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Corporate Social Responsibility Report 2015

Sahaviriya Steel Industries Public Company Limited

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Vision & Mission

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

Values

integrity

We do
what we say

aim for
excellence

The best
is yet to be

teamwork

One for all,
all for one



Fighting spirit

Never give up

can change

Be the leader
of change

service-mind

Deliver more than
expected

Dear Stakeholders,

Despite 2015 being a turbulent year for Sahaviriya Steel Industries Public Company Limited (SSI), having suffered a huge loss financially, we still adhered to the strategy to focus on sustainable development. We placed great importance on corporate social responsibility, by continuously creating Shared Value among stakeholders, as mentioned in our strategic plan – covering economic, social and environmental dimensions.

Economic Dimension

The Shared Value created by our business operations are as follows. (1) Our Premium Value Products (PVP) are innovative products which make better use of raw materials, whilst adding value and sharpening our customers' competitive edge. Most importantly, PVPs contribute higher margin to the Company. In 2015 we have developed and delivered PVPs 408,260 tons (36% of HRC Sales Volume), which was a similar portion to the year before. (2) We purchased products and services 177 million baht worth from Bangsaphan local community, generating income for 372 local businesses and local enterprises. (3) As for our local employment policy, out of 2,300 total employees working at SSI Bangsaphan Steelworks as at 31 December 2015, we have 2,004 employees (89%) from Prachuap Khiri Khan province, plus 870 employees outsourced locally. In addition with other economic activities, in 2015, our business shared economic value in the amount of 4,508 million baht in Thailand.

Local Community and Society Dimension

In 2015, the Company supported totally 27 CSR projects, each emphasizing on stakeholders' engagement and partnership.

The 8th Thailand Iron Man Mini Marathon was a pleasant event that brought companies in steel industry to join forces in realizing the importance of CSR activity. In 2015, the event added another sponsoring partner and raised 2 million baht funds to support organizations for the underprivileged, contributing 18 million baht funds totally in the 8 years since the inception of the event.

In 2015, the Sahaviriya Funds for Bangsaphan Educational Developments Project extended to 4 local schools. Two schools have demonstrated impressive results. Their average results for the Ordinary National Educational Testing (O-NET) were 50.13% and 59.20%, higher than the average national result 44.98%. Two other schools have just received the funds and we wish their best as they began their first year into their plans. Moreover, the Company and Sahaviriya Group arranged SVG Annual Scholarships 2015 for 21 schools in Bangsaphan district for local youths who are determined to study but had economic difficulties. There were 242 scholarships, amounting to 540,000 baht.

We have created jobs for local people, by collaborating with Bangsaphan Industrial and Community Education College to support Personnel Development for Steel Industries Project. In 2015, there were 531 students across 8 generations since inception graduating from this project. Within this number, there are 129 people working with SSI and companies in Sahaviriya Group.

We cared for and participated in the improvement of environmental quality in the community, chiefly by creating awareness and soliciting commitment on environmental conservation via 4 projects, including SSI Waste Bank Project, Two Wheels Preserve Bangsaphan Project, Ride for Smiles Project and Cycling to Plant Trees to Honour His Majesty the King Project, and various campaigns. 3,463 people joined in these activities. These projects have inspired the establishment of several

cycling clubs all over Bangsaphan district.

We have arranged Employee Volunteer Project under “SSI 25th Anniversary, 250 Virtues,” to promote charity and compassion among our staff. There were 15 activities in 2015, with 620 staff members participating with 4,960 volunteering service hours, and 213 people from local community with 1,704 hours.



Message from the Group CEO and President

Environment, Safety and Occupational Health Dimension

With an aim for excellence, our environmental performance in the previous year in each aspect of air quality, water and waste management and control was better than the standard as regulated by law. In addition, we continued to focus on utilization of natural resources at optimum benefits.

At SSI Bangsaphan Steelworks, we have been conducting safety and occupational health management by instilling good behavior in our staff through Behavior-Based Safety (BBS) Project and Zero Accident Campaign. As a result, the Lost Time Injury Frequency Rate of SSI Group decreased to 0.76 in 2015, an improvement from 1.10 in 2014.

As for our product transportation safety, our 10 surveillance cameras in township of Bangsaphan last year continued to monitor traffic regulation compliance. Additionally, there were safety inspectors patrolling the areas. Results showed that there was no violation of our vehicle safety regulations with serious adverse effects.

Enhancing Sustainable Development

In 2015, the Company was certified and ranked by Thaipat Institute as a listed company among 100 companies in the category of Industrials with outstanding Environmental, Social and Governance performance (ESG 100 Company). The rating provided baseline data for investors looking for listed companies with outstanding ESG achievements. Meanwhile, the Company received Level 4 for Anti-Corruption Progress Indicator of Thai Listed Company 2015 (certified by Private Sector Collective Action Coalition Against Corruption – CAC) from Thaipat Institute, supported by the Securities and Exchange Commission (SEC). The assessment also helped identify opportunities to further sustainable development, which we will incorporate into our future.

Moreover, the Company also received the “Outstanding” score for Corporate Governance Report of Thai Listed Companies (CGR) 2015 from The Stock Exchange of Thailand (SET) and received Sustainability Report Award 2015, Recognition Category from Office of the Securities and Exchange Commission, Thai Listed Companies Association and Thaipat Institute, as the Company put great importance in publishing its Corporate Social Responsibility Report in accordance with international standard.

Our Operation Under Business Rehabilitation Plan

The severe global steel over-capacity and demand imbalance since late 2014, caused by the all-time high steel exports from China, resulted in a huge operating loss for the Group in 2015, particularly in the Upstream Business, operated by Sahaviriya Steel Industries UK Limited, the Company’s wholly-owned subsidiary. Nevertheless, the Company had been discussing with the Major Creditors the solution for the HRC Business to carry on operations as normal, including for maintaining business value of the Company. On 1 October 2015, the Company decided to submit a petition for Business Rehabilitation to the Central Bankruptcy Court.





Consequently, the Court already issued an order for the Company's Business Rehabilitation and appointed the Company as a Plan Preparer on 10 March 2016. The Company is committed to performing its best in preparing the Business Rehabilitation Plan. When the plan is accepted by the creditors' meeting and approved by the Court, the Company will carry out its business strictly following the Plan for the Company's successful Business Rehabilitation as planned (for further details please see the "Message from the Chairman" in the 2015 Annual Report).

We will continue to adhere to sustainable development as one pillar of the rehabilitation plan, providing the stable foundation from which our business can perform and grow prosperously.



Mr. Win Viriyaprapaikit
Group CEO and President

Corporate Information



Sahaviriya Steel Industries Plc. or SSI is Southeast Asia's largest producer of hot rolled steel sheet in coils (HRC), with 4 million tons annual capacity. SSI endeavors to supply premium-grade steel sheets to cater for the region's growing demand in various sectors such as automobile, energy, transportation and construction sectors. SSI has investments in joint-venture downstream plants, namely Thai Cold Rolled Steel Sheet Plc. ("TCRSS") - Thailand's first and largest cold roll mill, and Thai Coated Steel Sheet Co., Ltd., ("TCS") - Southeast Asia's first and largest electro-galvanising line. All SSI's plants in Thailand are located on a world-class coastal industrial site in Bangsaphan, Prachuap Khiri Khan Province, 400 km south of Bangkok on the western peninsula of Thailand, a site efficiently integrated with a privately-owned deep-sea port (Prachuap Port Co., Ltd., or PPC), which allows import of raw materials and export of finished products on a large scale. SSI extends its engineering capabilities into its fully-owned subsidiary, West Coast Engineering Co., Ltd., or WCE, which specialises in engineering, maintenance, spare parts production, fabrication, erection and commissioning service. Our people's passion and energy is captured in the Company's vision statement - "innovate premium value steel products and services for customers; generate consistent profit and sustainable value for stakeholders."

For more information, please visit
<http://www.ssi-steel.com>

SSI Group Structure

35.19%

3.7%

51%

99.99%

Hot Rolled Coil Business

Cold Rolled Coil Business

Coated Steel Sheet Business

Port Business

Engineering Business



Sahaviriya Steel Industries Public Company Limited

- Manufacturer of hot-rolled coils
- Manufacturer of hot-rolled coils pickled and oiled



Thai Cold Rolled Steel Sheet Public Company Limited

- Manufacturer of cold-rolled steel sheet



Thai Coated Steel Sheet Company Limited

- Manufacturer of electro-galvanised steel sheet



Prachuap Port Company Limited

- Provider of deep-sea port



West Coast Engineering Company Limited

- Provider of engineering and maintenance services



Core business



Increase revenues and enhance sustainable growth



Increase revenues and enhance sustainable growth



Reduce costs and increase revenues



Reduce costs and increase revenues

SSI Corporate Social Responsibility Management

Corporate Social Responsibility Concepts and Policies

Sahaviriya Steel Industries Public Company Limited, or SSI, implemented Corporate Social Responsibility policies based on its business philosophy and business ethics that have been molded in the way of a pushing forward, driving as well as sustainable development and growth.



