highest production and number of employees in 2023, followed by AAPICO Precision Co., Ltd. (APC), AAPICO Forging PLC. (AF) and AAPICO Structural Products Co., Ltd. (ASP) respectively.

Waste Generated in AAPICO's facilities Chonburi Provinces	Unit	AA	ASP	AF	APC	Total
► The total of waste generated	Ton	14,976.01	210.61	1,680.56	3,184.22	20,051.40
The intensity of waste generated	Ton per production ³	0.000581	0.00336	0.116	0.347	0.000775
General waste	Ton	92.10	62.42	29.46	57.81	241.79
Hazardous waste	Ton	149.79	27.19	136.14	345.23	658.35
Industrial waste	Ton	14,731.34	114.84	1,514.96	2,781.18	19,142.32
Recycle waste	Ton	2.80	6.17	N/A	N/A	8.97
► The amount of waste excluding industrial waste	Ton	244.68	95.78	165.60	403.04	909.09
The intensity of waste excluding industrial waste	Ton per production ³	0.00000949	0.00153	0.0116	0.0439	0.0000351

The Company has a rigorous process for properly disposing of waste in compliance with various rules and regulations, and reports data on industrial waste, solid waste, and wastewater, both hazardous and non-hazardous, to the industrial estate office monthly. The Company remains committed to minimizing waste generation in both the production process and employee consumption through the ESG projects led by the Sustainability Committee, with the ultimate goal of achieving zero waste to landfill.

³ Production means weight of products (ton)

⁴ Chonburi facilities include AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC (AF) and AAPICO Precision Co., Ltd. (APC)

Pollution Management



Long Term Target

Short Term Target

- ✓ The quality of air emission and wastewater is within the permissible range of environmental laws and regulations

Performance 2023

- ✓ The quality of air emission and wastewater is within the permissible range of environmental laws and regulations

Reporting Boundary

Pollution is a well-known cause of environmental deterioration in society and is closely monitored. Furthermore, emissions from factory operations can also affect the health and well-being of workers. With these concerns in mind, the Company takes controlling air pollution emissions and managing wastewater from its operations to comply with government regulations. This report will provide details on the Company's performance in air pollution management and wastewater management in 2023, focusing on the AAPICO's facilities in Ayutthaya Province including AAPICO Hitech PLC (AH), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Automation Co., Ltd. (AHA) and AAPICO Hitech Tooling Co., Ltd. (AHT).

Management Approach

The Company sends wastewater to Thai Industrial Estate Co., Ltd., which manages facilities within the Hi-Tech Industrial Estate to treatment. In terms of air pollution management, the Company has installed exhausts and air filters around its operation areas, especially in the factory areas. These filters help to limit the amount of air emissions released into the atmosphere to the minimum required.

The Company measures air and wastewater quality regularly and compares the results with regulations to control air pollution and wastewater in accordance with environmental laws and regulations as stated in the Ministry of Industry's announcement regarding the determination of the amount of contaminants in the air emitted from factories in 2006 and Notification of the IEAT No.76/2560 on General Standard for Wastewater Discharge into the Central Wastewater Treatment System in Industrial Estates. This ensures that the Company does not violate any established terms.

The Company remains committed to setting long-term goals by consulting the results of pollution inspections with the environmental consultant and a research team on behalf of the Industrial Estate Authority of Thailand, it was found that air pollution emissions had a small impact on the environment. However, the Company is not complacent and continues to explore technology that minimizes emissions as much as possible.

Performance

The Company measures three types of air emissions, namely Carbon Monoxide (CO), Nitrogen Oxides (NO_x), and Sulfur Dioxide (SO₂), which are released from five stacks every six months. Each of these emissions is measured using US EPA Method 10, US EPA Method 7E, and US EPA Method 6C. The results are combined when both data sets are available. The total measured emissions are compared against the government's regulation limits for each respective emission. The target is to ensure that no emission exceeds these regulations, as shown below:

In 2023, the Company measured air pollution emissions and ensured that the volume of each emission complied with environmental laws and regulations. The Company achieved its short-term target. The measured results are shown in the table below:

Air Emission	Unit	Measured Volume in 2023	Government's Limit	Not Exceed Regulations
Carbon Monoxide (CO)	Metric ppm	25.20	870.00	✓
Nitrogen Oxides (NO _x)	Metric ppm	1.57	200.00	✓
Sulfur Dioxide (SO ₂)	Metric ppm	5.01	60.00	✓

The wastewater from the Company's activities is measured by Thai Industrial Estate Co., Ltd., which manages utilities and facilities within the Hi-Tech Industrial Estate. In 2023, the results of the wastewater quality measurements indicated that the Company did not encounter any issues with wastewater values exceeding the regulations. The Company achieved its short-term target. The measured results are shown in the table below:

Wastewater Quality	Unit	Measured Volume in 2023	Regulations' Limit	Not Exceed Regulations
Biological Oxygen Demand (BOD)	mg/L	84	≤ 500	✓
Chemical Oxygen Demand (COD)	mg/L	212.75	≤ 750	✓
Total Suspended Solid (TSS)	mg/L	43	≤ 200	✓
pH		7.19 - 7.86	5.5 - 9.0	✓



Organizational Carbon Footprint Verification



Long Term Target

- Achieve Carbon Neutrality by 2048

Short Term Target

- Reduce direct greenhouse gas emissions (Scope 1) 50% by 2030 compared to the baseline year 2022
- Reduce indirect greenhouse gas emissions from electricity use (Scope 2) 50% by 2030 compared to the baseline year 2022

Performance 2023

Ayutthaya facilities performance

- Direct greenhouse gas emissions (Scope 1) are at 537 tCO₂eq which increase by 12.34% compared to baseline year
- Indirect greenhouse gas emissions from electricity use (Scope 2) are at 5,608 tCO₂eq which increase by 2.26% compared to baseline year
- Other indirect greenhouse gas emissions (Scope 3) are at 23,616 tCO₂eq which reduce by 23.32% compared to baseline year

Reporting Boundary

The release of greenhouse gases (GHG emissions) is one of the significant causes that impact the environment and humans. Therefore, the Company emphasizes the importance of managing and controlling GHG emissions from production processes to the lowest possible level. Previously, the Company's greenhouse gas accounting covered only the areas of AAPICO's facilities in Ayutthaya Province¹. However, in 2023, the Company expanded the scope to include the area of AAPICO's facilities in Chonburi Province². The amount of greenhouse gas emissions will be compared only in Ayutthaya Province, where has been collected since 2022.

Management Approach

The Company has set the ultimate goal for sustainable management in achieving carbon emission reduction within the year 2048 B.E. or **Carbon Neutrality by 2048**. This commitment reflects the Company's dedication to being a low-carbon organization and taking responsibility towards society and the environment, including reducing the impacts of climate change and global warming. The Company's sustainability team has initiated environmental activities to help reduce greenhouse gas emissions and achieve the Company's aforementioned goals. These activities include projects to utilize solar energy as an alternative to electricity, replacing light bulbs for increased efficiency and energy conservation, implementing innovative inspection techniques to reduce waste in the production process, and utilizing technology to minimize paper and oil consumption, among others.

