

Strength to Move Forward >>





About this Report

This report aims to reflect long-upheld practices of sustainable business which are continually developed by Sahaviriya Steel Industries Public Company Limited or SSI. Our way is based upon the concept of pursuing business growth whilst at the same time attaining involvement in social and environmental development - an exemplar in conducting sustainable business that is competitive and socially responsible for the community in a concrete manner and more in line with business environment. Hence, we have issued our first ever Corporate Social Responsibility Report 2009, which is a compilation of information and results of social projects, environmental management performance and success in human resources development in 2009.

The content of the report consists of vision, mission and a myriad of operations supporting the aforementioned concept, which have been adopted as part of business plan and management system in order to achieve our goal in the same direction in addition to measurable results. It also entails corporate governance and performance of safety, environment and occupational health management as well as outcome of development and sustainability-driven projects undertaken by SSI and other companies under SSI Group as well.

This Corporate Social Responsibility Report is available not only in print but also online at the Company's website: www.ssi-steel.com.

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Our Purpose (Vision & Mission)

Innovate premium value steel products and services for customer; generate consistent profit and sustainable value for stakeholders.

Values (iFacts)

integrity i We do what we say	Fighting spirit F Never give up	aim for excellence a The best is yet to be	can change c Be the leader of change	team work t One for all, all for one	service-mind s Deliver more than expected
We do what we say	Never give up	The best is yet to be	Be the leader of change	One for all, all for one	Deliver more than expected

Message from the President



Win Viriyaprapaikit

President

Sahaviriya Steel Industries Public Company Limited

Dear Stakeholders

The publication of this Corporate Social Responsibility Report, which for the first time is separated from the company's Annual Report to the Shareholders, marks another step forward in our endeavor in sustainable development. The report details how Sahaviriya Steel Industries Public Company Limited (or SSI) approaches the issue, and what choices and actions it takes. It portrays the company's commitment towards sustainability based on sound principles, stakeholders' participation and hands-on results. This report allows our stakeholders to understand how our new corporate vision "Innovate premium value steel products and services for customer; generate consistent profit and sustainable value for stakeholders" translates into real life; how we diligently innovate strength for our stakeholders.

In 2009, SSI initiated 37 new projects aimed at strengthening the social fabric of our community – providing the Strength To Live and the social safety net, i.e.

- activities for the less-fortunate groups,
- activities to promote education, health and safety, job and income development, religious and cultural functions, and environment conservation.

These projects are designed to involve maximum participation from our stakeholders such as employees, suppliers, community leaders and residents, and local and national authorities. Employee-based voluntary activities (called "SSI Arsa"), in particular, show our credo in being a good corporate citizen and earn trust from our stakeholders in return.

Not only is SSI's effort targeted towards local and national problems, it is also aimed at tackling humanity's greatest challenge – climate change. SSI has taken the leadership in the steel sector to set up a working committee to actively reduce our carbon footprint and promote our stakeholders' awareness.

Our sense of responsibility for the society speaks the loudest, albeit silently in action, in our production process and business conduct. This is where these philosophies – good corporate governance practice, ethical business conduct, accountability for consumers, respect for human rights, fair treatment of employees, regulatory and statutory compliance, and care for the environment – are most deeply ingrained.

At SSI, we believe that sustainable development is the only way forward. It is our Strength To Live.



Strength to Move Forward

>> Success on Environmental Protection

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Success on Environmental Protection

We...take responsibility for entire supply chain

A Philosophy of Safety, Occupational Health and Environmental Management

At Sahaviriya Steel Industries Public Company Limited (SSI), a strong realization and consciousness of conducting business in an economically, socially and environmentally responsible manner have prompted us to develop and improve safety, occupational and environmental management which is based on the accountability for entire supply chain as follows:

- The Company carries out a life cycle assessment of production of hot-rolled steel sheets, pickled and oiled steel from the design process, project improvement until delivery process to the customers. Also the analysis of the process during the delivery to the customers is underway.
- We conduct occupational health, safety and environment risk assessment for every activity and service under normal, abnormal and emergency situations. A risk management plan to ensure proper mitigation and control measurements is also developed.
- The Company manages the utilization of natural resources, feedstock and energy in a way that attaches importance on sustainable principles and the pursuit of alternatives which derive lower impact on environment, less waste, less risk of competition for natural resources with the community and ability to recycle the resource to replace original resource on a continuous basis.
- We reduce and control environmental impact from the business in order to achieve in the result that is better than the required standard and not beyond the natural carrying capacity.
- We conduct surveillance and monitoring activities on environmental factors and occupational health at work, working environment and community environment which are exposed to negative impact from business on a regular basis. The programs are uninterruptedly improved by experts.
- The Company together with employees and community restores and improves environment and natural resources at both local and regional levels in order to help gain fertility and maintain biodiversity. In doing so,



It's not all about the profit.

Safety and environmental concerns must be the priorities.

Kittisak Mapanao

Vice President of Manufacturing

Sahaviriya Steel Industries Public Company Limited

"Driving business in a sustainable direction can not rest on performance or profit making of the business alone. But we need to pay great attention to safety management at the factory, safety at work, management of employees, occupational health and most importantly, we need a resolute commitment to control and prevent environmental impact from the business which can affect nearby community as well as to efficiently manage and optimize the use of natural resource."

Various certifications of quality assurance granted to the Company can well attest to our dedication to operate business according to good corporate governance which go through extensive process and stages for such standard certification approvals e.g. ISO 14001/TIS 8001/OSHAS18001 as well as the regular inspection performed annually by central agencies. Keeping our standard to comply with laws requirement reveals our strong intention to responsibly manage environment, occupational health and safety to effectively meet the standards for always."

ecology system can be restored to recover to its original state after the Company's utilization at the soonest.

- SSI promotes and builds awareness of safety, occupational health and environment management among employees, families, community and every stakeholder to promote cooperation, integration, environment maintenance and conservation to allow enduring coexistence of the community, factory and environment.

A Model of Environmental Management

At regional level, SSI has formed a climate change working group which consists of executives from various departments to serve as a main body to implement the project according to the policy to reduce climate change - a key environmental problem. With the committee, concrete action to tackle such problem then takes place through the modification of working process at the factory, transportation process and waste management process as well as innovation creation to solve the problem as well as network creation for the said implementation.

At operational level, SSI has worked together with other companies in the Sahaviriya Group under the Committee and Policy Committee of Center of Environmental Management and Promotion which is the



main unit to coordinate efforts in designating the policy and model of environmental management between companies in the Group at Bang Saphan District. This helps to create a direction that is in line and suitable with the overall picture in the area. Working hand in hand with the Centre of Environmental Management and Promotion of Sahaviriya Group, SSI has implemented activities related to environment management at the plant, undertaken the study to collect information on ecology and environment conservation around the plant area as well as continuously established and disseminated knowledge on environment for every group of stakeholder.

With respect to management at the plant, the Office of Safety and Environment is a key unit to coordinate the execution of environmental management activities among various departments at the plant. A Committee of Environmental Management System consisting of executives from every department at the plant is assigned to consider and delegate the overall policy. They also offer opinion, suggestion for yearly implementation. Meanwhile, the Committee of Occupational Health, Safety and Environmental of the Company made up of representatives from the executives and operation staff is in charge of following up the performance of various projects and relevant activities each month. The information of implementation already presented to both committees will be further communicated to all employees.



*I am confident and assured that **SSI** is a factory equipping with the occupational health and safety management that follows law requirements.*

Thawatchai Wisamon
District Chief Officer
of Bang Saphan

"SSI is a large company located in the Bang Saphan District, Prachuap Khiri Khan Province. SSI is then like a big family with many members. No matter how long this house has been founded and operated business, every one still keeps an eye on this house and always keeps checking on how this very big house is doing and how they treat other members in the family and nearby neighbors. From my own experience of visiting the plant and meeting involved persons who are ready to open for communities, I am well aware and informed of the well-planned environmental managements system as well as occupational health and safety of the plant. I am confident and assured that SSI is a factory equipping with the occupational health and safety management that follows law requirements as witnessed by several outstanding and excellent industry awards as well as ISO standard certification constantly awarded to the Company."

In 2009, **SSI** reduced the energy consumption in the production process by **2,752** tons of carbon dioxide emission.