Business Philosophies

1. Devotion to Excellence
2. Adherence to Quality of Products and Services
3. Belief in the Value of Our Personnel
4. Commitment to Honesty and Ethics
5. Dedication to Our Social and Environmental Responsibilities

Business Ethics of the Company

In conducting the business, the Company adheres to the principles of accountability, transparency, integrity, and business competitiveness by acting in the best interest to all stakeholders in an equitable manner.

1. Shareholders

The Company realises the shareholders are the owners of the Company and the Company has the duty to generate value-added to the shareholders in a long term. The Company has, therefore, stipulated a guideline for the directors, executive, and employees to perform the followings:

- 1) Perform duties to the fullest capacity with integrity, care, prudence and fair treatment for the best interest of all shareholders.
- 2) Present the operating performance report, financial status report and other reports with accuracy and completeness and in a timely manner.
- 3) Report a trend of the Company, both on the positive and negative sides, to all shareholders in an equitable manner based upon sufficient factual basis, quantitative information and rationale.
- 4) Ensure that there is no exploitation of undisclosed information or any wrongful action for improper advantage for oneself, or others, which may cause conflict of interest for the Company.

2. Customers

The Company values the vital role and satisfaction of customers which contribute to success of the Company's businesses. Therefore, the Company has a strong intention to pursue the methods that are reliable to customers and can fulfill the needs of customers in a more efficient and effective manner. The guidelines are as follows:

- 1) Deliver quality products and services that meet or exceed the expectation of customers.
- 2) Communicate with customers with courtesy and ensure that complete, accurate and up to date information of products and services is given to the customers. The Company will not misrepresent the products and services in terms of quality, quantity or any other conditions.
- 3) Strictly follow the conditions applied to the customers. In case the conditions cannot be satisfied, the Company will inform the customers without delay to figure out a possible solution together.
- 4) Establish a system and channel that allows customers to make complaints about quality, quantity and safety of products and service, and respond to the complaints in a timely manner.
- 5) Strictly protect confidential information of customers and will not use the information for other interests in an improper respect.
- 6) Provide instructions on the use of products and services in an efficient manner to maximise benefits.

3. Suppliers

The Company realises that ethical conduct with suppliers should be based on fair benefits to both parties. Thus, the Company commits to provide facts and accurate reports, implements according to agreements, negotiates and seeks solutions based on business relationship as well as avoids the situation which will result in a conflict of interest. The guidelines are as follows:

- 1) Never request, receive or pay any fraudulent benefits from and to suppliers.



2) With an evidence indicating a fraudulent benefit has been claimed, received or paid, disclose such relevant information to the suppliers and together figure out the solution in a timely manner.

3) Strictly perform in accordance with the conditions under the agreements and inform the suppliers in advance in case of inability to meet any condition.

4. Competitors

The Company realises the commitment to treat its competitors fairly. The guidelines are as follows:

1) Never seek any confidential information of the competitors by unfaithful or improper means.

2) Never destroy the competitors' reputation by offensive accusations.

5. Employees

The Company realises that employees are valuable resources for the success of the Company; thus the employees are treated fairly in terms of compensation, opportunity and development, and potential based on humanity practices regardless of their race, religion, gender or physical condition. The guidelines are as follows:

1) Treat employees with respect to individual value and dignity

2) Provide fair compensation to employees

3) Provide a safe working environment to employees considering their lives and properties at all times

4) Appoint, rotate, promote and demote employees with sincerity and based on knowledge, merit and suitability

5) Value development of knowledge and ability of all employees

6) Avoid any unfair action which may affect the job security of the employees or any action which may threaten or cause pressure to mental health of employees

6. Supervisory Authorities

The Company values its duty to comply with law and business practices. The Company strictly conducts the business under laws, articles, regulations and standards imposed by supervisory authorities as well as cooperate with supervisory authorities in relevant matters.

7. Society and Community

The Company recognises accountabilities towards society and community as the core of business, with full realisation of the possible effect on natural resources and the environment. It has constantly provided support to a number of activities to improve society and community, safeguard and rejuvenate natural resources as well as to enhance the community capacities in an effort to bring about sustainable development.

The Company establishes a concept for CSR operation and communication guidance as follows:

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CSR Management System Structure



Corporate Social Responsibility Management System

The Company has established the Corporate Social Responsibility Management Committee, which consists of executives from each division. Their duties and responsibilities are to implement and follow up on the CSR plan ensuring it to be in line with relevant policies. In addition they allocate the resources necessary for CSR operation and promote the work of the CSR Management Sub-Committee, which the Committee proposed to the President for appointment. The objectives of the Sub-Committee and scope of their responsibility is to support the work of CSR Committee.

The Committee reports its CSR operating result to the Good Corporate Governance Committee (CG) quarterly. The duties and responsibilities of CG Committee are to provide an opinion to the management regarding CSR and to monitor them in establishing a clear action plan. Furthermore they follow up on the implementation of the management plan and then submit the results to the Board of Directors.

SSI CSR Framework



Economic Overview

Economic Overview

The global economy in 2015 continued to grow at a lower rate as a result of slower than anticipated recovery of the economy in the developed countries, the slowdown of the Chinese economy as well as the fluctuation of capital flow in emerging markets. However, the U.S. economy started to recover steadily; the unemployment rate decreased; and the various economic indicators were in line with expectations leading to the Federal Reserve System (FED) interest rate hike in December 2015, the first interest increase since June 2006. Meanwhile, the economy of the Euro Area and Japan were recovering slowly. Chinese economy continued to decelerate due to the continued slowdown of the manufacturing sector dragged by a reduction in purchasing orders from both local and overseas. In addition, the decline of commodity prices including energy, metals and agricultural products had an impact on the economy and the currency value of the countries whose incomes mainly rely on exporting oil and commodities such as Russia, Saudi Arabia, Iran, Iraq and Brazil.

For Thailand's economy, Office of the National Economic and Department Board (NESDB) announced that in 2015, the domestic economy expanded by 2.8%, an increase from 0.8% in 2014, supported by the expansion of public investment projects from the disbursement in infrastructure investment projects of the government in order to develop water resource management, road transportation, household and private consumption as well as expansion in tourism industry.

Business's Strategy

In 2015, the global and domestic economy continued to recover slowly and relatively weak. In addition, there was a significant change in the Group as Sahaviriya Steel Industries UK (SSI UK), the Upstream Business which is the Company's subsidiary in the United Kingdom, submitted a petition for liquidation to the High Court of Justice Chancery Division Manchester District. The Company was aware of the risk and risk factors that may arise from above causes, therefore, the Company has been closely monitoring the situation and implemented strategic plans for appropriate business management as follows:

Marketing Strategy

The Company cautiously managed the procurement of raw material as well as negotiating and seeking for new slab distributors as a replacement for SSI UK, which no longer produces slabs, in order to get the reasonable and predictable prices and quantity. The Company has been focusing on the production for premium value products which has value added and lower price fluctuation as well as closely monitoring on both domestic and overseas markets in order to analyse and consider the sale of product including simultaneously seek for new sources of imported raw materials with high quality but low cost. In addition, the Company's focus on controlling a proper level of inventories to manage the production plan in cooperation with sales projection had led to shorter delivery lead time. The Company has also been closely monitoring on the dumping situation of imported products and the government's price control policy in order to protect domestic steel industry.

Production Strategy

The Company has improved the production process, reviewed the inventory management plan, and introduced new technologies to enhance the efficiency of quality control and the accuracy of production process leading to a significant reduction of inferior goods. The Company also has implemented an automated system to be used for managing product quality to accommodate the ability to meet the customers' requirements, encouraged establishing a working team for the development of the production process aiming to figure out

solutions for particular problems. In addition, the Company has studied new projects for efficiency enhancement and cost reduction as well as quality improvement.