With the aspiration to achieve the set goals, the Company has expanded the scope of data collection and reporting on greenhouse gas emissions to include AAPICO's facilities in Chonburi Province². The Company has made improvements in data collection and reporting on greenhouse gas (GHG) emissions resulting from its direct and indirect operations,

encompassing data collection throughout the value chain, starting from the sourcing of raw materials, design and production, transportation, office operations, and employee travel. In this regard, the Company has collected more categories of indirect emission (scope 3) to completeness of data in accordance with the ISO 14064-1 standard, aligning with the GHG Protocol Corporate Standard. The Company provides a comprehensive breakdown of information within each scope as follows:

Scope	Type of Emissions	2022	2023
1	Direct Emission from Company's Activities	●	●
2	Indirect Emission from Purchased Electricity	●	●
3	Indirect Emission from Others		
	Category 1: Purchased Goods and Service	●	●
	Category 3: Fuel- and Energy-related Activities	●	●
	Category 4: Upstream Transportation		●
	Category 5: Waste Generated in Operations	●	●
	Category 6: Business Travel		●
	Category 7: Employee Commuting	●	●
	Category 9: Downstream Transportation		●

¹ In the area of AAPICO Hitech Public Company Limited (AH) including the area of its subsidiaries in Ayutthaya Province, namely AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT) and AAPICO Hitech Automation Co., Ltd. (AHA)

² Chonburi facilities include AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC (AF) and AAPICO Precision Co., Ltd. (APC)

The Company has engaged Advanced Energy Plus Co., Ltd. as its consultant and undergone external verification of greenhouse gas emissions data by Bureau Veritas Certification (Thailand) Co., Ltd., an independent external verifier. The Company will include the certificate of verification of greenhouse gas emissions data by the external verifier as an appendix to this report.

Moreover, the Company actively collaborates with external organizations to establish a network aimed at reducing greenhouse gas emissions. These partnerships include both government and private sector entities. The key initiatives and collaborations are summarized as follows:

1. Carbon emission data platform development

Entering its second year of operating on greenhouse gas emissions, the Company recognizes the critical importance of efficient, accurate, and reliable data collection. To enhance these efforts, AAPICO Hitech Public Company Limited has signed an agreement with Bangkok Industrial Gas Company Limited (BIG) to develop the BIG Carbon Platform. This innovative platform allows for the collection and display of greenhouse gas emissions data across various scopes, which can be updated daily or monthly, depending on user needs. It provides a user-friendly interface with comparison graphs to track consumption. Any significant usage spikes are immediately visible, allowing for timely interventions. To further improve data accuracy, the Company has installed power meters on production line, ensuring precise measurement and monitoring. This data is crucial for analyzing results and developing energy reduction projects, ultimately leading to a decrease in greenhouse gas emissions.

2. In collaboration with universities and state enterprises

The Company participated in the "A Network of Industrial Factories to Support the Reduction of Greenhouse Gases" organized by the Industrial Estate Authority of Thailand (IEAT). As part of this initiative, a research team from Chiang Mai University surveyed the AAPICO Hitech Public Company Limited's facilities and evaluated potential greenhouse gas reduction measures. The team assessed various machines and reviewed data provided by the Company, ultimately proposing ten measures to reduce greenhouse gas emissions. The Company has adopted and adapted these measures to align with its operational environment.

By 2023, four key measures have been successfully implemented including Increasing air compression efficiency by reducing the intake air temperature, Using energy-saving LED bulbs, Installing skylight panels to replace deteriorating ones, Implementing a plan to reduce A4 paper usage by 10%, Additionally, three projects are currently in progress or in the planning stages including replacing old air conditioners with new high-efficiency inverter units, Installing solar energy cells, selecting and implementing a more efficient refrigerant to replace the existing one. These efforts underscore the Company's commitment to sustainable practices and reducing its environmental footprint.



Performance

➤ The greenhouse gas emission of the facilities in Ayutthaya Province

Greenhouse Gas Emission	Unit	2022	2023	%Change
➤ The greenhouse gas emission each scope				
Scope 1: Direct Emission from Company's Activities	tCO ₂ eq	497	537	▲ 8.05%
Scope 2: Indirect Emission from Purchased Electricity	tCO ₂ eq	5,484	5,608	▲ 2.26%
Scope 3: Indirect Emission from Others	tCO ₂ eq	30,800	23,616	▼ 23.32%
➤ The greenhouse gas emission of scope 1 and 2	tCO ₂ eq	5,981	6,145	▲ 2.74%
The intensity of greenhouse gas emission of scope 1 and 2	tCO ₂ eq per production ¹	0.085	0.1002	▲ 17.88%
➤ The total greenhouse gas emission (scope 1, 2 and 3)	tCO ₂ eq	36,781	29,761	▼ 19.09%
The intensity of the total greenhouse gas emission (scope 1, 2 and 3)	tCO ₂ eq per production ¹	0.521	0.4856	▼ 6.79%
The total of Production	Thousand pieces of production	70,620.30	61,282.46	

When comparing the greenhouse gas emissions between 2023 and 2022 (base year), direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions from electricity use (Scope 2) increased by 12.34% and 2.26%, respectively. These increases were primarily due to the increased use of fuel and gas required in the production process, leakage from various sources, and increased electricity consumption. Additionally, a 13% decrease in production resulted in higher greenhouse gas emissions per unit produced.

Conversely, other indirect greenhouse gas emissions (Scope 3) related to raw material acquisition and services decreased by 23.32% compared to the base year. This reduction can be attributed to decreased procurement of raw materials such as tap water, paper, and various types of steel. Improved and more detailed data collection also allowed for more accurate classification of raw material types, contributing to the decrease in Scope 3 emissions. Given the more comprehensive and accurate data available for 2023, the Company will consider adjusting the base year used for setting greenhouse gas emission reduction targets and comparing future performance. This ensures that the targets and performance metrics are based on the most complete and accurate data available.

¹ Total production means a product volume of 1,000 units or a thousand pieces of products

➤ The greenhouse gas emission of the facilities in Chonburi Province

In 2023, the Company has prepared a comprehensive data of greenhouse gases for its facilities in Chonburi Province. The scope of information is divided into two certificates based on the supply chain and shared resource use:

1. **AAPICO Structural Products Co., Ltd. (ASP):** This scope of data includes AAPICO Amata Co., Ltd. (AA) and AAPICO Structural Products Co., Ltd. (ASP)
2. **AAPICO Precision Co., Ltd. (APC):** This scope of data includes AAPICO Forging PLC (AF) and AAPICO Precision Co., Ltd. (APC)

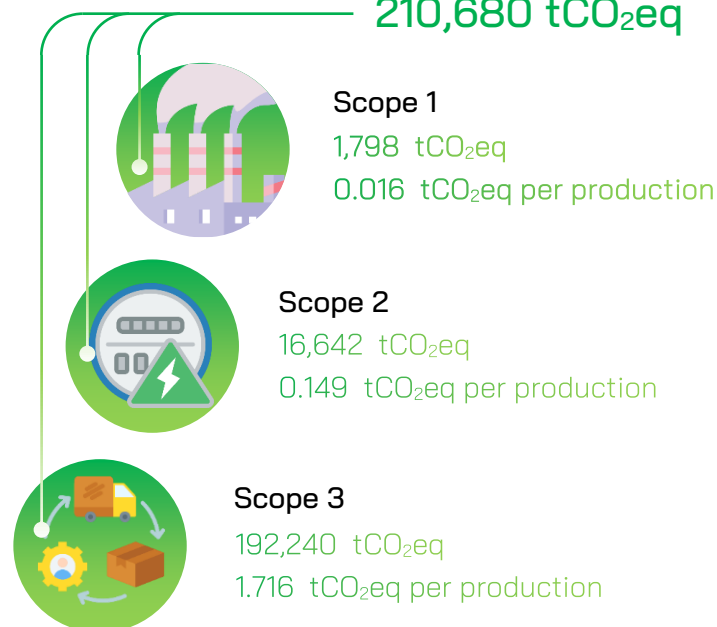
Both certificates followed a meticulous process of data collection, analysis, and verification, similar to the AAPICO Hitech Public Company Limited, as reported above. The intensity of greenhouse gas emissions was compared with the production unit in tons of each factory. The summary of greenhouse gas emissions for the facilities in Chonburi Province is as follows:

Greenhouse Gas Emission	Unit	2023
➤ The scope of AA-ASP data on behalf of ASP certificate		
Scope 1: Direct Emission from Company's Activities	tCO ₂ eq	1,183
Scope 2: Indirect Emission from Purchased Electricity	tCO ₂ eq	8,075
Scope 3: Indirect Emission from Others	tCO ₂ eq	172,714
➤ The greenhouse gas emission of scope 1 and 2	tCO ₂ eq	9,258
The intensity of greenhouse gas emission of scope 1 and 2	tCO ₂ eq per production ²	0.1047
➤ The total greenhouse gas emission (scope 1, 2 and 3)	tCO ₂ eq	181,972
The intensity of the total greenhouse gas emission (scope 1, 2 and 3)	tCO ₂ eq per production ²	2.0581
The total of Production	ton	88,416.10
➤ The scope of AF-APC data on behalf of APC certificate		
Scope 1: Direct Emission from Company's Activities	tCO ₂ eq	615
Scope 2: Indirect Emission from Purchased Electricity	tCO ₂ eq	8,567
Scope 3: Indirect Emission from Others	tCO ₂ eq	19,526
➤ The greenhouse gas emission of scope 1 and 2	tCO ₂ eq	9,182
The intensity of greenhouse gas emission of scope 1 and 2	tCO ₂ eq per production ²	0.3886
➤ The total greenhouse gas emission (scope 1, 2 and 3)	tCO ₂ eq	28,708
The intensity of the total greenhouse gas emission (scope 1, 2 and 3)	tCO ₂ eq per production ²	1.2150
The total of Production	ton	23,628.19

² Production means weight of products (ton)

Total Greenhouse Gas Emissions of AAPICO facilities in Chonburi Province in 2023

210,680 tCO₂eq





SOCIAL

- Human Resource Management
- Respecting Human Rights and Fair Treatment of Labors
- Personnel Development
- Occupational Health, Safety and Work Environment
- Social Responsibility and Community Development



Human Resource Management



Long term target

Short term target

- Achieve at least 89% of average employees' satisfaction and organizational commitment

Performance 2023

- In 2022, the average employees' satisfaction and commitment level with the organization stood at 85.47%, which has not yet achieved the set target. Nevertheless, the company continues to operate following various standards to achieve its goals by 2024.

Reporting Boundary

The Company understands well that human resources are the most valuable asset in driving organizational growth. Therefore, we prioritize recruiting and developing our personnel to embody strong ethical values, professional skills, and adaptability to the increasingly technology-driven era, given the rapid evolution of information and data. The Company emphasizes human resource management to ensure the right people are in the right roles, aligned with their knowledge and experience. Additionally, we focus on enhancing employees' knowledge and capabilities to keep up with various innovations and new knowledge. This fosters a creative mindset in applying these innovations to enhance work efficiency, aligning with the Company's vision of becoming a strong and sustainable organization through a digitally driven operational approach (Digital World Class Organization). This year, the Human Resources management topic encompasses the following companies: AAPICO Hitech PCL (AH) and its Rayong branch (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Plastics PCL (APB) and its Rayong branch (APR), AAPICO Automation Co., Ltd. (AHA), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PCL (AF), AAPICO Precision Co., Ltd. (APC), AAPICO Electronics Co., Ltd. (AEC), AAPICO Lemtech Co., Ltd. (AL), AAPICO IT Services Co., Ltd. (AITS), and AERP Co., Ltd (AERP).

Management Approach

Management strategies for employee management are outlined by various subtopics with the following outcomes:

Recruitment and Hiring Process

The Company supports continuous growth by recruiting knowledgeable and skilled personnel based on the necessary qualifications. Fairness and equality are prioritized by adhering to labor laws and Thai labor standards, including knowledge and skills testing, intelligence and emotional assessments, and interviews by experienced managers. The goal is to select suitable candidates through a process that starts with job announcements across various channels. After reviewing applications, the Company schedules interviews to assess knowledge and skills with supervisors and executives. This is followed by a decision-making process leading to final hiring approval. The recruitment and hiring process includes the following steps:

1. Job Openings - The Company announces job openings positions through various channels and selects applicants based on their application forms, and contacts qualified individuals via phone to gauge interest in further assessments and interviews.
2. Test of knowledge, skills, and abilities - After initial screening of applications, the Company invites candidates to participate in tailored tests assessing their competencies and emotional intelligence for respective roles.
3. Interview - After the candidates complete the various tests, the Company reviews the results and presents them to the management. During the interviews, the managers will evaluate the candidates in various aspects.
4. Approval of Hiring - High-level executives evaluate and approve applicants for their employment. Afterward, the HR department will contact the selected candidates to schedule their first day of work and orientation.

Employee benefits and compensation

The Company has a clear and appropriate policy for compensation and benefits that aligns with job levels, responsibilities, and business operations. It considers motivating employees to perform to their fullest potential by implementing a performance evaluation system for each position. This system utilizes effective Key Performance Indicators (KPIs) to measure job performance. The Company also continuously improves its compensation to be competitive, considering economic conditions and the ability to compete within the industry. This is done to attract talented individuals to join the Company and motivate employees to continually improve and develop their job performance.

In addition to that, the Company also allocates comprehensive benefits not only to employees but also extends to their families. For example, there are provisions for

medical expenses for parents, spouses, and children of employees. Each benefit is regularly reviewed and adjusted to be suitable and in line with the changing social, economic, and business landscape. Furthermore, a welfare committee is established to involve employees in managing welfare matters and serve as a communication channel between employees and the Company regarding welfare and labor relations. The committee provides assistance and support to employees regarding various welfare issues. Apart from the welfare committee, the Company also appoints additional committees to assist in managing and overseeing employee welfare. These committees consist of representatives from every department and serve a two-year term. The committees include the Bus Committee, the Food Committee, the Sports and New Year Events Committee, the Emergency Loan Fund Committee, and the Funeral Welfare Fund Committee.



Financial Welfare Benefit

- Various Funds include the Provident Fund and Social Security Fund
- The AAPICO Savings Cooperative aims to help employees save money and provides low-interest loans to employees, thus reducing their reliance on external debt.
- Retirement benefits scheme in accordance with the law and a long-term benefits plan based on the employees' retirement plan.



Healthcare Welfare Benefits

- Annual Health Check-up: Employees working in high-risk areas are eligible for additional specialized health screenings related to exposure to various chemicals.
- Medical Expenses: The Company provides assistance for both employees and their families' medical expenses (parents and children) in case of a hospital stay of 3 days or more.



Other Benefits:

- Lunch: The Company provides lunch for all employees.
- Uniforms: Employees are entitled to receive new uniforms every year.
- Shuttle Service: The Company has arranged a shuttle service for the convenience of employees' transportation to and from work, as well as for off-site work assignments.

Employee Involvement and Commitment to the Organization

The Company has conducted a biennial employee engagement survey to listen to the opinions and understand the perspectives of employees regarding the organization. The purpose is to make improvements and changes to the Company's operations, aiming to achieve an 89% employee engagement rate. The survey is divided into 11 sections, which are as follows:

Section 1: Confidence in the business and the organizational image

Section 2: Confidence in management

Section 3: Work environment

Section 4: Organizational management and operations

Section 5: Communication and interpersonal relationships within the organization

Section 6: Compensation, benefits, and employee welfare

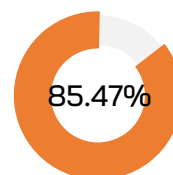
Section 7: Job satisfaction

Section 8: Opportunities and advancement in roles, professions, and careers

Section 9: Employee roles that impact product quality, service, and customers

Section 10: Quality consciousness

Section 11: Objectives and goals



The average employees' commitment level in 2022

¹ The reported data for the year 2022 includes information on both permanent and temporary contract employees in the OEM Automotive Parts Manufacturing and IoT businesses of AAPICO Hitech PCL (AH) and its Rayong branch (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Plastics PCL (APB) and its Rayong branch (APR), AAPICO Lemtech Co., Ltd. (AL), Edscha AAPICO Automotive Co., Ltd. (EA), AAPICO ITS Co., Ltd. (AITS), AERP Co., Ltd. (AERP), AAPICO Electronics Co., Ltd. (AEC), and Able Sanoh Industries (1996) Co., Ltd. (ASICO).)