In addition, the authority to implement environmental management is delegated downwards to operation in order to allow every level of employees to take part in managing environment through the departmental committee of occupational health, safety and environment responsible for following up activities related to the operation. This committee coordinates with representatives from the Office of safety and Environment who attend the meeting of departmental committee every month. Also, six sub committees which consist of members from various departments are appointed according to the nature of problems that is significantly important to environment. Those sub committees will specify targets, plans and annual projects and will report the progress to the Committee of Occupational Health, Safety and Environment every month.

Commitment...to Reduce Emission of CO₂

Energy conservation and climate change management

Observing a serious threat of climate change, an environmental problem which is affecting globally, the Company has therefore formed a working group to manage climate change in order to undertake activities to lessen effect from climate change through a number of project and activities. Our assorted efforts entail energy economization, waste management as well as public relations campaign for employees and public to



acknowledge the effect as well as methods of impact reduction and cooperation with government in combating climate change. The Company applies life cycle assessment principles to its environmental activities to reduce impact and improve environmental projects on a continuous basis which are in line with the policy of social and environment improvement as well as social responsibility.

In 2009, the activities to reduce effect of climate change designed by the Committee of Climate Change Management which is a main committee were organized by a wide range of departments such as Energy waste reduction of Descaling System Project, Installation of Speed control of Motor Pump CP002D, Installation of Dry Diaphragm Furnace 2 and Installation of transparent roof at pickled and oiled steel production lines. These implementations helped the company reduce 2,752 tons of CO₂.

Ozone depleting substances

Ozone depleting substances (ODS) is a substance adversely affecting the environment. Thailand has become a signatory party of the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer which requires the reduction and termination of the use of ODS by 2010.



Nature as Alive: SSI takes action to reduce Global Warming.

Ozone depleting substances management

Realizing the impact of ozone depleting substances (ODS), we started reduction the use of ODS and have avoided its use as well as rolled out the plan to improve equipments to enable them to use other alternative substances as follows:

1. Surveyed and created database of equipment, machinery using ODS.
2. Specified the goal and schedule for equipment cancellation or modification on production process using ODS.
 - Air conditioners group to be completed in 2005.
 - Chillers group to be completed in 2005.
 - Fire extinguisher group discontinued the purchase halon fire extinguishers since 2003.
3. Communicated and educated the employees to be knowledgeable of the improvement and regulations as well as the effect from using OD.

Green purchasing

At SSI, environmental management plays a preponderant role. We have reviewed all environmental effects both directly arising from company activities as well as indirectly causing by other organizations in the supply chain. Heightening realization and awareness of environment preservation of relevant persons in the entire supply chain is another pivotal channel to let people join force in environmental stewardship. SSI thus set out a green purchasing procedure as a guideline for purchase of products, material, equipment, feedstock as well as service procurement to be environmentally friendly. In 2009, 21 items of products were procured according to the guideline. That is, more criteria were added and an emphasis on the process that is environmentally responsible is a key factor for procurement. Also, the Company has a policy to add such items for the future procurement.

Environmental, Occupational Health and Safety Management

Air quality management

SSI regards its high responsibility to improve air quality despite various geographical advantages of the location of SSI plant i.e. high air-circulation rate on sea coast, instagnant air in Bang Saphan resulting in high carrying capacity which facilitates air flow from the factory and low environmental impact. The quality of the air emitted from the factory has always been ensured to be above the standard prescribed by the government so that it will not be harmful to health and environment of the people in the community in both acute and chronic stages.

Our accountability extends to the task of monitoring air quality around the plant in order to prevent negative effect from the business conduct of SSI. Should there be any negative sign of air quality in the nearby areas which may be related to the work of SSI, the Sahaviriya Group of Companies by the Center of Environmental Management and Promotion and SSI has clear policy to jointly conduct a study to seek for a method to immediately prevent such problem.

With a factory design for efficient energy use, an installation of automatic fuel combustion control system as well as a control of sulphur content in the fuel at a level of lower than two percent, quality of air emission from the hot rolled steel sheet production line is better than the mandatory requirement and Environmental Impact Assessment (EIA). Also, we installed wet scrubber at pickled and oiled steel production line and acid treatment unit in order to recover and reuse the acid. As a result, hydrochloric acid (HCl) emitted from the plant is lower than the prescribed standard and EIA of the plant.

Water resource management

Given that the area in Bang Saphan District is mostly agricultural, SSI has rolled out a clear policy that the water for hot rolled steel sheets manufacture will not compete with agricultural sector. To ensure the community that such policy can be materialized, the Company has made an announcement that public water will not be drawn if the water in the weir is lower than 2.2 meters, its plant has been designed for effective use of water in addition to its investment on infrastructure system to respond to the policy. These include a water reservoir that can hold two million cubic meters at the site to reserve the water for the plant which will make the use of public water unnecessary during the drought season. In addition, the plant can keep water during the water season – another important means to help alleviate the flood. The plant was designed to consume water in an efficient manner so as to allow zero discharge. Thus the community can be rest assured that SSI has adopted stringent measures to prevent water pollution.

Although SSI discharges zero water from the plant, the water quality assessment and water pollution surveillance remain our accountability. Every month, SSI commissions an external consultant licensed and certified by the Department of Industrial Works to inspect

SSI has rolled out a clear policy that the water for hot rolled steel sheets manufacture will not compete with agricultural sector. To ensure the community that such policy can be materialized, the Company had made an announcement that public water will not be drawn if the water in the weir is lower than

2.2 meters.

quality of the water in the plant area as well as public water source to ensure that the water from public source still maintains its natural quality and has emission value according to the standard of relevant organizations. If any controlled value of water source shows a sign of lower standard, SSI will conduct a study to identify a cause and strive to mutually improve with the community accordingly. In 2009, the results from water assessment and monitoring from every source show that the water quality complied with the standards and there was no irregularities.

Waste management policy

Waste from steel industry is dissimilar to waste from other industries as waste from steel in particularly, hot rolled sheets and pickled and oiled sheets can be used as feedstock in other industries. For instance, residue from water treatment system contains steel dust which can be used as feedstock in cement industry, steel scale from hot rolled steel production process can be used as

feedstock in steel making process, iron oxide from hydrochloric acid separation can be reused in steel making process and anti rust paint industry. Even steel scrap during products trimming process can also be sent to furnace for recycle, etc. Therefore, SSI is dedicated to reducing the waste at its source right from the production process. In 2009, with the target to control yield loss of the hot rolled steel sheets at 2.40 percent; the actual result turned to be 2.12 percent. While the target for pickled and oiled steel was set at 1.93 percent; the Company achieved 1.0 percent. The impressive results showed effective loss control of the Company. In 2009, an amount of SSI garbage and waste residue from the production was 5,822 tons requiring Baht 11.2 million for disposal expense.

Emergency response plan

All kinds of emergencies - fire, chemical spill or fuel leakage to environment, flood in the factory - adversely impact environment and health. SSI regards emergency response management as prime responsibility and a crucial performance indicator of environmental and safety management. As a rule of thumb, we stress prevention before problem which includes storage area preparation for chemicals equipped with a proper alarming and hazard prevention system, chemical storage in appropriate and strong containers, stringent control of the transportation of chemicals with the suppliers. These also involve construction of storage for spilled chemicals in restricted area, setting up work regulations and maintenance guideline of the equipment and machinery to be in prime working conditions. In addition, emergency response plan for fire, flood and chemical spill and drill practice with governmental agencies, local administration organizations are put in place to prepare readiness of employees and relevant equipment at all times.

In 2009, SSI conducted four emergency drills, one of which was an exercise with external agencies.