In addition, the Company has prepared its personnel with necessary equipment to respond to emergencies including insurances covering property damages, loss from business interruption, damages to goods and products caused by natural disasters such as floods, storms, tsunamis, lightning, earthquakes, landslides as well as loss in case of fire in all circumstances.

Financial Strategy

1. Exchange Rate Management

As the Company submitted a petition for Business Rehabilitation to the Central Bankruptcy Court (the "Court") on 1 October 2015, the Company has fallen into the limitations of an automatic stay, causing suspension of the Company's credit line on foreign currency forward contracts. However, after the Court issued an order for the Company's Business Rehabilitation on 10 March 2015, the loan amount denominated in foreign currency credit will be translated into Thai Baht and the Company should have a credit line on foreign currency forward contracts as usual which will reduce the impact of fluctuations on foreign currency exchange rates.

2. Trade Credit Management

The Company has emphasised on the quality of trade credit, efficient control of debt collection, a good internal control system, and a strict credit policy. The Company

has also reviewed credit granted to customers and credit approval authority to establish the consistent trade credit standards and control the non-performing credit to the level that will not impact on the Company's overall performance.

3. Liquidity Management

Since SSI UK stopped its production and shut down the business, the Company as the guarantor of SSI UK's loan had to take responsibilities for the loan which had a direct impact on the financial status and liquidity of the Company.

However, the Company submitted a petition for Business Rehabilitation to the Court on 1 October 2015. And from the same day on which the Court granted the petition of the rehabilitation, all creditors were forced by law to stop actions to enforce the rights that exist under civil law. In the meantime, the Company has closely monitored the cash flow level, focused on sale and product innovation so as to generate income and add value to products, and strictly reduced production costs as well as other costs. The Court issued an order for the Company's Business Rehabilitation and appointed the Company as a Plan Preparer on 10 March 2015. The Company is committed to prepare the plan on the principle of fairness to all interested parties with regard to the achievability. The Company will then submit the Plan to the Official Receiver within time in accordance with the law, in order that the Creditors' meeting passes the resolution accepting the Plan, and the Plan will be proposed to the Court for its consideration and approval accordingly. Subsequently, the Company will carry out its business strictly following the Plan for the Company's successful Business Rehabilitation as planned.

Economic Performance

Transactions		2014 (Restated)	2015	% Change (YOY)
Sales and Service Revenues	(Million Baht)	33,092	20,173	▼ -39%
Group Sales Volume	(Thousand Tons)	3,318	2,619	▼ -21%
EBITDA	(Million Baht)	(710)	(37,907)	N.A.
Net Loss	(Million Baht)	(4,903)	(40,840)	▼ -733%

Safety, Occupational Health and Environmental Management

Sahaviriya Steel Industries Plc. (SSI) has policies and business ethics in performing business, placing importance on value of its staffs and supporting good quality of life, good occupational health and safety management while adhering to responsibility in social and environment. By concerning these aspects, SSI determines to set up system for environment, occupational health and safety management. Moreover, the Company operates business to support the efficiency of environment, occupational health and safety management and continuously develops the regulation standard of environment, occupational health and safety management.

Safety Management and Occupational Health

SSI recognises its social responsibility to take care of its staff and contractors working in the SSI Bangsaphan Steelworks area. The Company provides safe working areas, in accordance with occupational health regulations, for both its staff and contractors. The management of safety and occupational health is based on OHSAS 18001, which was certified continuously. Moreover, the Company received

Outstanding Company Award for Safety, Occupational Health and Working Environment for 4 consecutive years from the Ministry of Labour and the Prime Minister Industry Award for Outstanding Safety Management and Quality Management from the Ministry of Industry.

Safety and Occupational Health Performance

The Company has operated its occupational health and safety management, by arranging many projects, instilling the concept of safety, such as Behaviour Based Safety (BBS) Project and Zero Accident Campaign. The Occupational Health and Safety Committee is closely monitoring safety and providing guidelines to improve safety in all of the plant area. With support from the management, the Lost Time Injury Frequency Rate (LTIFR) in 2015 has reduced to 0.76 from 1.10 in 2014.

Lost Time Injury Frequency Rate (LTIFR) of SSI Group

SSI Group of Companies	2013	2014	2015
SSI	0.97	1.10	0.76
TCRSS	0.00	0.00	0.52
WCE	1.63	2.32	2.12
PPC	0.00	2.94	0.00
SSI Group	1.50	2.00	1.55

LTIFR = (Number of Lost Time injury x 1,000,000) /
Total working hours

* Estimated number as at 31 December 2015

** Number as at the end of August 2015

Safety, Occupational Health and Environmental Training

By concerning occupational health and safety training as an important key to reduce accident and injury from working, SSI has continuously provided occupational health and safety training courses for all level of its staff. SSI staffs have learnt workplace hazard, handle approaches and the Company also provided experts to teach additional training. This has broadened their horizon and added knowledge outside office.

In 2015, 44 occupational health and safety training courses were arranged, with average 7 hours/person/year of staff training hour spending. In addition, the Company also provides risk assessment for each activity, risk reduction plan and risk control plan to maintain work safety and these activities will be continuously revised to respond to changes.

Emergency Preparedness and Fire Protection

SSI is aware of the reduction of the risk from emergencies such as fire, chemical leaks, abnormal boiler and floods, etc. Thus, the Company appointed a subcommittee on fire protection and emergency responses as the main body responsible for overseeing and setting a preparation plan for emergency including staff and supporting equipment. The Company offers training simulation to reduce the effects from emergency, continuously monitors emergency equipment to ensure availability when required and sets up emergency equipment in the risk areas of fire danger. New technologies are also considered to improve the fire protection procedures.

SSI has an insurance policy with comprehensive coverage of natural disasters including; floods, hurricanes, tsunamis, lightning, earthquakes, and landslides. The insurance covers damage to buildings as well as providing cover for business disruption resulting from the incident and covers damage due to the risk of fire in all cases.

In 2015, the Company organised 18 fire protection training courses. At present, there were 61% of SSI staffs training basic fire protection course, in accordance with the law. Moreover, fire protection equipment and fire alarm were monitored to be in 100% readiness.

Safety Management on Raw Materials and Products Transportation

SSI placed importance on safety management on raw materials and products transportation, by monitoring the implementation of work of a working committee to control vehicle of Sahaviriya Group through Sahaviriya Community Leadership Council and Sahaviriya Group's 24 hours Complaint Center to follow up their operating, gather suggestions and complaints for improvement.

In 2015, 10 surveillance cameras in various areas were random inspected and Safety Inspectors were appointed to supervise the community areas. Results showed that there was no violation of our vehicle safety regulations with serious adverse effects.

Environmental Management

SSI realises that the steel industry is part of a developing process in Thailand. The Company has continued to focus on environmental management to allow sustainable development. By strictly adhering to government laws and environmental laws, SSI conducted many studies and prepared environmental impact assessments to prevent and reduce the environmental impact of steel production and monitor environmental quality. It also has been continuously certified in the ISO 14001 system since 1999.

The main task lies with the Safety and Environment Office which works in co-operation with other production units and appoints staff in charge of the management of pollution, water, air and waste systems in order to meet the appropriate levels required by the law. Outside the plant, the Company operates in conjunction with Sahaviriya Group in the Bangsaphan district. The Environmental Management and Promotion Center of Sahaviriya Group are also in charge of community activities to promote environmental awareness and co-operation throughout the year.

Raw Materials and Products

SSI imports steel slabs as raw materials from several sources with quality controls in place regarding appropriate standards and customer demands. In 2015, the Company produced 1.07 million tons of hot-rolled steel sheets and 0.13 million tons of hot-rolled steel pickled and oiled sheets.

Energy Management

SSI realises the importance of energy saving as it is a limited resource required in steel production and it will have direct effect on global climate change. Therefore, the Company has set up efficient energy management systems to control energy usage in the organisation. By setting up

the Energy Conservation Committee as a center to manage energy conservation, the Committee works closely with the Cross Functional Team to connect everyone in the organisation together, including production policies and supporting system policies such as light system, water treatment and water supply system, and compressed air system. In 2015, the Company has joined various projects to support the investment for machine improvement for energy conservation and gaining investment funds from the government.

Apart from our energy saving policy, the Company set up the Energy Network Team to support and publicise internal energy saving. As a result, whole organisation could help save energy.