Performance

Employee Diversity

In 2023, the company's OEM Automotive Parts Manufacturing Business and technology connectivity and Internet of Things (IoT) businesses employed a total of 1,938 permanent staff. The diversity of our workforce can be categorized by physical characteristics, including gender and age, as detailed in the table below.

Additionally, the Company recognizes the value of human potential and the importance of providing opportunities. Thus, we support the employment of people with disabilities to enhance their quality of life and develop their skills, enabling them to support themselves and their families. This, in turn, contributes to creating social value. This year, the Company employed a total of 17 people with disabilities.

Employee Statistics	unit	2022 ¹	2023 ²
Employee Diversity			
Total Number of Employees		3,266	1,938
Male Employees	Persons	2,124	1,405
Male Employee Ratio	%	65.03%	72.50%
Female Employees	Persons	1,142	533
Female Employee Ratio	%	53.77%	27.50%
Age Distribution			
Under 30 Years	Persons	1,246	295
30-60 Years	Persons	2,015	1,625
Over 60 Years	Persons	5	18
Disabled Employees	Persons	6	17

² The data for the year 2023 discloses information solely on permanent employees of AAPICO Hitech PCL (AH) and its Rayong branch (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Plastics PCL (APB) and its Rayong branch (APR), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Lemtech Co., Ltd. (AL), AAPICO ITS Co., Ltd. (AITS), AERP Co., Ltd. (AERP), and AAPICO Electronics Co., Ltd. (AEC). Additionally, the scope of reporting has been expanded to include four more factories: AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PCL (AF), and AAPICO Precision Co., Ltd. (APC).

New Employee Hires

The company's OEM Automotive Parts Manufacturing Business and technology connectivity and Internet of Things (IoT) businesses in Thailand has a total of 237 permanent employees, accounting for 12.23% of the workforce. The Company experienced a resignation rate of 10.01%, which was lower than the new hiring rate. Details are shown as follows:

Employee Statistics	unit	2022 ³	2023 ⁴
New Employee Hires			
New Employee Hires	Persons	199	237
% of New Employee Hires	%	6.09%	12.23%
Less than 30 Years	Persons	N/A	N/A
< 30 Years	Persons	N/A	N/A
Resigned Employees			
Resigned Employees	Persons	274	194
% of Employee Turnover	%	8.39%	10.01%
Annual remuneration for all employee	Baht	630,811,593.22	854,168,844.80

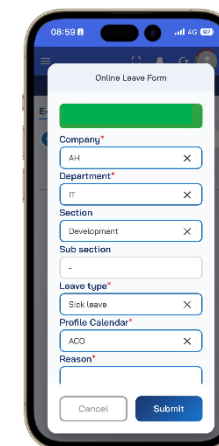
Employee Benefits and Compensation

The company has arranged appropriate benefits to support the livelihood of employees and enhance their quality of life, focusing on the stability of employees' families. This year, the company has disclosed welfare information that supports the well-being of employees' families, such as maternity leave and return-to-work rates, the total medical benefits paid to employees' families, and the number of employees in the company's provident fund. This information is reported annually as follows:

Employee Statistics	unit	2022 ³	2023 ⁴
Employee Benefits and Compensation			
Employees on Maternity Leave	Persons	N/A	8
Maternity leave return rate	%	N/A	100%
Total company-paid healthcare benefits for employees' families (THB)	Baht	N/A	1,803,872
Number of Employees in Provident Fund	Persons	1,289	1,249

In the past year, the Company developed the ESS Application or Employee Self Service Application, as an internal app that consolidates various employee-related information. This includes employee records, attendance tracking, available training courses with training history, and company news and announcements. The aim is to provide employees with easy access to their information and timely updates from the Company, fostering a good relationship and commitment between employees and the organization.

This year, the Company has developed a 100% online leave approval system (E-leave flow), which commenced operation from December 2023 onwards. Employees who seek approval for various types of leave can directly submit their requests through this application. Additionally, employees can also check their remaining leave entitlements



³ In the fiscal year 2022, the reported data includes permanent employees in the OEM automotive parts manufacturing and IoT businesses of AAPICO Hi-Tech Public Co., Ltd. (AH) and its Rayong branch (AHR), AAPICO Hi-Tech Parts Ltd. (AHP), AAPICO Hi-Tech Tooling Ltd. (AHT), , AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Plastics Public Co., Ltd. (APB) and its Rayong branch (APR), AAPICO Lemtech Ltd. (AL), Edscha AAPICO Automotive Ltd. (EA), AAPICO IT&S Ltd. (AITS), and AERP Co., Ltd. (AERP), AAPICO Electronics Ltd. (AEC), and ABLE Sanoh Industries (1996) Ltd. (ASICO).

⁴ In the fiscal year 2566, the disclosed data includes AAPICO Hi-Tech Public Co., Ltd. (AH) and its Rayong branch (AHR), AAPICO Hi-Tech Parts Ltd. (AHP), AAPICO Hi-Tech Tooling Ltd. (AHT), AAPICO Plastics Public Co., Ltd. (APB) and its Rayong branch (APR), AAPICO Hi-Tech Automation Ltd. (AHA), AAPICO Lemtech Ltd. (AL), AAPICO IT&S Ltd. (AITS), AERP Co., Ltd. (AERP), AAPICO Electronics Ltd. (AEC), and expanded reporting scope with 4 additional factories: AAPICO Amata Ltd. (AA), AAPICO Strackjeal Prods Ltd. (ASP), AAPICO Forging Public Co., Ltd. (AF), and AAPICO Precision Ltd. (APC).

Respecting Human Rights and Fair Treatment of Labors



Reporting Boundary

The Company has always prioritized human values as being of the utmost significance. Therefore, we operate according to human rights principles, respecting the diversity of stakeholders in all aspects equally, regardless of race, religion, gender, beliefs, social status, physical appearance, political opinions, or other differences. The Company considers the rightful entitlements of all parties equally.

This report presents the policies, regulations and practices in the treatment of stakeholders, especially employees and laborers, as well as the surrounding communities involved in the Company's operations. This report will disclose the approaches to human rights practices and fair treatment of the Company and its subsidiaries, including: AAPICO Hitech PCL (AH) and its Rayong branch (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT AAPICO Automation Co., Ltd. (AHA), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PCL (AF), AAPICO Precision Co., Ltd. (APC), AAPICO Plastics PCL (APB) and its Rayong branch (APR), AAPICO Mitsuike (Thailand) Co., Ltd., AAPICO Lemtech Co., Ltd. (AL), AAPICO ITS Co., Ltd. (AITS), AERP Co., Ltd. (AERP)

Management Approach

Building Organizational Culture

The Company operates its business in accordance with its vision and mission, one of which is to ensure that employees are happy and have a good quality of life (Happy Employees). This is achieved through fair employment

practices, appropriate welfare provisions, and a safe and hygienic working environment. The organizational culture promotes happy and efficient teamwork, problem-solving, love for family, company, and country, honesty and loyalty, and mutual respect. These five principles are instilled in employees at all levels through training and the process of building the Company's work culture.

Labour Corporate Social Responsibility Policy

The Company has developed Labour Corporate Social Responsibility Policy as a guideline for treating employees in the organization and other stakeholders. The Company prioritize safety in the workplace and ensure compliance with Thai labor standards, specifically the Thai Corporate Social Responsibility (TLS 8001-2010). A Thai Labor Standards Committee has been appointed, ensuring freedom and adherence to human rights guidelines as follows:

1. The Company shall not have any form of forced labor and not participate in illegal labor.
2. The Company shall not hire or does not support the employment of all forms of illegal child labor.
3. The Company shall support and encourage employees with children for breastfeeding and allow employees to take breaks to store milk during lactation as necessary and appropriate, by counting as working hours and shall arrange a place for milk storage.
4. The Company shall not lay off employment, demote, or reduce benefit because of pregnancy.