Preservation of biodiversity

SSI's operation especially in Bang Saphan District poses both short and long-term environment risks. Ecology system and biodiversity in the area are thus vital elements to which SSI and Sahaviriya Group pay great attention. Partnering with the Center of Environmental Management and Promotion of Sahaviriya Group, SSI carried out the following projects:

- A Contest on photo and data on ecology of living organisms around the plant in the Safety, Occupational Health and Environment Week of Sahaviriya Group to stimulate employees' interests on living organisms in the area as well as importance of ecology system. In 2009, there were over 400 entries for the Contest; stored in biodiversity database every year, the photo and database provide great tools for the Center of Environmental Management and Promotion to keep track of the information in the long term.
- A two-kilometer trail from Pa Klang Ao Forest Park to Mae Ram Peung Mangrove Forest. With a collaboration with the Center of Environmental Management and Promotion of Sahaviriya Group and Community Development and Environment Promotion Network of Bang Saphan District and Pa Klang Ao Forest Park, the Company built a nature trail in the forest park for public and interested persons to conveniently study ecology system of rubber forest and mangrove forest without disturbing the nature. In 2009, over a distance of 330 meters of the trail was completed; this project will continue into 2011.
- A bird study project in Bang Saphan District. SSI, in cooperation with the Center of Environmental Management and Promotion of Sahaviriya Group and Kasetsart University, organizes a research program on immigrant and local birds in every season. The result from the research will be helpful in tracking and monitoring the changes of the area.
- Marine endangered species surveillance network in Bang Saphan, Thap Sakae and Prathio Districts is created to impart knowledge and offer trainings by experts from Department of Marine and Coastal Resources. At the trainings, the participants learn how to take care and

save the marine endangered species at the area in a proper manner to help reduce the mortality rate of the endangered species. In addition, the report of marine endangered species from fishermen and communities from the communities along the coast will help the Surveillance Center to increase data of marine endangered species in the area that can be useful for further research.

Control of impact from feedstock and products transportation

In the production of hot rolled steel sheets and pickled and oiled steels of SSI, transportation of feedstock to the plant and products to distribute to the customers takes place. The transportation affects the communities in the radius of operation. Particularly, typical loading and unloading feedstock and products of SSI using large and heavy load trailer trucks may cause great impact on the community if management system is not efficient enough. SSI has therefore developed a safe and sustainable transportation system by taking into account every stakeholder all along the routes.

Our subsidiary, Prachuap Port Company Limited, has a deep sea port that can accommodate cargo ship up to 100,000 DWT to mitigate problem from land transportation. Nevertheless, due to several factors such as economic growth, customer needs for speedy service

TWO kilometers
long of mangrove
forest scenic route:
Bang Saphan,
the new **green**
tourist spot.

and certain amount of products in some cases, water transportation may be not a means of choice every time. As land transportation continues, SSI partnering with Sahaviriya Group, Bang Saphan District, strictly controls land transportation operation through followings projects and measurements.

1. Establishment of a working group to control transportation trucks operation and plan to control the operation of Sahaviriya Group trucks.
2. Improvement of the operating procedures of trucks in the plant area and Bang Saphan District community as well as standard of product transportation and measures to consider implementation in case of non-compliance with the procedure.
3. Improvement of investigation system and setting up measures to prevent accidents from Sahaviriya Group trucks.
4. Brush-up trainings for the truck drivers on the procedure according to the operating procedure for the plant area and Bang Saphan District community as well as operating methods in transportation, products care and practices in case of accident.
5. Arrangement of traffic inspectors and monitoring of both the plant and Bang Saphan Community on a daily basis.
6. Building of truck rest and recreational areas for the drivers of Sahaviriya Group
7. Improvement of traffic signs at the plant and in the Bang Saphan Community
8. Review and making preparedness program to resolve the situation in case of emergency.
9. Holding a monthly working group meeting to follow up the performance.

In addition, the Company has also laid out operating guidelines to lessen impact on community and improve driving etiquette of the drivers to be in line with the standards as follows:

1. A maximum speed limit from the plant until Bang Saphan Hospital is 30 km/hour and from the hospital to Petchkasem Road is 50 km/hour.
2. Must not exceed the maximum speed limit of 30 km/hour when driving around the curve, a junction near the schools, markets and community.
3. Each truck needs to leave a space of not less than 50 meters in order to allow small vehicles to overtake.
4. Turn on the low beam head lights all the way from the plant until Petchkasem Junction.
5. Do not use the route from Petchkasem Junction-the plant-Petchkasem Junction during 07.30 - 05.30 hrs and 15.30 - 17.30 hrs (except holidays).
6. Do not pass the other cars when making a turn around the curve and especially at the junction or critical areas and do not make a U-turn at the junctions.
7. For loaded trucks, do not use the route from Ban Krood-Ta Manao, Nong Rawang-Talor (behind the hospital).
8. Disassembling the front and rear parts of the truck and parking the trucks on shoulder of the road from the plant area to Petchkasem Road (except when the truck is broken down) are not allowed. If trucks are broken, the equipment to warn other drivers on safety distance is needed; and the truck needs to be immediately repaired.
9. Do not park the truck (either empty or loaded) in the community, market areas from the Plant until Petchkasem Junction.
10. Securely fasten the products with the trucks and cover with tent cloth at all times.
11. The trucks must be in a good condition and the drivers are ready to work.

To make the community aware of the aforementioned procedures, SSI has clarified them with the community on various occasions. We welcome suggestions and participation of the community to enforce the practices to rigorously follow the said regulations. To this, SSI has received good response from the community.

SSI mutually propels the community forward on a sustainable path.

Pakorn Purimatikarn
Manager of Office of
Safety and Environment
Sahaviriya Steel Industries
Public Company Limited



"As you can see SSI in Bang Saphan today, not only we have to be careful not to build a wall that separates us from the community, we also have to demolish a fence that may still exist - the obstacles that may make them feel that the factory is not part of the community. We fully understand that despite the correct and right implementation at our own plant, negligence of creating mutual understanding through public participation process will make us miss an opportunity to mutually propel the community forward on a sustainable path. Of course, we will never let that happen."



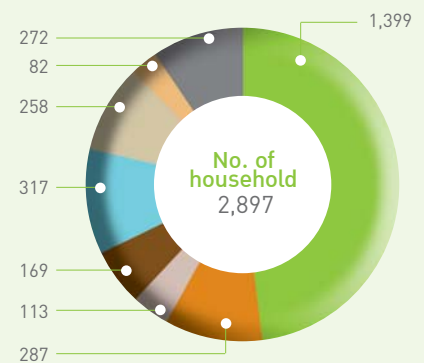
Compliance with rules, regulation and laws

In operating business, we embrace principles of good corporate governance, transparency and strictly comply with the law, rule and regulations in addition to follow obligations of every agreements in which we engage without circumvention especially in areas of environmental management. For every project, we request permission and prepare a report on environment and related issues for instance a permit for industrial waste disposal, assessment and improvement of pollution treatment system, a report of environmental management with the governmental agencies and local administration, etc. Owing to SSI's complete and punctual implementation, in 2009, no project received termination, suspension, penalties order from environmental work.

Community opinion survey and participation process of the community in environment stewardship

Communities surrounding the plants are deemed vital stakeholders. SSI business has potential to affect public economically, socially and environmentally – both positive and negative. Through community participation process, the community and SSI will have better understanding on both favorable and unfavorable effects which will lead to the process of mutual decision making in various projects in order to decrease or remedy adverse impact and promote desired positive effect at a wider scale for maximum benefit of the community and society. SSI has thus attaches a paramount importance to the community participation. In addition to establishing a community relations unit to be directly responsible for implementation, the Company has undertaken various projects to facilitate the process of community participation in a concrete manner. It starts from evaluation of community's satisfaction on plant operation every year in order to understand expectation from the communities. Beginning in 2003, the survey has been continuously conducted every year. The results are shown on page 13.

Sub District	Community	No. of household	Study Samples (No.)	
			From calculation	Actual study
Kamnerd Noppakhun	Tesaban Kamnerd Noppakhun	1,399	170	170
Mae Ram Peung	M. 2 Ban Ta Manao	287	35	35
	M. 3 Ban Ao Yang	113	14	14
	M. 4 Ban Ta Kham	169	20	21
	M. 5 Klang Ao	317	38	39
	M. 6 Ban Klang na	258	31	31
	M. 7 Ban Toong Lan Kwai	82	10	10
	M. 8 Ban Lang	272	33	33
Total		2,897	351	353



In 2009, the community attitude survey revealed that the majority acknowledged and realized the benefit of the plant in terms of local employment which provided more income for the villagers as well as the support of community activities. They were most satisfied with the support of environmental activities and natural resources conservation of the company which concerns their means of living such as a release of aquatic animal juveniles and mangrove reforestation.