The Energy Consumption Rate at SSI Bangsaphan Steelworks in 2015

Process	Energy usage	
	target	actual
Hot Rolled Coil Steel Sheets		
• Heat energy (kcal/kg slab)	345.00	352.72
• Electrical energy (kwh/ton)	110.00	119.92
Hot Rolled Steel Pickled and Oiled Sheets		
• Heat energy (kg LPG/ton coil)	2.90	3.11
• Electrical energy (kwh/ton)	21.00	21.78

The heat and electrical energy usage for HRC production did not reach expected amount, as the actual quantity was lower than expectation. Likewise, Hot Rolled Steel Pickled and Oiled Sheets were produced less than expectation. Moreover, energy conservation policy in the previous year had a small effect on the overall energy usage.

Water Management

In order to manage the plant water usage which draws the raw water from the Bangsaphan canal, a huge surface water source, 13.5 kms from the plant, the water is pumped into 2.4 million cubic metres water reservoir and used in the hot season when the water level of the irrigation is less than 2.2 m. The plant is also designed to recycle water in the HRC production. Our water management has minimised the problem of competing for water which is a common resource shared by the community and local agricultural sector. In the past year the Company has managed to strictly adhere to the set standard.

To reduce levels of waste water, SSI has set up a chemical water treatment system for the waste water which occurs in Hot Rolled Steel Pickled and Oiled Sheets, set up sedimentation tanks, sand filters and grease tanks in the HRC production line and also set up the biological treatment system for usage in the plant. The quality of water in all systems is constantly tested by officials and verified by outside authorities. The treated water is recycled, some of which is to water plants, with zero discharge outside the plant.

In 2015, SSI Bangsaphan Steelworks had water usage rate of 1.17 million cubic metres - 1) HRC production line rate was 0.28 million cubic metres 2) Hot Rolled Steel Pickled and Oiled Sheet production line rate was 0.05 million cubic metres and 3) Water consumption rate was 0.84 million cubic metres.



Water Usage of SSI Bangsaphan Steelworks

Production Line	Water Usage (million cubic metres)	Water Usage Rate (cubic metres per ton of production)
HRC Production Line (1,091,947 tons of steel slab)	0.28	0.25
Hot Rolled Steel Pickled and Oiled Sheet Production Line (134,901 tons of HRC)	0.05	0.37
Water Consumption	0.84	-
Overall	1.17	-

Water Quality Control

For zero discharge outside the plant, SSI has other quality control measures as follows:

1. Monthly check on recycled water quality at 4 stations which is carried out by outside authorised bodies. The outcome proved to be above the waste water standard according to the Ministry of Industry's 2nd notification issue of 1996.
2. Six-month checks on underground water quality at 9 stations which is carried out by outside authorised bodies. Although Thailand has not yet set the required standard, SSI maintains vigilance on possible changes and during the past few decades no significant changes have occurred.
3. Six-month checks on surface water in public water resources at 3 stations by outside authorised bodies in order to ensure that the Company's activities do not affect the environment as detailed in the following chart:

Environmental Performance Index of Water Quality

Index	Unit	Analysis Result						Standard
		Tha Kham Canal		Upper Mae Ramphueng		Lower Mae Ramphueng		
		Apr 2015	Sep 2015	Apr 2015	Sep 2015	Apr 2015	Sep 2015	
pH	-	7.28	7.56	7.84	7.64	6.95	7.51	5.0 - 9.0 ^{1/}
Suspended Solid	mg/l	22	23.3	21	9.3	32.5	14	-
Total Dissolved Solid	mg/l	9,900	14,900	4,660	11,900	11,342	4,930	-
Acidity	mg/l as CaCO ₃	6	46	12	41	9	36	-
Alkalinity	mg/l CaCO ₃	127	122	167	129	99	122	-
COD	mg/l as O ₂	198	146	76	86	210	80	-
Grease & Oil	mg/l	2	< 2	2	< 2	< 2	< 2	-
Total Coli form Bacteria	MPN/100 ml	23	< 1.8	< 1.8	49	23	1,300	No more than 20,000 ^{1/}
Iron	mg/l	0.87	0.16	0.05	0.24	0.78	0.30	-
Manganese	mg/l	0.395	0.063	0.071	0.087	0.898	0.079	No more than 1.0 ^{1/}

Note: ^{1/} Standard: Surface water quality standard (3rd Category) Notification of the National Environment Board, No. 8, B.E. 2537

Measured/ analysed/ controlled by SPS Consulting Service Co., Ltd.
 Recorded by Mr. Kasem Seemapon
 Examined/ controlled by Ms. Bangorn Siripoka (๓-011-๓-2955)
 Analysed by Ms. Suparat Suthisomboon (๓-011-๓-5910)
 Telephone 0-2939-4370

Usage of Chemicals

Water production systems for HRC production and Hot-Rolled Coils Pickled and Oiled production require several types of chemicals. In the past year, SSI did not introduce new types of chemicals or increase the rate of chemical usage in production. Moreover, according to ISO 14001 and TIS/OHSAS 18001 evaluation, chemical usage management in the plant is in accordance with the set standard. Further suggestions for improvement have already been included in the implementation plan.

Eco-Friendly Supply

In 2015, SSI obtained supply from the 11 eco-friendly product groups, certified by the National Environment Board, The project on supply and services, corresponding to the Save-Energy Policy of SSI Bangsaphan Steelworks have not increased in 2015 due to delays investment and move the project into operation in 2016. Moreover, the Company aims to extend to 12 eco-friendly product groups in the future.

Eco-Friendly Purchasing Table

Purchasing Year / Type of Product	2013	2014	2015
Products certified by Thailand Environment Institute and are used in SSI Bangsaphan Steelworks	10	10	11
Products in our Energy Saving Project	1	-	-

Community Biodiversity

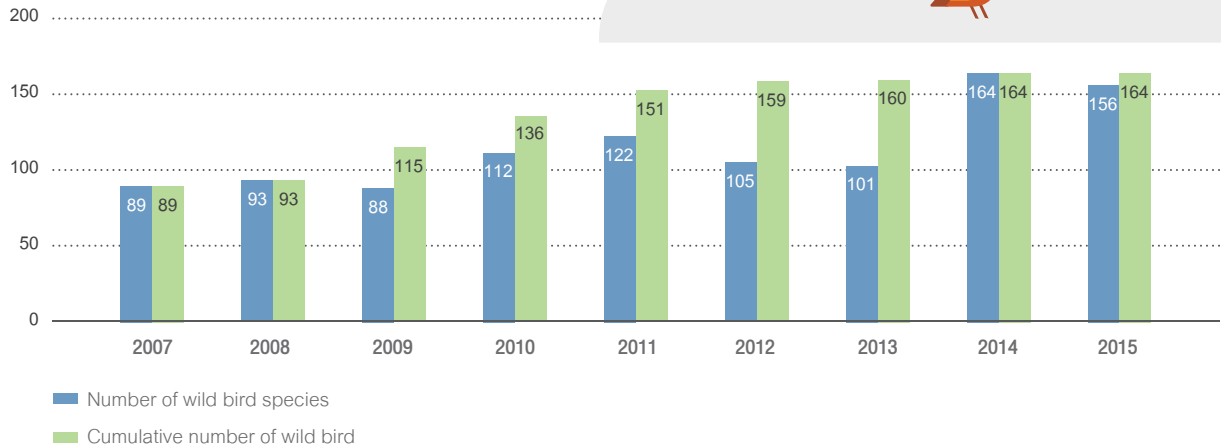
SSI in cooperation with the Environmental Management and Promotion Centre of Sahaviriya Group conducted projects on biodiversity which is the major indication on the abundance of the eco-system in areas around our plant in Bangsaphan as follows:

Natural Resource Impact Monitoring Project

With our determination in performing the business while protecting the environment, SSI and the Environmental Management and Promotion Centre of Sahaviriya Group conducted a survey of bird species in natural areas near the plant for example, Mae Ramphueng wetland, Pa Klang Aow, Natural Park and Mae Ramphueng Natural Park.

The project which is supervised by specialists from Kasetsart University shows the existence of more diverse types of birds, unfound in previous surveys and an increase in number of birds overall. In 1997, there were 89 types of birds this has increased to 164 by 2015. The data reflects that the steel industry and the operation of Sahaviriya Group which are eco-friendly and together with pollution measures undertaken do not affect the natural habitats of the wildlife in the nearby areas. SSI has also sustained the natural resources and improved the bio-diversity situation for the local community.

Species of wild birds found in Bangsaphan district



Apart from wild bird survey, in 2015, 20 reptile species, 14 amphibian species and 4 mammal species were found.