Long term target

- There are no complaints regarding human rights violations and unfair treatment.

Short term target

- Achieve 89% of average employee satisfaction and engagement score

Performance 2023

- 0 complaint on human rights violation and other social issues from internal and external in 2023

5. The Company shall respect employees' freedom to form an organization or join an organization and shall not interfere or obstruct the operation of any lawful activities of employees.
6. The Company shall not act or not support any unfair discrimination, according to international standards.
7. The Company shall take action to avoid any trespass or sexual harassment problem by establishing measures as a guideline to prevent and solve problem of trespass or receiving suffer and sexual nuisance.
8. The Company shall take steps to avoid violence by establishing measures as a guideline to prevent and stop the use of violence in the workplace.
9. The Company shall ensure that employees are safe in their work according to the law which employees can refuse to work if they found inadequate safety measures, by informing the supervisor and let those involved to take corrective action immediately, and have the supervisor arrange the appropriate work according to the employee's responsibility while waiting for the correction.

Furthermore, the Company places great importance on personal data rights. We have established a Privacy Policy for employees and job applicants, informing stakeholders about the types of personal information that the Company collects, as well as the reasons for processing such data, the storage period, the processing method. This was done to reassure that the Company will not breach their privacy rights and will process data in compliance with the policy.

For foreign labor employment, the Company only employs foreign workers with valid work permits. These workers are treated equally to Thai employees. For those who do not understand Thai, the Company provides knowledge about employee rights through interpreters or foreign language educational materials, covering topics such as work regulations, safety in work operations, quality systems, environmental considerations, and operational procedures.

In addition to promoting human rights within the organization, the Company also encourages partners and subcontractors throughout the supply chain to conduct business under human rights principles. We have a system for auditing and improving these partners and suppliers, focusing on legal compliance, quality systems, safety, occupational health, and environment, human rights, and fair treatment of labor and communities. Moreover, contracts stipulate that partners and subcontractors must treat their employees equitably in accordance with the Supplier Code of Conduct established by the Company and comply fully with all applicable laws. Failure to comply may result in contract termination.

Grievance Mechanism

The Company has implemented a grievance mechanism to enable all stakeholders to share their opinions, suggestions, complaints, or report any violations of human rights or other prohibitions within the organization. Through this mechanism, stakeholders can provide feedback directly to the Company as follow :

Communication Channels for Complaints and Feedback



Report to supervisors, department heads, or through designated interpreters as desired by the complainant.



Postal mail

Chairman of the Audit Committee
AAPICO Hitech Public Company Limited
Unit No. 100/11, 9th Floor (Low Zone), Sathorn Nakorn
Tower Building, No. 100, North Sathorn Road, Silom
Subdistrict, Bang Rak District, Bangkok, Thailand 10500



E-mail

Chairman of the Audit Committee
AAPICO Hitech Public Company Limited
AC@aapico.com

Human Rights Assessment within the organization

In this year, the Company conducted a Human Rights Assessment within the organization to preliminarily verify compliance with the United Nations Guiding Principles on Business and Human Rights (UNGPR), particularly concerning foreign labor practices.

The assessment revealed that while the Company has implemented good practices aligned with human rights principles, there are areas that require improvement and policy development to further align with international human rights standards. The key areas identified for enhancement and development include:

Comprehensive Human Rights Due Diligence (HRDD) audits

The Company received recommendations to conduct the HRDD audits within the organization following global standards to achieve more tangible outcomes in developing comprehensive human rights strategies.

Treatment of migrant workers

The Company treats migrant workers equally, complies with wage laws, and provides language interpreters for effective communication of work details. However, certain operational practices still do not fully meet international standards, such as the lack of assessment or monitoring of subcontractors in their recruitment processes and related operational procedures.

Development Plan for Diversity in Nationalities and Ethnicities

Employees in the Company at all levels come from diverse nationalities, ethnicities, and languages because the Company does not have barriers based on nationality or ethnicity in selecting qualified personnel. Therefore, this diversity can lead to communication issues, such as inaccuracies in company policy announcements or monthly pay slips. To address this, the Company has

arranged for translators and is preparing documents in languages that all employees can read. This initiative will be officially launched next year.

Furthermore, the Company is currently improving and developing its operations to clarify measures on this issue. Progress will be reported in next year's report.

Performance

Throughout the year 2023, the Company and its Audit Committee did not receive any complaints regarding human rights violations or discriminatory practices from both internal and external stakeholders. When comparing the performance concerning human rights over the past four years (from 2020 to 2023), it was found that the Company had achieved its target of zero complaints on these issues for four consecutive years.

Complaints Regarding Human rights violations and Discrimination	Goal	2020	2021	2022	2023
Number of complaints within Company	0	0	0	0	0
Number of complaints outside Company	0	0	0	0	0
Total	0	0	0	0	0

Personnel Development



Long term target

- Creating 3 innovation training courses for employees' skill enhancement by 2026

Short term target

- Average training hours per employee is 8.5 hours/person/year
- 100% of employees trained on Code of Conduct and Anti-corruption policy by 2023

Performance 2023

- 100% of new employees trained on Code of Conduct and Anti-corruption policy by 2023
- The total of training hours in 2023 is 21,701 hours
- Average training hours per employee is 9.96 hours/person/year

Reporting Boundary

The Company recognizes the importance of its human resources in driving its progress. Therefore, it is crucial to enhance the skills and capabilities of employees to match the requirements of their respective roles. We strive to stay updated with technology and foster creativity to introduce innovative solutions and technologies that deliver maximum value to both the Company and its employees and to bolster the Company's strategy of attaining strength and sustainable growth. This report discusses various courses and activities that promote personnel development within the organization, covering the OEM's automotive parts business in Thailand, including: AAPICO Hitech PCL (AH) and its Rayong branch (AHR), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Automation Co., Ltd. (AHA), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Plastics PCL (APB) and its Rayong branch (APR), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PCL (AF), AAPICO Precision Co., Ltd. (APC), Edscha AAPICO Automotive Co., Ltd. (EA), AAPICO Lemtech Co., Ltd. (AL), AAPICO IT Services Co., Ltd. (AITS), and AERP Co., Ltd (AERP).

Management Approach

AAPICO Training Center Co., Ltd. serves as a centralized entity responsible for delivering a diverse range of courses aimed at developing employees to excel and adapt to the demands of contemporary society. and practical work. The training programs are categorized according to identified skill requirements and specific training topics for each job function. A curriculum has been established, encompassing both foundational courses applicable across all departments and specialized courses tailored to individual roles. To ensure optimal effectiveness, we carefully select competent instructors, and the outcomes of the training are evaluated by analyzing participants' progress and achievements before and after completion.

The Company's training courses for employees can be categorized as follows:





Category A

Training courses in work-specific techniques and new technologies outside of on-the-job- training. This also includes training on work safety. The Company has set up courses for various work-specific techniques, such as Basic Hydraulics system, Electric Actuator, MAG welding process, Basic PLC Programming, Basic to Professional Level SolidWorks, Industrial Robotic Automatic Control System, Marketing, PC and Logistics, and Maintenance techniques.



Category B

Training courses focusing on management and finance for developing system management skill, human management skill, and business management skill for the managements of every level, which comprise of:

1. Training on team-leading skills for the automotive industry, and the Job Relation and Instruction for Automotive Industry course.
2. Supervisory Skills Development training course for first-line managers who were recently appointed or promoted to understand the duties, responsibilities of being a supervisor.
3. Peace Leadership training courses for middle and top management in order to cultivate good citizenship within the Company's management, including training on leadership and environment preservation
4. Team Development training courses to build corporate cultures, encourage good outlooks, increase teamwork, and discipline within the organization



Category C

Focus on training courses for systematic management which can be applied to every department for continuous improvement. The Company has set up training courses for 5S, QCC, and Kaizen in order to encourage the employees to work systematically; and the Company has also set up training courses on techniques for training others in order to improve training process for new employees.