Nevertheless, the community offered suggestion for the Company to put more effort on traffic, rain water and dust, and particles matters. The survey results will be further sent to the executives in charge of relevant matters for better understanding of community's expectations and views towards the plant. Furthermore, they are useful for improvement of operating plans relating to the communities in areas of economy, society and environment which will be initially screened by the Committee of Economic, Society and Environmental Policy Development, Sahaviriya Group. The approved action plans will be further discussed for mutual consideration at the meeting of a working group for setting the community council and Sahaviriya Development Project consisting chiefs of local administrative organizations, group leaders and the leaders of various natural groups. Over 80 members will consider the issues to mutually decide and take actions on any program relating to the communities accordingly.



Environmental Performance Index

The result of air quality monitoring around the plant and from ventilation stacks at the plant in 2009 showed that the emission did not exceed the standards of the government.

Ambient air quality around the worksite (September 2009)

Parameter	Minimum to maximum value	Standard
Total Suspended Particulate	0.006 - 0.077 mg/m ³	0.330 ^{1/}
Sulfur dioxide	0.013 - 0.061 mg/m ³	0.300 ^{1/}
Nitrogen dioxide	0.007 - 0.055 mg/m ³	0.320 ^{2/}
Particulate matters less than 10 microns in diameter	0.012 - 0.048 mg/m ³	0.120 ^{1/}
Hydrogen chloride ^{3/}	<0.001 mg/m ³	-

Standard^[1] : Ambient Air Standard, Notification of National Environmental Board No. 24 B.E. 2547 (2004)

Standard^[2] : Ambient Air Standard, Notification of National Environmental Board No. 21 B.E. 2544 (2001)

Standard^[3] : Ambient Air Standard, Notification of National Environmental Board No. 10 B.E. 2538 (1995)

Remark : - = No standard in Thailand

: <0.001 is a detection limit of hydrogen chloride (HCl).

Service provider for air monitoring, sample analysis and control: S.P.S. Consulting Services Co., Ltd.

Recorder : Mr. Oran Boonpan and Ms. Sukhon Khaogrib

Examiner/controller : Ms. Siranee Yenjai (Wor-011-khor-538) / Mr. Peera Dej-Udom (Wor-011-khor-640)

Analyzer : Ms. Nipaporn Choompoowong (Wor-001-Jor-3539)

Tel. : 0-2939-4370-4

Air emission from the Furnace I and II of Sahaviriya Steel Industries Plc. (September 2009)

Parameter	Result	Standard
Particulate matter concentration (mg/m ³)	120	240 ^{1/}
Sulfur dioxide concentration (SO ₂) (ppm)	584	800 ^{1/}
Nitrogen dioxide concentration (NO _x) (ppm)	135	200 ^{1/}
Carbon monoxide concentration (CO) (ppm)	<20	690 ^{2/}

^{1/} Pollutant emission standards for existing steel factory, Notification of Ministry of Science, Technology and Environment, B.E. 2544 (2001) (calculated at 7% excess oxygen or 50% excess air)

^{2/} Pollutant emission standards for industry, Notification of Ministry of Industry B.E. 2549 (2006) (for manufacturing process with fuel combustion)

Service provider for air monitoring, sample analysis and control: LSS Laboratory Group (Thailand) Co., Ltd.

Air emission from Furnace III of Sahaviriya Steel Industries Plc. (October 2009)

Parameter	Result	Standard	Result	Standard
Particulate matter concentration (mg/m ³)	18	120 ^{1/}	18	120
Sulfur dioxide concentration (SO ₂) (ppm)	514	800 ^{1/}	514	800
Nitrogen dioxide concentration (NO _x) (ppm)	132	180 ^{1/}	132	180
Carbon monoxide concentration (CO) (ppm)	<20	690 ^{2/}	<20	690

^{1/} Pollutant emission standards for new steel factory, Notification of Ministry of Science, Technology and Environment, B.E. 2544 (2001) (calculated at 7% excess oxygen or 50% excess air)

^{2/} Pollutant emission standards for industry, Notification of Ministry of Industry B.E. 2549 (2006) (for manufacturing process with fuel combustion)

Service provider for monitoring and sample analyzing/controlling: LSS Laboratory Group (Thailand) Co., Ltd.

Air emission from the Scrubber PPPL (Push-Pull Pickling Line) of Sahaviriya Steel Industries Plc. (September 2009)

Parameter	Result	Standard	Result	Standard
Hydrogen chloride (mg/m ³)	0.02	200 ^{1/}	0.02	200

^{1/} Pollutant emission standards for industry, Notification of Ministry of Industry B.E. 2549 (2006) (for manufacturing process without fuel combustion, calculated at actual oxygen concentration in emission when measured)

Air emission from the Scrubber ARP (Acid regeneration plant) of Sahaviriya Steel Industries Plc. (September 2009)

Parameter	Result	Standard	Result	Standard
Hydrogen chloride (mg/m ³)	13.5	160 ^{1/}	13.5	160

^{1/} Pollutant emission standards for industry, Notification of Ministry of Industry, B.E. 2549 (2006) (for manufacturing process with fuel combustion, calculated at 7% excess oxygen or 50% excess air)

Air emission from the boiler (September 2009)

Parameter	Result	Standard	Result	Standard
Particulate matter concentration (mg/m ³)	6.8	120 ^{1/}	6.8	120
Sulfur dioxide concentration (SO ₂) (ppm)	<2	800 ^{1/}	<2	800
Nitrogen dioxide concentration (NO _x) (ppm)	80.6	180 ^{1/}	80.6	180
Carbon monoxide concentration (CO) (ppm)	<20	690 ^{2/}	<20	690

^{1/} Pollutant emission standards for new steel factory, Notification of Ministry of Science, Technology and Environment, B.E. 2544 (2001) (calculated at 7% excess oxygen or 50% excess air)

^{2/} Pollutant emission standards for industry, Notification of Ministry of Industry B.E. 2549 (2006) (for manufacturing process with fuel combustion, calculated at 7% excess oxygen or 50% excess air)

Air emission from the Dust Collector (September 2009)

Parameter	Result	Standard	Result	Standard
Particulate matter concentration (mg/m ³)	4.0	120 ^{1/}	4.0	120

^{1/} Pollutant emission standards for new steel factory, Notification of Ministry of Science, Technology and Environment, B.E. 2544 (2001) (calculated at 7% excess oxygen or 50% excess air)

Awards on Environment Management

1. Certification of ISO 14001 in December 1999
2. Clean Technology Certificate, 2000
3. Thailand Energy Award, Outstanding designated factory in energy conservation, 2000
4. The Prime Minister's Industry Award for Environmental Management, 2001
5. EIA Awards, 2001 - the best entrepreneur which complied with the measures defined in the Environmental Impact Assessment (EIA)
6. Certificate of Occupational Health and Safety Management System, TISI 18001
7. Certificate for Green Factory to commemorate Her Majesty Queen Sirikit on the auspicious occasion of HM the Queen's 7th Cycle Birthday Anniversary in August 2004
8. The Prime Minister's Industry Award for Energy Management, 2006
9. The Prime Minister's Industry Award for Environmental Quality Management, 2008
10. Environmental Governance Certificate, Ministry of Industry, 2009





Strength to Move Forward

>> Social Responsibility Initiatives

- 18 Taking Part in Social Stewardship
"Creating Benefit...Strengthening
Stakeholders."
- 21 Involvement in the Community
"Good Life Quality for Sustainable
Community"

Social Responsibility Initiatives

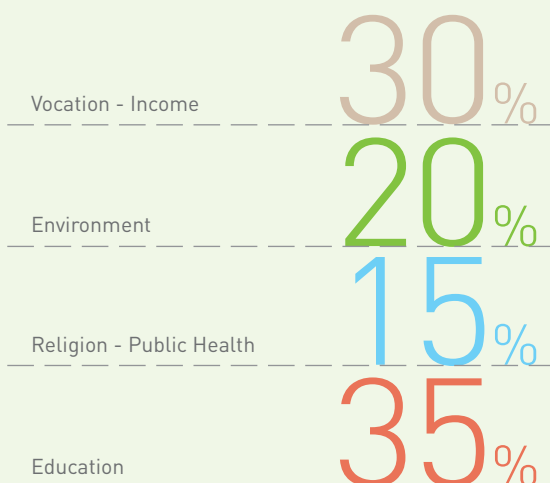
Taking Part in Social Stewardship “Creating Benefit...Strengthening Stakeholders.”