Climate Change Management

Another trend and interest which maintains its importance is the effect of climate change. SSI is committed to managing its impact on climate change by constantly setting a good example in managing greenhouse gases emitted by the Company's activities. In order to decrease the greenhouse effects, all activities of SSI has aimed to decrease the greenhouse gas emitted. We also join with the public and governmental sectors in reducing the increase of global warming. The following activities have been undertaken:

1. Increase the efficiency of energy usage to reduce the greenhouse gas emitted into the atmosphere
2. Improve the greenhouse gas list to reach standardisation, collecting and documenting data, as well as revising the list by outside bodies
3. Buy eco-friendly products and services. In 2015, SSI obtained such products from 11 groups who adhered to the Environmental Board rules, and used energy-saving products and services at Bangsaphan. The target in 2016 is to increase the eco-friendly groups to 12, and the energy-saving groups to 2.
4. Support 3R activities which aim to reduce production waste, 98.34% which has been recycled
5. Support the environmental activities of the local community
6. Attend seminars on reducing greenhouse gas, organized by the government, to achieve low-carbon society
7. Study about carbon dioxide retention and its usage afterwards.

One of its outstanding work is SSI has conducted a report on the plant's greenhouse gas release and the results reached ISO 14064-1 standard. This report focused on Operational Control, in accordance to its performance, by collecting data on each type of energy and on activities, causing greenhouse gas. In 2015, the report showed the results of greenhouse gas release as follows:

1. The greenhouse gas release from HRC production in 2015 was 212,921 tons carbon dioxide per HRC ton, a decrease from 270,767 tons carbon dioxide in 2014.

However, the 25% decrease in our production had an effect on greenhouse gas rate per product unit in 2015 to increase to 0.198 tons carbon dioxide per HRC ton, while, in 2014, the number was 0.188 tons carbon dioxide per HRC ton, or an increase of 5.2%.

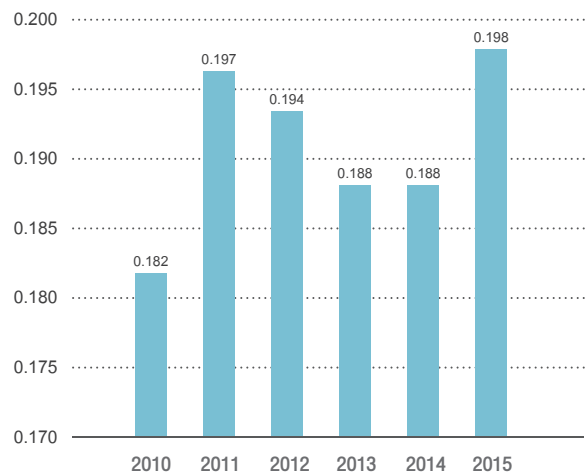
2. The greenhouse gas release from Hot-Rolled Coils Pickled and Oiled production, in 2015, was 2,140 tons carbon dioxide, while in 2014, the number was 1,770 tons carbon dioxide, or 0.016 tons carbon dioxide per ton PO Coil, a decrease 1.54% from 0.017 tons carbon dioxide per ton in 2014.

SSI's carbon dioxide release is used as an indicator for GHGs, in order to plan and implement a future project to reduce greenhouse gas as well as foresee a possibility to recycle greenhouse gas. By focusing on post carbon intensity average, short-term and long-term plans can reflect real results of the greenhouse gas management, and point to analyse and evaluate appropriate indicators for carbon intensity. This is needed for developing our country towards becoming future low-carbon society.



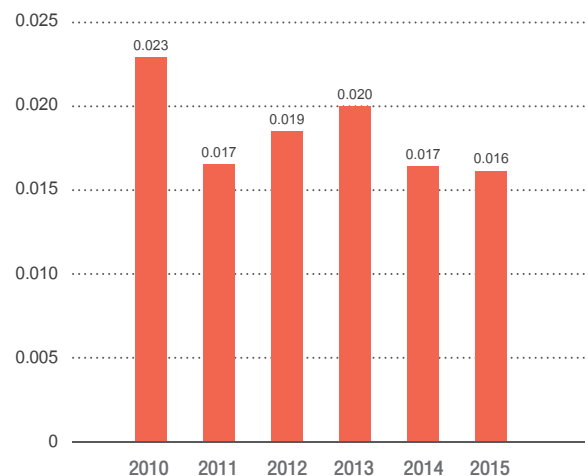
CO₂ Emission from HRC Production

Ton CO₂/Ton HRC



CO₂ Emission from Hot-Rolled Coils Pickled and Oiled

Ton CO₂/Ton PO Coil



Air Quality Control

SSI Bangsaphan Steelworks was designed for energy efficiency, with the computer-run combustion system controlling the sulphur level in the energy components at less than 2%. All these factors result in above-average air quality than the standard and rules set in the plant report on the environmental impact.

Within the Hot-Rolled Coils Pickled and Oiled production, a system was set up to detect acid gas in the production and recycle lines, resulting in above-average and set standards of air quality ventilated outwards.

Air quality in the atmosphere around the plant is monitored in various parameters throughout the year. In 2015, 5 stations, nearby Ban Tha Kham, Ban Tha Manoa, Ban Klang Aow, Ban Tubmon and Ban Bor Thonglang were monitored. The air qualities according to various parameters are as follows:

1. Hourly average of the density of sulfur dioxide in the atmosphere
2. Hourly average of the density of nitrogen in the atmosphere
3. Hourly average of total dust in the atmosphere
4. Hourly average of the density of hydrogen chloride in the atmosphere
5. Hourly average of the density of the amount of less than 10-micron dust.

All the air quality assessments indicated that performance was above-average and better than the set standard in every station. In addition the results show a similar outcome from the previous stations and parameters measured.

Ambient air quality around 5 stations

Index	Average of minimal-maximal quantity of air found		Standard
	11 - 18 Feb 2015	15 - 22 Sep 2015	
Quantity of total suspended particulate (mg/m ³)	0.056 - 0.096	0.033 - 0.041	No more than 0.330 ^{1/}
Quantity of sulfur dioxide gas (mg/m ³)	0.010 - 0.013	0.010 - 0.012	No more than 0.300 ^{1/}
Quantity of nitrogen dioxide gas (mg/m ³)	0.022 - 0.035	0.025 - 0.040	No more than 0.320 ^{2/}
Quantity of particulate matter less than 10 microns (mg/m ³)	0.029 - 0.046	0.017 - 0.018	No more than 0.120 ^{1/}
Quantity of hydrogen chloride gas (mg/m ³)	< 0.001	< 0.001	-

^{1/} : Ambient Air Standards, Notification of the National Environment Board, No. 24, and B.E. 2547

^{2/} : Nitrogen Oxide in the Ambient Air Standards, Notification of the National Environment Board, No. 33, and B.E. 2552

Remark: < 0.001 is the Detection Limit of HCl.

HCl does not have specific standard.

Measured/ analysed/ controlled by	SPS Consulting Service Co., Ltd.
Recorded by	Mr. Narong Srisuk/ Mr. Taweepong Kongsomboon
Examined/ controlled by	Ms. Bungorn Siripoka (๓-011-๙-2955)
Analysed by	Ms. Pavadee Kampoosa (๓-011-๙-5144)
Telephone	0-2939-4370-2

Air emission from the Furnace I and II

Index	Result				Standard
	11 Feb 2015	4 Jun 2015	15 Sep 2015	15 Dec 2015	
Quantity of particle intensity (mg/m ³)	230	238	232	142	No more than 240 ^{1/}
Quantity of sulfur dioxide gas intensity (SO ₂) (ppm)	402	485	544	362	No more than 800 ^{1/}
Quantity of the intensity of oxide of nitrogen gas (NO _x) (ppm)	99	107	135	91	No more than 200 ^{1/}
Quantity of carbon monoxide gas intensity (CO) (ppm)	5.4	1.7	2.4	24	No more than 690 ^{2/}

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

^{2/} : Standard of quantity of substances mixed in air emission from a plant Notification of the Ministry of Industry B.E. 2549 (For manufacturing process with fuel combustion)

Standard of air emission from industrial factory, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Measured/ analysed/ controlled by SPS Consulting Service Co., Ltd.
 Recorded by Mr. Heeson Lauma/ Mr. Kasem Seemapon
 Examined/ controlled by Mr. Jarinee Nunwisuth (๓-011-๓-4550)/ Ms. Bungorn Siripoka (๓-011-๓-2955)
 Analysed by Ms. Chonlada Pongkaoh (๓-011-๓-5146)
 Telephone 0-2939-4370-2