Category D

Training courses on quality, safety, occupational health, and environment, which are all important factors in manufacturing business and industry. The training is aimed at increasing employees' awareness on the importance of quality products for customers, safe working procedures, and environment-friendly manufacturing process. The Company has set up training on IATF 16949: 2016 system, including core tools for ISO 14001:2015. The Company also arranged for training on optimal resource management and safety procedures.



Category F

Training courses on computer usage in order to develop the employees' basic computer skills and computer language comprehension. During the COVID-19 epidemic, all staff were educated on how to use online platforms for communication and meetings. The Company has set up training for using many programs such as Microsoft Office for work, Microsoft Teams for communications while working from home, and Microsoft Power Automate, which is a Robotic Process Automation Program, for lean manufacturing and efficient operations, as these programs are currently required for the employees' works.



Category G

Training courses on quality of life and social activities in order to create happy work mentality, life-work balance management, and help the society at the same time. The Company encourages training courses on sufficiency economy and knowledge on illegal loan, credit cards, and debit cards, while also organizing various social activities for employees to help the society



The Company encourages employees to share expertise related to their work or interests, promoting productivity and future benefits through educational programs for other departments.

This year, the Information Technology department enhanced security awareness with Microsoft 365 training, tailored to employees' roles. The program, accessible to all employees, emphasizes security through Cloud Servers. Alongside Microsoft Office and OneDrive, Power Automate was introduced to streamline workflows with automated commands.

The IT department conducted three training sessions, covering AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech PCL (AH) and its Rayong branch (AHR), AAPICO Plastics PCL (APB) and its Rayong branch (APR), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PCL (AF), AAPICO Precision Co., Ltd. (APC), training a total of 50 participants. The IT department aims to increase training participation and expand coverage next year.



Performance

Training Statistics	unit	2022	2023	Target
Average training hours per employee	Hours/Person/Year	N/A	9.96	8.5
Training participation rate	%	N/A	150.78%	120%
Total training hours	Hours	21,923	21,701	23,000

In 2023, the Company provided 21,701 training hours, averaging 9.96 hours per person per year, an increase from the previous year. This year, the Company added specialized technical skill development courses in Category A, in collaboration with the Thai-German Institute, resulting in a 20% increase in training hours compared to 2022. These courses included specific machine maintenance and welding techniques, with a focus on practical application due to the easing of the COVID-19 crisis. Recognizing the importance of innovation, efficiency, electric vehicle technology, and sustainable business operations (ESG for Business), the Company plans to introduce more courses in the future.



Additionally, to foster environmental awareness, AAPICO organized a tree-planting activity in Nakhon Nayok province. Participants from two cohorts of the AAPICO Group Orientation program planted 780 high CO2-absorbing trees, such as Pradoo, Yangna, and Tabak, in line with the Thailand Greenhouse Gas Management Organization's guidelines. This initiative supports the goal of planting 10,000 trees by 2030.

Safety, Occupational Health, and Work Environment



Long term target

- The injury frequency rate (IFR) of employees is 0.
- The lost time injury frequency rate (LTIFR) of employees is 0.

Short term target

- The injury frequency rate (IFR) of employees does not exceed 5.
- The lost time injury frequency rate (LTIFR) of employees is 0.

Performance 2023

- The average injury frequency rate (IFR) of employees is 11.06 per 1 million working hours.
- The average lost time injury frequency rate (LTIFR) is 4.01 per 1 million working hours.

Reporting Boundary

The health and safety of employees are highly prioritized by the Company, especially in business operations related to manufacturing and machinery that require knowledge and understanding to prevent injuries, illnesses, and work-related losses. This report discusses the guidelines for safe work practices and the performance outcomes in 2023. The Company has expanded the scope of data to cover all AAPICO's OEM business facilities in Thailand, including AAPICO Hitech PLC. (AH) and its Rayong branch (AHR), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Automation Co., Ltd. (AHA), Edscha AAPICO Automotive Co., Ltd. (EA), AAPICO Plastics PCL (APB) and its Rayong branch (APR), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC. (AF), AAPICO Precision Co., Ltd. (APC) and AAPICO Lemtech (Thailand) Co., Ltd. (AL). This report compared the injury rate only for AAPICO Hitech PCL. and its subsidiaries in Ayutthaya Province in order to see the trend of the Company's performance.

Management Approach

The Company has established a Health, Safety, and Environment (HSE) Committee, comprising both senior appointed senior management-level members and annually elected operational-level members. The committee is responsible for setting policies, developing preventive plans, providing knowledge, and supporting employees in cultivating safety-conscious attitudes towards work practices. The primary objective is to reduce loss rates and work-related injuries, fostering a safety culture that promotes continuous improvement.

In addition, the Company conducts reviews of its occupational health, safety, and environmental policies, encompassing all stakeholders involved in the operations to ensure compliance with regulations and policies regarding safety. This includes promoting the identification of hazards and risk assessments both within and outside the production areas. The Company is committed to disease prevention measures to enhance the quality of life for its employees.

The Company has developed a prevention plan that includes guidelines and various activities as follows:

- The Company has established a safety culture to provide guidelines for employees, contractors, and visitors to enhance safety on the workplace premises. This commitment is demonstrated through the announcement of safety and environmental policy, the display of informative posters throughout the factory, and the inclusion of safety topics in critical meetings, such as the Annual Supplier Meeting.
- The Company provides training and workshops on safety standards and practices for both new and current employees to enhance knowledge and awareness of workplace hazards. This includes educating them about accident prevention as specified in the Occupational Health, Safety, and Environmental Protection Act.
- The Company conducts regular annual health check-ups for employees to assess their overall health and detect any illnesses or conditions that may arise from their work. This allows for timely treatment and the implementation of preventive measures to avoid future occurrences.

- The Company organizes a safety awareness week exhibition to raise awareness and promote understanding among employees about safe work practices, safe driving, and general health knowledge, including prevention and management of COVID-19. The objective of this event is to encourage employee participation in considering their own safety and well-being through various recreational activities. Additionally, there are educational sessions on environmental and energy conservation to enhance understanding and raise employee awareness about the importance of taking care of the environment alongside self-care.
- The Company provides basic fire extinguisher training and fire evacuation drills regularly every year. At least 40 percent of employees in each department must have experience in basic fire extinguisher training, and every employee must participate in fire evacuation drills at least once a year.
- The Company organizes regular training programs related to safety, such as basic safety training, which aims to train employees on analyzing and predicting potential hazards that may occur in the operational area. Additionally, there are training programs focused on safety when operating various types of machinery.



Basic firefighting training and annual fire drills for employees working during the day shift and the night shift.

Performance

The Company has regularly collected statistics on accidents, which not only affect the well-being of personnel but also have negative implications for the Company. These include the loss of workforce and a decline in economic value. Therefore, the Company is committed to preventing accidents to the fullest extent possible.

In 2023, the AAPICO's OEM business facilities in Thailand have an Injury Frequency Rate (IFR) and Lost Time Injury Frequency Rate (LTIFR) are 11.06 incidents and 4.01 incidents per one million work hours on average respectively.