“SSI Arsa”

“SSI’s public mind in action for the public benefit in the community. Both employees and executives volunteered to work for the communities and society which accounted for 8,540 working hours in 2009.”

Due to our strong adherence to the vision to “Innovate premium value steel products and services for customer; generate consistent profit and sustainable value for stakeholders”, the Company has continuously organized various social and community activities in addition to conducting successful business through embracing good corporate governance. We have initiated new projects in line with sustainability development highlighting a promotion and development for the under privileged in the society and the participatory community activities which involve everyone in a process i.e. the company, employees, people in the community and related organizations. A total of 37 projects as seen in a wide range of activities were undertaken. These included education development, public mind of employees under the project of “SSI Arsa” (employees Volunteer), environment conservation promotion and protection, vocational development, health promotion and well-being, and religious and culture nourishment. They well reflect a strong dedication to become a good corporate citizen and gain trust from Bang Saphan Community and the stakeholders which affirms our strong determination to strengthen the communities and society to live with great happiness.

Proportions of the Bang Saphan Community Development Project >>



*The value of Art
can give back to
the society as well.*

Teacher Sangkom Thongmee
Director of HRH Princess Sirindhorn
Art Center



“I admire genuine determination of SSI and social responsibilities Sahaviriya Steels Industry Plc. has for public and communities. Personally, Kru (teacher) has come to experience a glimpse of SSI social accountability, nevertheless, I have long learned and been informed a multitude of SSI activities and projects aimed at giving back to the society. I, myself have joined the projects to support and promote education held by SSI that focus on educators and students as well as the socially less fortunate for instance an art project which helps inspire imagination in a form of training for educators; a youth art camp; an art contest for scholarship; and Art as Inspiration and Love Sharing Project for the under privileged. The art projects - each of which is held continuously, help spark imagination of participants due to the power of the art in nourishing both physically and mentally in all facets i.e. creativity, emotional intelligence, imagination, intelligence and social intelligence. I hope SSI will be determined and committed to carrying on its mission in giving back to the society eternally.”

We have a strong confidence that “strength” in every level namely, from individual, family, organization to the society as a whole, will enable the country to survive and spearhead development in the required direction in a sustainable manner. To achieve our goals in socially responsible activities, the Public Relations & Community Relations Office has thus specified a direction that is clear and in line with business nature underscoring benefit of the under privileged and the youth to become robust as well as steel industry development. An emphasis is placed upon participation according to the guided direction which will be explained as follow:

Strengthening the society and the under privileged.

- Thailand Iron Man Mini Marathon 2009 for charity. The company in conjunction with other three steel entrepreneurs hosted the event to raise a fund of more than Baht 1.9 million to assist and support the activities of 18 organizations and foundation helping less privileged persons as well as the disabled with over 1,500 participants. Developed from “SSI Mini Marathon”, the marathon held in September 2008, was a powerhouse of compassion of employees of the company and Sahaviriya Group, partners, and general public in raising money to assist and support activities for the disabled undertaken by various organizations. With over 1,000 people joining the event, Baht 1.9 million raised from the faithful who purchased tickets and donated was given to 13 associations, foundations, and organizations supporting the disabled.

“**SSI Arsa**”: employee volunteer program for public well-being in the community. Both employees and executives volunteered to work for the communities and society which accounted for

8,540 working hours
in 2009.

*With your help
and donation, if we have
chances to give back
to the society,
we will do it.*



Wirach Sritulanon
President of Thai Blind
People's Foundation

“Our foundation is managing a national library for the blind which offers talking book system or voice books produced for helping the blind. With the help from SSI and the organizer of Thailand Iron Man Mini Marathon, we can take good merit from SSI to the blind and also others. Helping us is like allowing us as a middleman to help other and we are happy. Our children who are in Mattayom level, and some who pursue study abroad and return, cannot find books to read, they have to come to our library. Everything we do is to help each other. The help and donation from kind hearted people allow us to work and become independent. If we have chances and are able to return to the society, we will do it.”

- SSI Sponsorship for Phra Dabos Instructors. This is a sponsorship program for Phra Dabos graduates to pursue advanced education in order to impart learned knowledge and benefit the foundation as working as instructors or the chief of organizations to create next batch of Phra Dabos. With a scholarship worth Baht two million, the company has a goal to develop 10 Phra Dabos instructors at high vocational certificate, undergraduate and graduate levels within four years (2007 - 2010).

- Modern Farming Project: SSI teams up with the Rajaprajanukroh, aims to enable pupils of Rajaprajanukroh Schools to learn about modern agricultural technology, hydroponics farm from hands-on work experience. Furthermore, the project can be further developed for school pupils' lunch, supplementary income for the school as well as a model of modern agriculture for villagers in the local communities. In 2009, with assistance from the Rajaprajanukroh Foundation under Royal Patronage, the Company launched the hydroponics project at Rajaprajanukroh School 20, Chumphon Province. Since 2007, over 3,000 students



from three Rajaprachanukroh Schools in Nong Khai, Lop Buri and Chumphon, have already joined the project.

- SSI Arsa Project or public mind of employees is the project allowing employees and executives to perform activities and assist the public and communities in Bang Saphan District to gain pride in themselves. These included constructing a workshop building for vocation training at Bang Saphan Iron and Steel Technology Institute, developing the learning center of Ban Sai Petch Community, Tambon Thongmongkol, Bang Saphan District and constructing Child Care Center of Ban Don Samran School, and painting Don Samran Temple, repairing the royal monastery of Khao Bot Temple, and building a garbage bank in schools, and etc. In 2009, a total of volunteer work for the community and society was 8,540 working hours.

- Art as Inspiration and Love Sharing Project: SSI inviting the youngsters to conserve water was an activity held for the under privileged children who experience social problems. They were taught and trained to develop their artistic talent-drawing skills from the artists. Using imagination to create their work is one form of art therapy.

100 youth under care of six associations, organizations and foundations participated in the project. The selected works will be submitted in the 41st International Children Art Exhibition, Tokyo, Japan.

The project, was developed from "Silp San Fun Pan Nam Jai or Dream Art from the Heart Project" began in 2006 for the target groups from 15 schools and organizations with over 1,600 participants. A new project, "Silp San fun for the young with love" is to select less fortunate children with art talent to join the scholarship art contest for their pride and enter the international art contest in 2007 - 2008, having over 350 participants.

- A visit and additional assistance for Tsunami victims of Ban Nam Khem. The company in cooperation with Sahaviriya Group of Companies paid a visit to Tsunami victims of Ban Nam Khem to offer moral support and assistance to the families of the victims. After the assistance of Baht six million in December 2005, the company gave additional help to the village bank fund.

Steel development to improve life standard

- In the Thailand Steel House Contest to win the royal trophy from HRH Maha Chakri Sirindhorn and over Baht one million cash award, the entries came from 314 teams: 59 vocational and 255 student teams. The Project is upgraded from "SSI Steel House Contest in 2008" the first time contest receiving impressive responses from over 200 participating teams. Given its vitality in national development, there is a need to promote research and analysis on steel in multi facets. The Company thus cooperated with Thailand Iron and Steel Institute of Thailand and related associations to organize the project intended to improve "steel" to be used as material for resident building, stimulate designing community to use steel in their design. The project has helped create core knowledge of the innovation of steel design and construction as well as build a community of involved professionals for example, architecture, engineering, material science and structural steel entrepreneurs. Innovation can be further developed for establishing and developing a research team of the product development. To do so, the value of material and competitiveness of the steel are thus enhanced - thereby resulting in more alternatives for the consumers.

- A support for Thailand Metallurgist of the Year at the 2nd Thailand Metallurgy Conference. The project was a cooperation with Iron and Steel Institute of Thailand and National Metal and Materials Technology, Center, Thailand as well as leading universities aimed at encouraging research and development as well as new core knowledge in the industry. (In 2010, Metallurgical Engineering Program, Institute of Engineer of Suranaree University is the main organizer.)