Air emission from the Scrubber PPPL (from the pickling and oiling process)

Index	Result		Standard
	12 Feb 2015	18 Sep 2015	
Quantity of hydrogen chloride gas (mg/m ³)	0.13	0.70	No more than 200 ^{1/}

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

Standard of air emission from industrial factory, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Measured/ analysed/ controlled by SPS Consulting Service Co., Ltd.
 Recorded by Mr. Lisu Lauma/ Mr. Kasem Seemapon
 Examined/ controlled by Mr. Jarinee Nunwisuth (๓-011-๓-4550)/ Ms. Bungorn Siripoka (๓-011-๓-2955)
 Analysed by Ms. Chonlada Pongkaoh (๓-011-๓-5146)
 Telephone 0-2939-4370-2

Air emission quality from Boiler

Index	Result		Standard
	12 Feb 2015	18 Sep 2015	
Quantity of particle intensity (mg/m ³)	11	6.9	No more than 120 ^{1/}
Quantity of sulfur dioxide gas intensity (SO ₂)(ppm)	< 0.1	< 0.1	No more than 800 ^{1/}
Quantity of the intensity of oxide of nitrogen gas (NO _x)(ppm)	63	60	No more than 180 ^{1/}
Quantity of carbon monoxide gas intensity (CO)(ppm)	1.3	1.0	No more than 690 ^{2/}

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

^{2/} : Standard of quantity of substances mixed in air emission from a plant Notification of the Ministry of Industry B.E. 2549
(For manufacturing process with fuel combustion)

Standard of air emission from industrial factory, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Remark: < 0.1 is Detention Limit of SO₂

Measured/ analysed/ controlled by	SPS Consulting Service Co., Ltd.
Recorded by	Mr. Heeson Lauma/ Mr. Kasem Seemapon
Examined/ controlled by	Mr. Jarinee Nunwisuth (๓-011-๓-4550)/ Ms. Bungorn Siripoka (๓-011-๓-2955)
Analysed by	Ms. Chonlada Pongkaoh (๓-011-๓-5146)
Telephone	0-2939-4370-2

Air emission quality from Dust Collector

Index	Result		Standard
	15 Feb 2015		
Quantity of particle intensity (mg/m ³)	5		No more than 120 ^{1/} , 300 ^{2/}

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

^{2/} : Standard of quantity of substances mixed in air emission from a plant Notification of the Ministry of Industry B.E. 2549
(For manufacturing process with fuel combustion)

Standard of air emission from industrial factory, Notification of the Ministry of Natural Resources and Environment B.E. 2549

Measured/ analysed/ controlled by	SPS Consulting Service Co., Ltd.
Recorded by	Mr. Heeson Lauma/ Mr. Kasem Seemapon
Examined/ controlled by	Mr. Jarinee Nunwisuth (๓-011-๓-4550)/ Ms. Bungorn Siripoka (๓-011-๓-2955)
Analysed by	Ms. Chonlada Pongkaoh (๓-011-๓-5146)
Telephone	0-2939-4370-2

Waste Management

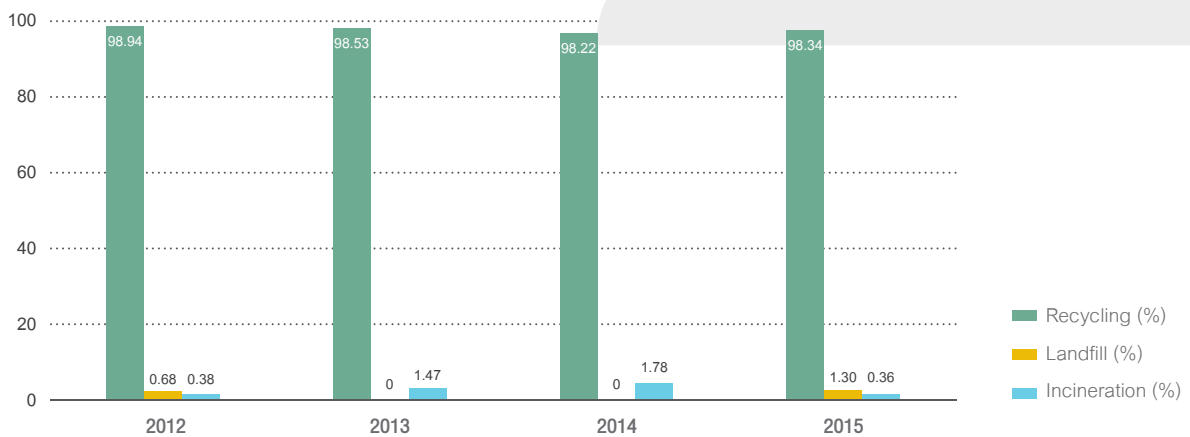
The Company is committed to reduce quantity of waste at source by applying the 3R's - Reduce Reuse and Recycle.

- Reduce: Reducing waste at source and encourage efficient use of resources, such as general waste, waste grease and waste oil, etc.
- Reuse/Recycle: Privatising and recycling waste and encourage efficient use of resources, such as reducing oil contamination, and project lead of waste recycled as a way to dispose of waste from landfill by recycling and reusing as much as possible, and wasted food was used to make fermented bio-extract for staff.

Moreover, SSI applies the 3R's to reducing waste at the original source. SSI also disposes of waste with minimal environmental impact as follows:

- Disposal: Disposal or pretreatment of waste. SSI uses services of waste processor with expertise and certification by the authorised government agency, who are well-known among their clients.
- Operational control: SSI has an industrial waste pollution control systems to perform correctly and in compliance laws.

SSI's Disposal of Waste in 2012 - 2015



In 2015,

the total waste amounts to 23,141.92 tons, costing 6.3 million baht. The sale of 18,230 tons of waste amounts to 32 million baht. The waste disposal methods are

recycling

98.34%

incineration

1.30%

landfill

0.36%

Co-operations with Partners

SSI was willing to join the governmental and institutional bodies to manage climate change in 2015, as follows:

- Collaboration with Thailand Greenhouse Gas Management Organization (Public Organization) in the Thailand Voluntary Emission Reduction (T-VER) Demonstration Project
- The Joint Crediting Mechanism (JCM), a project supported with technique and funds by Japan government
- Collaboration with the World Steel Association in Life Cycle Assessment in the Steel Industry Project
- Collaboration with the World Steel Association in a project studying energy benchmarking of steel group
- Collaboration with the South East Asia Iron and Steel Institute (SEAISI), working with Environment & Safety (ESCO) working group
- Collaboration with the Iron and Steel Institute of Thailand (ISIT) in Reheating Furnace Efficiency Monitoring Project and studying the possibility of using alternative energy.

Green Industry

SSI signed the memorandum of co-operation to develop a Green Industry with the Ministry of Industry as it recognises the importance of co-existence between the industrial community and the social and environmental factors. Under this umbrella, SSI has been certified in the Third Level Green Industry (Green System), due to our systematic environmental management and monitoring for continuous development, since 2011 to 2015.





Surveying Local Viewpoints and Environmental Local Participation

A survey on attitudes of the community is conducted annually among the communities around the plant. The communities are important stakeholders for SSI because the operation of the plant affects them economically, socially and environmentally in both positive and negative ways. Thus, an attitude survey enabled the Company to understand their perception through community leaders and household leaders on various effects from the operation of the plant throughout the year. It also paves the way to joint decisions through participatory meetings, for example, community leader council meetings and village meeting. SSI has used suggestions from these meetings as a basis to arrange programmes that directly respond to the need of the community and lead to sustainable local satisfaction.

Surveys made in 2015 show that most locals accepted and appreciated that the Company has played a part in improving income generation, better commerce and infrastructure. Such activities included donations for educational purposes, aquatic animal conservation, career

development, community-banking and mangrove forest conservation. The top priority was tree-planting, followed by Mae Ramphueng mangrove conservation, aquatic animal conservation, donations for educational purposes, beach-cleaning, monetary/educational equipment donations for community education, local environment safeguarding, youth camp and other activities.

There are 3 concerns, resulting from the survey in 2015: Road traffic 10.3% Particulate matter 9.8% and Waste water 3.0%, while in 2014: Road traffic 10.4% Particulate matter 6.5% and Road accident 5.2%. This has shown that road traffic has been a major issue. Therefore, SSI in co-operation with a working committee to control vehicles of Sahaviriya Group has focused on time management for goods traffic to avoid certain hours, setting up CCTV, patrol wagon, providing Sahaviriya fund for transportation trucks, arranging seminars for transportation contractors, and organising meetings with community leader council to discuss and consult about community participation and to relieve their concerns.