**Injury
Frequency
Rate (IFR)**

11.06

incidents per one
million work hours



**Lost Time
Injury
Frequency
Rate (LTIFR)**

4.01

incidents per one
million work hours

Statistics of accidents	Unit	2022	2023
Statistics on accidents in AAPICO's OEM business facilities in Thailand¹			
Working Hours	Hours	N/A	9,224,294
Number of deaths due to work	Case	0	0
Number of accidents	Case	N/A	102
Injury Frequency Rate (IFR)	Case per 1,000,000 Hours	N/A	11.06
Number of accidents causing injury leave (>1 day)	Case	N/A	37
Lost Time Injury Frequency Rate (LTIFR)	Case per 1,000,000 Hours	N/A	4.01

¹ AAPICO's OEM business facilities in Thailand includes AAPICO Hitech PLC. (AH) and its Rayong branch (AHR), AAPICO Hitech Parts Co., Ltd. (AHP) AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Automation Co., Ltd. (AHA), AAPICO Lemtech (Thailand) Co., Ltd. (AL), Edscha AAPICO Automotive Co., Ltd. (EA), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC. (AF), AAPICO Precision Co., Ltd. (APC), AAPICO Plastics PLC. (APB) and its Rayong branch (APR), excludes Able Sanoh Industries (1996) Co., Ltd. (ASICO)

Statistics on accidents in AAPICO's facilities in Ayutthaya Province Error! Bookmark not defined.

Statistics of accidents	Unit	2022	2023	
Statistics on accidents in AAPICO's facilities in Ayutthaya Province <small>Error! Bookmark not defined.</small>				
➤ Total Working Hours	Hours	2,237,716	2,839,102	
Number of Work-related fatal injuries	People	0	0	
➤ Number of Work-related Injuries	Cases	14	25	
Injury Frequency Rate (IFR)	Cases per 1,000,000 Working Hours	6.26	8.81	▲ 40.73%
➤ Number of Work-related Injuries causing injury leave (>1 day)	Cases	8	18	
Lost Time Injury Frequency Rate (LTIFR)	Cases per 1,000,000 Working Hours	3.58	6.34	▲ 77.09%

In 2023, the AAPICO's facilities in Ayutthaya Province have an Injury Frequency Rate (IFR) and Lost Time Injury Frequency Rate (LTIFR) are 8.81 incidents and 6.34 incidents per one million work hours on average respectively which increased compared to the previous year. The Company was unable to achieve its target. The majority of accidents are caused due to non-compliance with safety rules when working with machinery. After an accident occurs, the Company promptly conducts investigations to determine the causes and implements measures to prevent recurrence. The Company remains committed to raising awareness among employees to ensure compliance with safety regulations, conducting surveys of hazardous areas, analyzing and assessing risks, in order to minimize and prevent potential accidents.

Social Responsibility and Community Development



Long Term Target

- 0 complaint on human rights violation, environmental and social issues from the community
- Achieve 80% of average community satisfaction score by 2026

Short Term Target

- The funding allocated for CSR and community development projects amounts to 0.1% of the Company's net profit¹

Performance 2023

- 0 complaint on human rights violation, environmental and social issues from the community
- The Company engaged in 10 community and social initiatives, dedicating 0.1% of its net profit to support and develop these projects.

Reporting Boundary

The Company is dedicated to sustainable business practices alongside its commitment to social responsibility. Our efforts focus on assisting, alleviating, and supporting the surrounding communities that contribute to and sustain the company's environment, akin to trees coming together to form a lush forest. However, we do not overlook global issues such as climate change, particularly in our Ayutthaya facility, which frequently faces flooding, and other environmental challenges like PM2.5 pollution caused by agricultural burning.

This report outlines the social and community activities of AAPICO Hitech Public Company Limited (AH) and its subsidiaries which are AAPICO Hitech Parts Co., Ltd. (AHP), AAPICO Hitech Tooling Co., Ltd. (AHT), AAPICO Hitech Automation Co. Ltd. (AHA), AAPICO Amata Co., Ltd. (AA), AAPICO Structural Products Co., Ltd. (ASP), AAPICO Forging PLC. (AF), and AAPICO Precision Co., Ltd. (APC).

Management Approach

The Company recognizes the importance of enhancing learning opportunities, especially for young people who will grow into global citizens in the future. We are also committed to creating career opportunities for local community members and supporting environmentally friendly innovations in the surrounding areas. Our aim is to promote sustainable livelihoods and raise awareness about reducing environmental impact, thereby fostering eco-friendly communities with a higher quality of life.

In 2023, the Company actively participated in social responsibility activities that encompass three dimensions of sustainable development: supporting good health and quality of life, developing sustainable cities and communities, and promoting educational equality.



¹ In the business of manufacturing automotive parts and car dealerships in Thailand

Performance

➤ Innovation and Wisdom Initiative: Turning Straw into Gold and Creating Smoke-Free Communities

The PM 2.5 dust issue is a global crisis resulting from greenhouse gas emissions, which not only harms the environment but also poses serious health risks. Acknowledging the severity of this problem and our commitment to reducing greenhouse gas emissions, the Company has partnered with the government and local communities in Pathum Thani province to promote innovative solutions.

Our initiative focuses on decomposing rice stubble using beneficial microorganisms, converting straw into organic fertilizer to enrich the soil and boost crop yields. We also showcase the transformation of straw into organic fertilizer through biomass pellet fuel production machinery. This method offers an alternative to burning agricultural waste, thereby preventing air pollution and enhancing soil fertility.

By eliminating the burning of agricultural residues, we aim to reduce air pollution, especially PM 2.5 emissions, and promote sustainable, no-burn farming practices.



Customer Engagement Initiative for Community Development and Environmental Support

The Company regularly participates in charitable activities with our customers to support community development and environmental projects. These initiatives primarily benefit local schools and communities, reflecting our commitment to giving back to society in a sustainable manner.

1. Community and Learning Center Support in Umphang with Mitsubishi

AAPICO Hitech Public Company Limited and its Rayong branch have participated in providing scholarships to the Mae Fah Luang Hilltribe Learning Center in Ban Khorsotha, Umphang District, Tak Province.

2. 17th ISUZU Charity Car Rally: Samut Prakan to Phetchaburi

The Company joined this event to raise funds for the improvement and renovation of the restroom facilities at Ban Phrong Khae School in Phetchaburi Province.



Customer Engagement Initiative for Health and Safety Organizations

1. DANA Charity Golf Event 2023

The Company participated in the DANA Charity Golf Tournament at Khao Kheow Country Club. We contributed funds to support the Thai Red Cross Society.

2. Toyota Car Rally 2023 Safety Drive: Bangkok to Cha-am

The Company joined the event and donated safety equipment to traffic police, aiming to promote a culture of safe driving in line with the policies of Toyota Motor Thailand Co., Ltd.



Participating in ISUZU Supplier Group (ISG) for Sustainability Initiatives

AAPICO Structural Products Co., Ltd. is proud to be part of the ISUZU Supplier Group (ISG) working team, contributing to various sustainability projects. This year, the Company has been actively involved in organizing fundraising activities to promote a sustainable society. Here are some of our key initiatives:

1. ISG Charity Bowling Event

The Company organized a charity bowling event to raise funds from ISG working team members, along with collecting recyclable water bottles. The funds and materials raised through this event were donated to Wat Chak Daeng in Samut Prakan Province. The temple recycles plastic bottles into fabric for monks' robes, supporting the concept of reusing materials and promoting the circular economy.

2. Supporting the ISG Rally Project

Recognizing the importance of education, our team contributed funds to Wat Pho Pak Plee School in Nakhon Nayok Province. The funds were used to install solar panels and create a demonstration agricultural plot at the school, enhancing educational quality and improving the quality of life for youth and the community.