Promotion of life quality and environment

- Following the Mother footprint to protect Thai Sea: Thai Steel to conserve environment and restore sea natural

resource. In the project, materials from steel industry were used to increase habitat area for water animals.

- “Gratitude to the land Project” to campaign and promote uninterruptedly committing good deeds in the society. Awards were also granted to individuals from variety of careers nationwide who did good deeds to be good exemplary for general public. The project searched those fine persons who had creativity and work that inspired other 60 million people on this very land to do good deeds and improve Thailand.

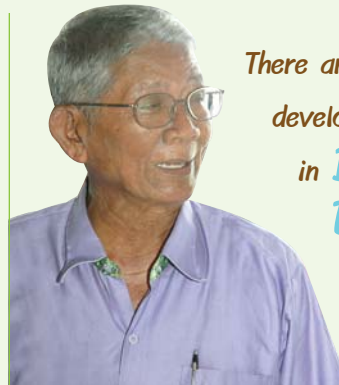
Involvement in the Community “Good Life Quality for Sustainable Community”

SSI has organized various participatory community activities which involve everyone in a process i.e. the company, employees, people in the community and related organizations. A total of 37 projects as seen in a wide range of activities were undertaken. These included education development, public mind of employees under the project of “SSI Arsa”, environment conservation promotion and protection, vocational development, health promotion and well-being, and religious and culture nourishment. They well reflect a resolute determination to become a good corporate citizen and gain trust from Bang Saphan Community and the stakeholders which affirms our strong dedication to strengthen the communities and society to live contentedly.

Development to upgrade community education quality

The upgradation program of education quality of Bang Saphan District and nearby areas by the company were undertaken in all dimensions i.e. teacher and personnel involving teaching and learning development, learners or student development and educational institutes development to allow Bang Saphan youth to have education opportunities which nearly meet the standard of big cities.

- Knowledge Development of teacher and educational personnel Project. To increase knowledge and potential of educational personnel, the Company has cooperated with Education Service Area One of Prachuap Khiri Khan Province to organize a knowledge seminar on a regular basis to empower the well-rounded knowledge to the management group of education institutes, and a knowledge training to enhance potential in teaching for teachers and educators.



*There are so many community
development projects happening
in Bang Saphan
District.*

Kosol Tong-Groi

Head of the Village, Moo 8,
Mae Raumpeung Sub-district

“SSI is well known in the community, not just as the manufacturer of hot-rolled steel sheet in coils but also as the benevolent provider who gives back to this community, society and economy. From the beginning up until now, a multitude of projects and support programs were carried out with an emphasis on participation with the community and the needs of people in the community. Areas of the activities incorporate education promotion, career promotion and income generation, promotion of virtue in the community and life quality as well as environment promotion and conservation. I would like to express my sincere thanks on behalf of Bang Saphan Community for the commitment of SSI in duly social responsibility for Bang Saphan District.”

Vital topics for the development were systematic thinking to become a leader of change, education and sufficiency economy, three-dimension media and E-book, planning of educational quality, development of Thai teaching innovation, techniques of teaching drawing and foundation science. Since 2005, SSI’s education quality improvements initiatives came in two forms: 20 trainings to develop potentials of teachers-school executives involving 3,589 participants and 20 trainings to enhance teaching potential for 1,672 specific subject teachers.

- Scholarship for the students in the community. The company and the Sahaviriya Group offered scholarships to the students in Bang Saphan from Prathom to Mattayom levels every year. In the past year, a total of 225 scholarships were granted to 15 schools; six students were granted scholarship to continue their study until undergraduate program.

- Providing support for teaching at Bang Saphan Wittaya School under the project of One Sub-District (Tambon), One School Project.

- Support fund for bi-lingual education program include five extra kindergarten teachers, three English teachers, one music teacher, one science teacher and one math teacher for

three schools in the community worth Baht 1.4 million per year.

- A scholarship drawing contest. The art contest for children has been held continuously since 2004. The program is specially organized for students at every level in Khet Bang Saphan to help promote creativity and art skill among general students and students with disabilities. In 2009, 620 students including hearing-impaired students participated in the contest. Some of the entries were further submitted to the national contest.

- Organic Agriculture project using Substrate culture, is the pilot project for seven schools in Bang Saphan District. This technique of farming is to allow roots of plants to grow in other substances such as organic substances-coconut flake, ash rice hash, saw dust, mixed substance and inorganic substances. The project allowed the schools and community to have a learning center of organic farming-substrate culture - and to enable teachers and students to gain understanding and experience of new techniques of organic farming. The organic produce is for school lunch; the rest can be sold for extra income and fund for next farming in a sustainable way.

- To Be Engineer Project. The project is to enrich experience of the junior engineers; the students gain opportunities to learn more about steel and related knowledge. As a result, Bang Saphan's students at Matayom level are more interested in further education in engineering program. Five camps were held (from 2005 - 2009) producing over 4,410 junior engineers. In 2009, a total of 1,144 Matayom Three students and Freshmen of Vocational College students joined the project.

- Sahaviriya Summer Camp Project: The project accepted Phrathom 4 - 6 students to join four knowledge camps: English Language, Computer, Football and Career promotion, during the semester break with a main aim to promote integrated knowledge to the youth through learning process from both theory and real practices.

- SSI English Camp: The Camp, a stayover camp for three days and two nights accepted 120 children from Bang Saphan and nearby community. It was an activity-based camp with recreation.

- A project to promote the talents of Bang Saphan for excellence or Math Challenge - "The first Sahaviriya Group Challenge". In this activity intended to search for the math talent from Bang Saphan, the winner was chosen from over

500 entries to be a representative from Bang Saphan District to enter the national challenge accordingly.

In addition, there were also other supports for school development in the community as well as sponsors for learning material and activities of the school which are beneficial for the students and community and others.

Career development to empower household economy

It has been 20 years since the company heralded arrival in Bang Saphan District Community whose main mean of living is agriculture and their core economic plants are pineapple, rubber and coconut. To date, coexistence of agriculture and industry shows a foolproof success. Both can grow alongside each other with interdependence that makes possible a society that is content and peaceful while people have careers and sufficient income. At the same time, they are able to maintain culture and Thai traditional lifestyle. The Company has conducted projects to promote agricultural development to increase income for local farmers and housewife groups as follows:

- "Organic fertilizer Bank, a bold step forward to sustainability Project" is a selection of farmers groups to participate in the project in Bang Saphan District. Two groups having 50 members each will produce 100 tons of organic fertilizer by using a fund of Baht 120,000 each. Thereafter, part of profit after selling to farmers will be kept and some part will be used as revolving fund for next production. The project marked a good start from improvement and development of potential of local farmers through learning and working together to strengthen economy base of the community and increase independence according to royal initiative of His Majesty the King. The said project was developed from the organic fertilizer promotion by the cooperatives which was carried out for several years and was delayed so as to suit more with a framework of sustainability. Since the beginning of the project (2008 - 2009), there are already six organic fertilizer banks on a sustainable path with 248 members.

- Agricultural technology promotion project. With cooperation with the District Agricultural Office and District Land Development Office, the Company held trainings on agricultural technology knowledge - updated technology in demand of the market - to support farmers to develop their production and increase their income from their career as

well as improve their well being in a sustainable fashion. From 2005 - 2009, 34 seminars on agricultural technology were organized for four groups of economic crops farmers.

- Sai Petch Village development Project, a role model of agricultural management according to the sufficiency economy philosophy and organic vegetable farming to be a learning center and site visit for farmers in the area as well as general public.
- Support for supplement job to increase income of the local product producers in the area of Bang Saphan District. The Company purchases products made from Japanese clay from Ban Po Daeng Female Vocational Group to be used as gifts for customers and individuals in various organizations. By doing so, the products are widely promoted and bringing additional income to the producer groups in Bang Saphan District.

Safeguarding environment and improving its quality

The Company has seriously taken environmental and natural resources responsibility to the heart. Apart from production process control to ensure the safe amount of release of substance from the process which will not affect life quality and occupational health of employees and community, the Company has also worked hands in hands with related organizations in the campaign on environmental quality promotion successively. In 2008, the Company received an Outstanding Industry Award for Environmental Management from His Excellency the Prime Minister.