Social Performance

Creating Customer Value and Fair Operating Practices

SSI recognises the importance of customer satisfaction and its effect on successful business, therefore specific focus is placed on ensuring best practice is achieved to effectively and efficiently respond to customer's needs. Furthermore, fair operating practices with business partners are always carried out in order to create appropriate benefits for both parties. The Company ensures that correct reports and facts are provided to customers and performs in line with contracts and the Company is committed to negotiating appropriate solutions based on business relationships, avoids business conflict situations and adheres to fair treatment.

Innovated Value Products

In 2015, the Company has set up activities to strengthen relationships with customers, particularly in relation to resolving problems, handling customer complaints, and receiving feedback and suggestions. The data from the activities is used to develop product services and quality to meet the needs of the customers. Activities undertaken included customer visits, meetings with key customers on a monthly basis, annual customer satisfaction surveys, training and providing further knowledge of the company's products. SSI also provided advice and assistance to clients

to support them in resolving any problems associated with the Company's products.

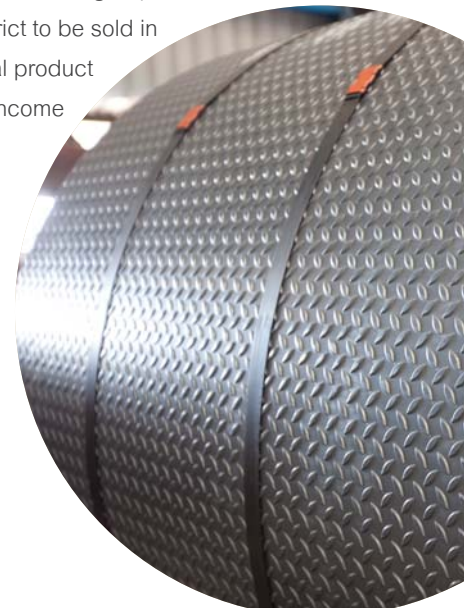
Our Innovated Value Products Working Team has carried out these activities to analyse customer needs, by working with the Production Team to drive the development of products and services quality. Improvements made include, controlling product dimensions to reduce customers' loss, specially designing product properties according to customers' requirements and enhancing transportation efficiency to achieve on-time delivery for urgent orders. These will support customers to broaden their performance and expand marketing opportunity. Further important developments are as follows:

1. Developing prototypes of High Tensile Strength Steel.
2. Developing prototypes of High Tensile Hot-Rolled Steel Sheet for Stretch 40.
3. Developing IVP, creating value added to customers (You+) for automotive industry customers.

In 2015, SSI had delivered 120,983 tons of Innovated Value Products (IVPs) which represent 11% of the total sales.

Create Shared Value with Business Partner

Annual seminars with suppliers and service providers were conducted to clarify company regulations, procurement purposes and procurement practices for Sahaviriya affiliated companies. Moreover, the Company has been supporting additional jobs for local suppliers in Bangsaphan district, by purchasing local products from various groups. The Company established Local Market @ SSI Project to support good quality OTOP from the housewife groups in various subdistricts in Bangsaphan district to be sold in the Company. This will help local product to be well-known and increase income for local vendors.



In 2015, the Company purchased products from general vendors at approximately 1,502 million baht which can be classified as follows: 995 million baht for energy product group, 75 million baht for spare parts, 106 million baht for factory supplies, 298 million baht for services, 28 million baht for others, and 177 million baht for local purchases in the Bangsaphan community. For 2016, it is expected that procurement costs will be raised up to 1,700 million baht from general vendors and 185 million baht from the local community.

Fair Trade Practices

The Company undertakes its business by treating competitors fairly and avoiding obtaining their confidential information in dishonest or inappropriate ways or performing any activity that will damage the competitors' reputation by a malicious accusation. Meetings are held between the management of SSI and their competitors to strengthen relationships and share their experiences.

Innovation, Research and Development

The Company recognises the need to focus on capability development in the steel industry. This is shown by the increase of research projects that the Company

has been created for certification. From 2006 to 2014, the R&D expense related to 90 certified research projects was approximately 64.2 million baht. However, in 2015, the National Science and Technology Development Agency (NSTDA) has changed its certification procedure and the Company faced financial difficulty, therefore, the number of our certified research project was not increase from 2014. Nevertheless, the Company will continuously encourage our R&D department to develop research projects to increase our knowledge base and increase the Company's competitive edge in steel industry.

In 2015, research and development department conducted researches on product quality enhancement and production development on various topics, including Effect of the Skinpass on the Mechanical Properties of Low Carbon Hot-Rolled Steel Strip, Effect of Moisture and Chloride After Wet Skinpass on the Pitting Corrosion Defect and Effect of Si on Oxide Scale and Mechanical Adhesion in Hot-Rolled Low Carbon Steel, etc. Moreover, R&D department implemented advance knowledge and research technique in product development and improvement, by collaborating with customers.

As for research network development, the Company has signed memorandum of understanding in metallurgy and materials research with other government agencies and renowned universities. In 2015, the Company collaborated with Synchrotron Light Research Institute (Public) Organization on subjects as follows:

Number	Topic	Project	Objective
1	Surface Problems in Hot-Rolled Low Carbon Steel Analysis	1. An Investigation of Salt and Pepper Scale Defect in Hot-Rolled Low Carbon Steel	1. To characterize and define the root causes of salt and pepper scale defect in low carbon steels strip which can be used for product quality development.
		2. An Investigation of Dark Surface on Low Carbon Steel Strip Surface	1. To characterise and define the root causes of dark surface problem which can be used for the product quality development.



Anti-corruption

The Company places a strong emphasis on conducting business under the principles of good corporate governance and social responsibility which is intended for sustainable development. The Company deems that corruption is harmful and causes great damage to organisations and the nation. The Company therefore fully supports the implementation of the anti-corruption policy. As a result, on 22 January 2016, the Company was certified by Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and became a member of CAC. In 2015, the Company carried out several anti-corruption initiatives as follows:

The Company established supervision and control practices to prevent and monitor fraud and corruption risks, which were summarised as follows:

1. Policies and Guidelines on Anti-corruption

The Board of Directors Meeting No. 13/2015 held on 17 September 2015 approved the policy and guidelines regarding anti-corruption continually from last year to confirm its intent and expectations to implement the anti-corruption policy. The Board also acknowledged anti-corruption measures and penalties as well as an example of related law on anti-bribery and anti-corruption, the various offences and penalties for such offences.

The anti-corruption policy states that Directors, Executives, and all employees are prohibited from accepting or being involved in any type of corruption either directly or indirectly. The Company shall act strictly in enforcing compliance with Thai anti-corruption laws and regulations, and those of each country in which the Company conducts its business. The Board also determined that the Company's subsidiaries and its jointly controlled companies shall adopt this anti-corruption policy including any guidelines issued by virtue of such a policy.

The anti-corruption guidelines provide guidance on offering or receiving gifts or entertainment or hospitality activities, granting contributions or donations to charities or common wealth, and political contributions. Guidance on reporting of suspected fraud or corruption is also provided. This policy and guidelines were developed in addition to the "SSI WAY" including the Company's commitment to ethics which is mentioned in business philosophy, integrity which is mentioned in business ethics, employee ethics and values, as well as the ethical conduct for employees on conflicts of interest which is mentioned in the Company's guidelines regarding conflicts of interest.

2. Communication of Policies and Guidelines on Anti-corruption

The Company recognised the importance of communicating policy and guidelines on anti-corruption. They were communicated by an e-mail and internal newspaper. All employees were able to access to this policy and guidelines which were posted on the Company Intranet and also available on the Company's website.

3. Training

The Company has continually provided training to encourage executives and employees to be aware of anti-corruption. A seminar on the topic "Anti-corruption and Sustainable Development" for management and employees was held in July 2015. And to ensure that employees truly understand and can comply with the anti-corruption policy and guidelines, the seminar on anti-corruption policy for employees was also held in September 2015. Moreover, a topic on the anti-corruption policy was included in the orientation program for new employees. In 2015, the orientation program was held four times.