➤ Educational Opportunity and Support Program

1. Scholarships for Employees' Children

The Company recognizes the importance of our employees' families. As part of our commitment, we offer annual scholarships to employees' children who demonstrate academic excellence, from primary school to higher education. In 2023, the Company and its subsidiaries in OEM business in Thailand awarded a total of 40 scholarships worth 142,000 Baht. These scholarships were distributed to the children of employees at Aapico Hitech Public Company Limited and branch in Rayong (AH and AHR), Aapico Hitech Parts Co., Ltd. (AHP), Aapico Hitech Tooling Co., Ltd. (AHT) and Able Sanoh Industries (1996) Co., Ltd. (ASICO). The details of the scholarship distribution are as follows:



Elementary Level
22 Scholarships



High School and High
Vocational Certificate
16 Scholarships



Undergraduate Degree
2 Scholarships

2. Support Program for Outstanding Students

Believing in the future of global citizens, the Company has partnered with the Asian Institute of Technology (AIT), a renowned institution in Thailand specializing in innovation and technology. Together, the Company supported a scholarship program for outstanding master degree's students in the School of Engineering and Technology (SET), focusing on fields such as management, data analytics, or artificial intelligence. In addition to financial support, scholarship recipients have the opportunity to intern with the Company, gaining valuable work experience and the potential for future employment.



► **Blood Donation Project: 100 Million cc of Immortal Blood for the Thai Red Cross**

The Thai Red Cross has continually faced blood shortages, requiring over 1,500-2,000 bags per day to adequately serve patients nationwide. In response to this pressing need, the Company is dedicated to supporting this cause by encouraging our healthy employees at AAPICO Forging Co., Ltd. (AF) and AAPICO Precision Co., Ltd. (APC) to participate in blood donation drives. We are proud participants in the "100 Million cc of Immortal Blood for the Thai Red Cross" campaign, an annual event organized by Amata City Industrial Estate in Chonburi Province. Through this initiative, we aim to contribute significantly to alleviating the blood shortage and supporting the vital work of the Thai Red Cross.





ขอเชิญร่วมบริจาคโลหิต

100 ล้านซีซี ครั้งที่ 2 / 2566

โลหิตชาวอมตะ เพื่อสภากาชาดไทย

23 พฤษภาคม 2566

เวลา 09.00-15.30 น.

ณ ศูนย์บริจาคโลหิต อมตะซิตี้ ชลบุรี (Financial Street)

#AmataBloodHero



Carbon Footprint for Organization Certificate

- Ayutthaya Plants
- Chonburi Plants



BUREAU
VERITAS

Bureau Veritas Certification

Greenhouse Gases Verification Statement

Awarded to

AAPICO Hitech Public Company Limited

99 Moo 1 Hitech Industrial Estate, Tambol Ban lane, Amphur Bang Pa-in,
Ayutthaya, Thailand 13160

For Organisation Boundaries

Covering

**OEM Automotive Parts Manufacturing
and its related activities under operation control**

Bureau Veritas Certification has carried out the verification of the quantity of Greenhouse Gas emissions of the above organization as per ISO 14064-3:2019. The Greenhouse Gas emission quantification and reporting is found to be in accordance with the requirements of the standard detailed below

STANDARD

ISO 14064 - 1: 2018

SCOPE OF CERTIFICATION

DIRECT EMISSION: 537 tons CO₂-equivalent

ENERGY INDIRECT EMISSION: 5,608 tons CO₂-equivalent

INDIRECT EMISSION: 23,616 tons CO₂-equivalent

EMISSIONS DUE TO BIOMASS COMBUSTION: 24 tons CO₂-equivalent

REPORTING YEAR: 1ST JANUARY 2023 TO 31ST DECEMBER 2023[#]

LEVEL OF ASSURANCE: LIMITED

To check this certificate validity please call: +66 2 670 4800

Further clarifications regarding the scope of this verification certificate and the applicability of the ISO 14064-1:2018 requirements may be obtained by consulting the organisation.

Certificate Number: **THAILAND/GHG/2024/011**

Date: **21 February 2024**

Mr. Prawaltong Tongyai Na Ayudhaya
Certification Manager

*Certification / Managing Office Address: Bureau Veritas Certification (Thailand) 16th Floor, Bangkok Tower,
2170 New Petchburi Road, Bangkok, Huaykwang, Bangkok 10310, Thailand.*

[#] Verification is conducted based on Thai version of Greenhouse Gas report



BUREAU
VERITAS

Bureau Veritas Certification

Greenhouse Gases Verification Statement

Awarded to

AAPICO GROUP (CHONBURI)

**For Organisation Boundaries
Covering**

**AAPICO Structural Products Company Limited
700/16 Moo6, Nongmaidaeng, Chonburi, Chonburi 20000, Thailand**

**AAPICO Amata Company Limited
700/483 Moo2, Ban Kao, Phan Thong, Chonburi 20000, Thailand**

*Bureau Veritas Certification has carried out the verification of the quantity of
Greenhouse Gas emissions of the above organization as per ISO 14064-3:2019
The Greenhouse Gas emission quantification and reporting is found to be in accordance
with the requirements of the standard detailed below*

STANDARD

ISO 14064 - 1: 2018

SCOPE OF CERTIFICATION

**DIRECT EMISSION: 1,183 tons CO₂-equivalent
ENERGY INDIRECT EMISSION: 8,075 tons CO₂-equivalent
OTHER INDIRECTION EMISSION: 172,714 tons CO₂-equivalent
EMISSIONS DUE TO BIOMASS COMBUSTION: 12 tons CO₂-equivalent**

REPORTING YEAR: 1ST JANUARY 2023 TO 31ST DECEMBER 2023[#]

LEVEL OF ASSURANCE: LIMITED

To check this certificate validity please call: +66 2 670 4800

*Further clarifications regarding the scope of this verification certificate and the applicability of the ISO 14064-1:2018
requirements may be obtained by consulting the organisation.*

Certificate Number: **THAILAND/GHG/2024/040**

Date: **16 April 2024**

**Mr. Saravut Suparatanachatpun
Deputy Certification Manager**

*Certification / Managing Office Address: Bureau Veritas Certification (Thailand) 16th Floor, Bangkok Tower,
2170 New Petchburi Road, Bangkapi, Huaykwang, Bangkok 10310, Thailand.*

[#] Verification is conducted based on Thai version of Greenhouse Gas report



BUREAU
VERITAS

Bureau Veritas Certification

Greenhouse Gases Verification Statement

Awarded to

AAPICO GROUP (CHONBURI)

**For Organisation Boundaries
Covering**

AAPICO Precision Company Limited

700/16 Moo6, Nongmaidaeng, Chonburi, Chonburi 20000, Thailand

AAPICO Forging Public Company Limited

700/20 Moo6, Nongmaidaeng, Chonburi, Chonburi 20000, Thailand

*Bureau Veritas Certification has carried out the verification of the quantity of
Greenhouse Gas emissions of the above organization as per ISO 14064-3:2019
The Greenhouse Gas emission quantification and reporting is found to be in accordance
with the requirements of the standard detailed below*

STANDARD

ISO 14064 - 1: 2018

SCOPE OF CERTIFICATION

**DIRECT EMISSION: 615 tons CO₂-equivalent
ENERGY INDIRECT EMISSION: 8,567 tons CO₂-equivalent
OTHER INDIRECTION EMISSION: 19,526 tons CO₂-equivalent
EMISSIONS DUE TO BIOMASS COMBUSTION: 6 tons CO₂-equivalent**

REPORTING YEAR: 1ST JANUARY 2023 TO 31ST DECEMBER 2023[#]

LEVEL OF ASSURANCE: LIMITED

To check this certificate validity please call: +66 2 670 4800

*Further clarifications regarding the scope of this verification certificate and the applicability of the ISO 14064-1:2018
requirements may be obtained by consulting the organisation.*

Certificate Number: **THAILAND/GHG/2024/041**

Date: **16 April 2024**

Mr. Saravut Suparatanachatpun
Deputy Certification Manager

*Certification / Managing Office Address: Bureau Veritas Certification (Thailand) 16th Floor, Bangkok Tower,
2170 New Petchburi Road, Bangkok, Huaykwang, Bangkok 10310, Thailand.*

[#] Verification is conducted based on Thai version of Greenhouse Gas report



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