- Mae Ram Peung Mangrove Forest Rehabilitation Project: The company worked together with educational institutes around Mae Ram Peung National Park to organize a mangrove forest plantation project as a part of environment study in order to enable both students and teachers to learn about mangrove forest in its natural state. Additionally, it is a way to heighten awareness of conservation and to jointly own the forest in a concrete way. Also, on special occasions such as the Birthday Anniversary of Their Majesties, the King and the Queen, aquatic animal juveniles are released as a way to pay homage to their majesties. These activities are jointly conducted with all groups of people i.e. teachers, students, civil servants and local people every year. Around 3,000 participants join the project each time.
- Bang Saphan Beach Conservation Project: Another activity born out of a mutual cooperation of employees of the Company and the Group is performed to clean and collect garbage along the entire stretch of Bang Saphan beach every year. The project attracted over 300 participants including entrepreneurs, employees, community leaders as well as villagers.
- Clean Technology Teacher Camp is the environmental program aimed at promoting clean technology for application in the school and community. The teachers in Prachuap Khiri Khan Province are invited to participate in the project so that they can impart learned knowledge to the students which will help materialize concrete result of the environmental development activities.
- Youth Conservation Camp: In collaboration with science teachers in Bang Saphan District, each year, 80 student representatives from every school in Bang Saphan District join the camp to learn about scientific natural environment,

In 2009, a total of

37 projects

include education development, "SSI Arsa", environment conservation promotion and protection, vocational development, health promotion and well-being, and religious and culture nourishment were undertaken.



conservation. The camp also instills a love in the youth to let them cherish the environmental resource. Four camps were held from 2006 - 2009 - thereby creating a network of 350 junior conservationist in Bang Saphan District.

- SSI Garbage Bank for educational institutes Project. In this project, five ready institutes: Ban Nai Lock School, Ban Nong Ya Plong School, Ban Suan Luang School, Bang Saphan Kindergarten and Ban Klong Loi School participated in the program intended to equip local youth with the understanding and knowledge to correctly sort and dispose the garbage in addition to properly manage recycled garbage. This is a further extension of the Clean Technology Project designed to allow teachers and educational institute management to learn and understand application of local technology to manage garbage and waste from various sources. Furthermore, the project initiates the pilot knowledge for further execution of an implementation of "a Prototype of Recycled Garbage Bank Project" of which the company plans to build in the schools and Bang Saphan Community subsequently.

Social stewardship – culture and religious nourishment

Bang Saphan Community is a unique community where people reside peacefully with long held value of hospitality and traditional grace of way of living as always. As a corporate citizen of Bang Saphan Community, the Company always lends a hand to assist a number of groups in the community encountering hardship and help them to maintain distinct cultural heritage and religious. These included:

- Public and natural disasters relief. In 2008, to lesson hardship of Bang Saphan people who suffered from the flood, the Company together with the Sahaviriya Group arranged their employees and donated consumer products to help the disaster victims. During the drought season, the Company sent water trucks to deliver water to alleviate hardship of the local people. Also regarding the fire, the Company always sends its fire trucks to extinguish the fire.
- Religious and culture upholding, the Company renders support in repairing religious building, sanctuary for the local temples as well as constantly participates in religious ceremonies and local rituals in addition to promote various activities that nourish religious and Thai tradition.
- Fund support for local organizations to develop community, for instance, blood donation bed for Red Cross

society, Loy Krathong Festival, Amazing Bang Saphan Fair and Bang Saphan Tourism Promotion Fair, etc.

- A project to promote health care for the people in Bang Saphan District. The Company in cooperation with health service network i.e. Bang Saphan Hospital and local public health office disseminate health knowledge to the elderly, the teenagers, and the women in the menopause group. The project promotes a group gathering as well as joint activities for better health. SSI's initiative to improve health of Bang Saphan people according to each age group has helped approximately 1,150 people each year.

Sport promotion for a vigorous community

Sport does not only help make physically healthy body but also improves attitude and morale, the Company has thus held sport activities for employees, students and public around the plant on a regular basis. The programs are:

- Annual sports competition for employee. The seasonal sports competition is held to better health and enrich spirit of cooperation. Each year, over 800 employees participate in the Game, or accounting to 90 percent of the total employees.
- A sports competition between employees and officials of local organization on an ongoing basis to foster harmony and unity with the communities surrounding the plant. More than 4,000 participants joined nine competitions last year.
- Support of local student sports competitions - sport competitions for the students and the youth "Bang Saphan Game", the Company has supported the annual sports competition of Bang Saphan students to promote health and spirit of sport players of the students as well as foster harmony among students and Bang Saphan teachers. Over 9,600 of teachers and students from 43 schools participated in the competition.

Throughout the past 20 years, never before has it been so apparent that the activities for society and community of the Company have long been implemented and incessantly improved. Such implementations are in the same vein as our mission to strengthen the business performance. New knowledge from hands-on experience at work - both internally and externally - has been unremittingly applied and extended to contribute to nourishment of the society from community to national levels for robustness as always.



Strength to Move Forward

>> Success in Human Resources Program

- 26 Attraction, Care and Development
- 27 Great Concern for Employees' Well-being
- 29 Extensive Internal Communications Program
- 30 Employees Development

Success in Human Resources Program

Attraction, Care and Development

Employees... Powers to Success

Sahaviriya Steel Industries Public Company Limited (SSI) believes that the quality employees play an important role in the success of the organization. Hence, the recruitment and selection of candidates to join the Company is rigorous. We take every step to ensure that the welfare and reward package are suitable and fair. Furthermore, we continuously develop and train the employees as well as promote quality work environment and good occupational health and safety at work.

Due to our comprehensive and incessant program, SSI received the Award for Thailand Best Employer for Labor Relations and Welfare at a national level – being among only eight companies which received the Award for seven consecutive years since 2003. In addition, the Company was certified TLS 8001-2546, the Thai labor standard at the highest level which brought concerted pride to both employees and the Company.

Employees >>

As at 31 December 2009,
SSI had a total of 962 employees.



Employees are important persons

*whom we have to take
great care of and take
full responsibility.*

Nava Chantanasurakon
Vice President,
Human Resources
and Administration Division



"Employees are important persons whom we have to take great care of and take full responsibility. Despite various backgrounds and experiences, all of them have united as one by SSI values. Hence we have carried out every way possible to attract and ensure that our employees work under positive and proper working environment. We equip our employees with necessary skills and competencies so that they are ready to engage more at work and fully devote themselves on a strong foundation of mutual trusts which will result in a sustainable growth of both the Company and employees."

Great Concern for Employees' Well-being

At SSI, we value and recognize importance of both physical and mental well-being of employees. Hence, a number of welfare programs have thus been organized to promote welfare of the employees. These include:

Activities	Objectives
Work support	
Shift premium payment	To assist shift work employees.
Domestic travel allowance	To assist employees working off site.
International travel allowance	To assist employees working overseas.
Employee uniform	For appropriateness in duty and help reduce cloth expense of employees.
Cost of living & allowance	To assist entry-level employees on cost of living.
Allowance for Bang Saphan work	To assist employees working at Bang Saphan Plant.
Employees Bus	To provide transportation to employees working at Bang Saphan Plant as a convenience.
Free rice and reasonable priced food	To assist and provide convenience for employees working at Bang Saphan Plant.
Life quality improvement	
Provident Fund	To ensure life security for employees upon an end of employment.
Health insurance	To provide employees assistance for sickness.
Group life insurance	To ensure security of employees' families after death of employees.
Employee accident insurance	To provide security to families of employees in the event of accident and death.
Support operation of the Cooperative store	To support saving of employees as well as to lessen hardship of employees when in need.

Sahaviriya Steel Industries Public Company Limited (SSI) received the Award for Thailand Best Employer for Labor Relations and Welfare at a national level – being among only eight companies which received the Award for seven consecutive years since 2003.

Activities	Objectives
Recreation	
Color Sports Competition and Company Sports Competition	To promote well-being and harmony among employees on a regular basis.
Club activities	To support employees interested in group activities to form the groups and carry out activities of each club with budget allocated from the company.
Employees recreation meeting	To promote harmony among employees and recreation meetings.
Family Day	To organize annual party for employees and families.
Training for additional vocation for employees and family	To offer alternatives in vocational promotion according to skills of employees and family i.e. agricultural, domestic science, and handicraft sectors.
Children Day for employees' children	To entertain employees' children on Children Day by organizing site trip and providing games, toys, contests and presents for the children.



Extensive Internal Communication Program

Internal communication is a vital factor of the success and sustainable growth of the Company. In 2009, the Company thus intensified the internal communication program in order to foster good relationship among employees in the Company through various channels i.e.:

Channels	Objectives	Frequency (no.) in 2009
Message from the President (via intranet) Video of Interviews with the President	To communicate policy, direction, major performances directly from the President.	17 times (15 messages and 2 interview videos)
Goal Program Seminar	To inform employees from management level to higher level and allow them to express expectations on direction and operations of overall company and different divisions in order to enable them to thoroughly communicate to the teams at departmental and unit levels with clarity and accuracy.	2 times (105 attendants)
Public Address System from Executives	To allow employees to gain information directly from executives from different divisions for better understanding on overall business or related working process.	8 times
Department team meeting/before work: Morning Talk	To allow managers and employees of every department or units to have two-way communication every day.	78 teams (every day)
SSI Loves All Newsletter	To disseminate company's news, employee relations activities, as well as commend and praise the employees who have outstanding works or set up standards as exemplars of SSI values.	12 issues (636 pages in total)
Face-to-Face Workplace Visit	To visit employees at site in order to inform information, news and activities of the Company as well as let them voice opinion and suggestions.	19 Sites, four laps and 816 employees
Night Workplace Visit	To visit shift employees in actual working conditions at night.	4 times, 576 employees
House visit to strengthen relationship	To improve living condition and gain opportunity to communicate with each individual employee and family at their own houses	80 families



Employees Development

The Company has adopted a wide range of approaches and programs of knowledge and skill development program for every level of employees.

Approach	Method	2009 Results
On-the-Job Development	Specify necessary knowledge and skills standard for every position and assign supervisors to train and coach the employees to be able to perform the job according to required knowledge and skills. A close follow up for evaluation is required.	803 employees
In-house Classroom Training	Offer several courses: Core Competency; Managerial Competency; Functional Competency; Management Case Study; and special courses.	108 courses 3,784 trainees 16.39 hours/ employee/year
Domestic and Overseas Training	Send employees to off-site trainings organized by both domestic and overseas organizations.	153 courses 343 trainees
Individual Development Plan	Allow the employees from management level to higher level, in particular, to design their own development plan. Some skills (e.g. English, IT technology) are already specified by the Company for each level. The employees are thus supported by the company to develop their own skills on designated areas.	105 employees
Business Simulation	Change Action Team (CAT) is a platform for assistant vice president and department managers to form various teams and perform roles of virtual management of the Company to brainstorm as well as lay out business development plan and new processes related to the business to finally deliver a Change Action Plan for the Company.	Five teams, 50 members
Executive Study Tour	Organize a study tour for executives to study business and management of leading organizations in the same and different industries in order to learn their service approach and best practices in order to apply to suit the business of the Company.	3 times, 132 executives
A Graduate Scholarship Program for Selected Employees	Scholarship for graduate student employees at management level and higher level.	1 scholarship

Employment Engagement Survey

The Company conducts an Employee Engagement Survey in an effort to discover the factors influencing employees engagement at the organization. In addition, the Survey will allow the Company to identify a direction to improve and develop the firm in order to enhance positive feeling among employees which will lead to the feeling of engagement. The result of the SSI's Employee Engagement Survey of 2009 showed a score of 54 percent which is a satisfactory level.

Corporate Information and Overall Business

Thai Steel...for a Robust Future of Thailand

Sahaviriya Steel Industries Public Company Limited, or SSI, was established in 1990. As one of thirteen primary industries planned to enhance national economic and social security, the company was granted promotional privilege from Board of Investment in response to the government policy. Throughout the past two decades, as **the first Thai producer of hot-rolled steel sheet in coils (HRC)**, SSI has grown and developed from **the country's largest high-quality and high value-added steel sheet producer to a leading Asean producer**. Still, we are committed to further developing iron and steel industry to become a world-scale integrated production base owing to our strong confidence in high-potential employees, top-notch technologies and advantage in term of the best plant location.

With an investment of Baht 13.3 billion (over US\$ 500 million), SSI developed a hot strip mill using state-of-the-art technology on a 480-acre plot of land in Bang Saphan District of Prachuap Khiri Khan Province. The mill with an annual production capacity of 2.4 million tons, merely 400 kilometers from Bangkok is located on the western coast of the Gulf of Thailand - the perfect geographical position in Thailand to develop as a center for full-fledge steel industry as it has natural deep sea port. Not to mention, it can materialize the government policy to develop iron and steel industry, the vital infrastructure industry of the country, as well as the western seaboard project in order to distribute income among local communities. At present, SSI has a total of 1,000 employees, based at the Company's head office in Bangkok and the plant in Bang Saphan District.

In order to achieve our goal of developing full-fledge steel industry in Thailand, SSI has invested in a number of related businesses which include:

1. A cold strip mill with an annual production capacity of 1.2 million tons, using hot-rolled steel sheet as feedstock.
2. An electro-galvanizing mill, the first of its kind in Thailand, having an annual production capacity of 180,000 tons, using cold-rolled steel sheet as feedstock.
3. A deep-sea commercial port, with annual throughput capacity of 6 million tons and the jetty expansion to meet the demand of loading-unloading feedstock of upstream and midstream steel production of Sahaviriya Group in the near future, which can accommodate three 250,000 DWT vessels simultaneously.
4. West Coast Engineering Company Limited (WCE) providing engineering, repair and engineering design services with high expertise in steel business.



All of these are located in the same proximity in Bang Saphan District, Prachuap Khiri Khan Province. Apart from additional investment, SSI is dedicated to incessantly developing the products to meet requirements of every level of customers. The Company invested in two projects: Pickling and Oiling Line worth Baht 1,000 million with a capacity of one million tons per year for HRC pickled and oiled, which began commercial operation in May 2004. In an Extension Project, the annual capacity of existing HRC plant is planned to expand from 2.4 to 4 million tons requiring a budget of Baht 3,900 million for increasing and improving machinery and equipment in the production process. In addition to the escalating capacity, the plant will be able to produce HRC with a thickness of only 0.80 millimeter.











Business Ethics

The Company must conduct itself responsibly, transparently, honestly, and with competitive competence while treating each of the following groups fairly:

- | | |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Shareholders and Investors | The Company must maintain good operating results to ensure good returns to the shareholders and investors. |
| 2. Customers | The Company must provide reasonably priced, high-quality products and services that meet the needs of customers. |
| 3. Business Partners and Creditors | The Company must conduct its operations on a basis of fair and mutual support. |
| 4. Competitors | The Company must conduct its operations on the basis of fair competition. |
| 5. Employees | The Company must offer employees a good standard of living at wages that are competitive with similar jobs in the labour market, with appropriate benefits, with opportunities for career advancement, and in a safe, healthy working environment. |
| 6. The Government | The Company must work to promote national prosperity and progress, in obedience to the laws of the land and conformity to general business practices. |
| 7. The Community and Society | The Company must take its share of responsibility for the community and society and consider the impact of its operations on natural resources and the environment. |

The Company will aim for the appropriate balance among the needs of these various groups and give them all equal consideration.

SSI Group Structure

Hot Rolled Steel Sheet	Down-stream Businesses 50.15% 3.7%		Logistics 51%	Engineering Services 99.99%
				
 Sahaviriya Steel Industries Public Co., Ltd. >> Manufacturer of hot-rolled coils >> Manufacturer of hot-rolled coils pickled and oiled	 Thai Cold Rolled Steel Sheet Public Co., Ltd. >> Manufacturer of cold-rolled coils	 Thai Coated Steel Sheet Co., Ltd. >> Manufacturer of electro-galvanized coils	 Prachuap Port Co., Ltd. >> Provider of deep-sea port	 West Coast Engineering Co., Ltd. >> Provider of maintenance and engineering services, and engineering design
Core business	Increase revenues and enhance sustainable		Reduce costs and increase revenues	

More information please contact
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