4. Putting Policies into Practice

The Board of Directors Meeting No. 9/2015 held on 16 July 2015 approved the Board notification No. 1/2015 regarding the appointment of the Anti-corruption working committee, which became effective from 20 July 2015, to put the anti-corruption policy into practice and to enable the Company to maintain what it has been doing as a certified company of Thailand's Private Sector Collective Action Coalition Against Corruption. This is to express the Board's commitment and intent on Anti-corruption and to ensure that the Company has an anti-corruption measures monitoring, a delegation of power and a clear responsibility to implement the anti-corruption policy.

5. Fraud and Corruption Risk Assessment

The Company assessed risk of fraud and corruption by the risk owner of each division who identified events where fraud and corruption risk might occur in his/her area, assessed the likelihood and impact, reviewed and designed appropriate measures to combat fraud and corruption. The Group Risk Management Office then collected their results and proposed them to the Risk Management Working Committee for consideration before submission to the Risk Management Committee for acknowledgement. This will be done annually.

The Company determined guidelines on monitoring and evaluating compliance with the anti-corruption policy as follows:

1. Whistle-Blowing System

The Company provided Whistle-Blowing channels for stakeholders to raise concerns about offenses against the law, unethical practices, poor or unacceptable practices, abuse of authority, irregularities, corruption, fraud or misconduct, violations of the Company's conflict of interest policy, abuse and disregard of company policy, guidelines, instructions or procedures, fraudulent financial reporting, deficiencies in internal control systems or any action that may cause damage to the informants or the Company, without fear of retribution by having measures to protect the informants or whistleblowers. The Company also provided

measures to review or investigate the whistleblower's concerns and the imposition of punishment of offenders. All the whistleblower's concerns that were raised with the Good Corporate Governance Committee were to be tracked and examined, resolved and responded to informers as soon as possible. These were also reported to the Audit Committee for acknowledgement. Moreover, a summary of the Good Corporate Governance Committee's activities were also reported to the Board of Directors twice a year.

2. Internal Audit

The Group Internal Audit Office participated in an assessment to assure and advise on good corporate governance, risk management and internal control. The Company's internal control was assessed by the Group Internal Audit Office together with the management on a quarterly basis especially the assessment of risk factors relating to misstatements arising from fraudulent financial reporting or misappropriation of assets. The Group Internal Audit Office also developed an audit coverage plan and an annual audit plan using a risk based approach including fraud and corruption risk. The audit engagements were conducted following the annual audit plan that has been approved by the Audit Committee and the audit results were reported to the Audit Committee.

Human Resources and Right

The Company recognises the importance of human resources that they are essential to the organisation's business success. We have determined the appropriate structure of employment, compensation and benefits, personnel development and the Company has continued the Care Organization Project to promote activities related to employees and their families, creating efficient collaboration and working relationships between employers and employees. The project supports employees to achieve an appropriate work life balance by considering their personal life and family. In addition it encourages employees to demonstrate good values and act as role models.



Employee Structures

In 2015, SSI employed 1,020 people; 132 at the Bangkok office and 888 at the Bangsaphan Steelworks. The employee structure recognises levels of employee as follows:

Executive	27	people
Managerial	150	people
Supervisory	405	people
Operational	438	people

SSI Group Employee

SSI Group employee level	SSI	TCRSS	WCE	PPC	Total
Executive level	27	5	7	1	40
Managerial level	150	62	37	3	252
Supervisory level	405	185	154	26	770
Operational level	438	560	180	60	1,238
Total	1,020	812	378	90	2,300
Outsourcing	429	126	300	15	870

(Number of Employees of SSI Group: as at 31 December 2015)











Employment

The Company has a policy to encourage employees to consider promotion and rotation of roles. The policy looks to appoint internal employees into roles who have the appropriate knowledge and qualifications. If there are no suitable current employees for a required role, the Company will recruit potential external candidates. Recruitment policies are open to all genders, races, religions, ages of 18 years and over, providing the person is appropriately qualified and competent. The Company conducts interviews with fairness and effectiveness in recruitment and selection. In 2015 the Company had 101 job vacancies with 348 potential candidates and 87 people were successfully recruited into these roles; 71 newcomers and 16 transferring employees within organisation. As for the underprivileged, there are limited positions because of job characteristic. The Company also has contributed to the Empowerment of Person with Disabilities Fund through the improving quality of life of people with disabilities.

Employee Development

The Company has developed competency based guidelines to recognise talented staff and support the development of staff according to the SSI Way. In 2015 SSI has arranged training courses as follows:

Training and Development of SSI Staff in 2015

Guideline	Method	Outcome in 2015
On the Job Training (OJT)	Set standards of necessary knowledge and skills to different tasks and assigned supervisors to coach and train staff to enable them to perform in accordance with the knowledge and skill levels required. The supervisors will regularly monitor the outcomes and performance.	 917 people
In-House Classroom Training	Core Competency Course Managerial Competency Course Functional Competency Course Anti-Drugs Course Occupational Health and Safety Course HIV/AIDs Prevention Course	 173 courses  1,035 participants  Average training period 25.07 hours/person/year
Employee Development - talented and good staff through the SSI Way	Company Value (iFacts) Knowledge and Awareness	 23 activities  975 participants
Domestic and Overseas Training	Appoint staff to undertake training courses held by external organisations, both domestic or based overseas	 108 courses  142 participants  Average training period 3.05 hours/person/year
Acknowledge the Annual Division Goal Program 2015	Managerial level executives and upwards were informed about policy and strategies through Goal Program Presentation, by each division.	 131 participants (Managerial and above level)

Welfare and Benefits

SSI places a focus on the welfare and benefits of employees and complies with the relevant legislation on employment such as leave days and holiday leave. Moreover, the Company provides the following welfare and benefits appropriate to the relevant working conditions:

- Annually 2 uniforms
- 5-route transportations for staff in Bangsaphan to travel into the office
- Monetary support for staff who live outside of the Bangsaphan district area
- Free rice and inexpensive food prices for staff
- Upcountry allowance for staff who work at Bangsaphan Steelworks
- Travelling allowance support for employees who work in other locations and overseas
- Shift allowance for shift workers
- Provident fund for employees on retirement
- Internal sport, Sport Day and Anti-Drugs Sports
- Organises “Staff Health Week” campaign to support staff to learn to take care of their health
- Organises Drug Free Workplace Project to protecting and solving drug problems in organisations
- Organises lectures on HIV/AIDs
- Health and life insurance and travel insurance for overseas business trip

Employee Relations

The Company recognises the importance of building relationships between employees and management to create an effective work environment and to provide employees with a balance between work life and family life (Work Life Balance). The Company has therefore maintained the “Care Organization” project which has included the following activities:

- Meet Management: The following activities have been put in place to establish a relationship between employees and management:

- Annual policy statement: President informed managerial level staff about the strategic plan and company policies.

- Goal Program Presentation: Managers and above reported their annual plans twice a year to support the company strategy and business plan. This allowed other managerial staff to share their plans and received comments and suggestions for improvement from the Management Committee.

- Announce Division Annual Strategic Plan: Each management division presented to their staff the division strategy to create awareness and improve all employees understanding.

- Executive meeting and participate in activities together: Management have visited the plants to participate in company activities such as sport, voluntary work, blood donations and merit in the New Year. These activities supported the Company’s agenda to promote talented and good staff through the SSI Way.

- Increasing the well-being of employees and their families: Project activities have been set up for example, “1 family 1 storehouse of food”. This project involves growing vegetables for employees. Other projects have been organised including Family Day, Mother’s Day activities and volunteering activities for example lunch for children.

- HR Clinic: The Company arranged HR consulting staff to advise employees on any HR queries, for example company rules & regulations, salary, personal tax, etc.

Creative Internal Communication

In order to build good relationships and encourage understanding between the organisation and all staff levels, SSI focuses on creative internal communication via many channels as follows:

Communication Channel	Objective	Outcome 2015
Message from Group CEO and President and Management (interviews with executives and publish on the intranet and internal TV)	To inform and make all staff aware of policies, operation directions and major performances of the Company directly from Group CEO and President and the Management	8 times
Goal Program Presentation	To allow all staff of managerial level and upwards to acknowledge and share their opinions on the direction and business operation. This is performed for the Company in overview and for different departments to allow clear communication between teams.	2 times
Voice on the Line	To provide information to staff directly from the management team to help them understand the business vision or related operation.	5 days/ week
Morning Talk (monthly/weekly)	To allow managers and staff to have a two way communication system to update on news related to the Company and to solve any work issues.	1 day/ week
Face to Face Workforce Visit	To visit staff at their operational locations to provide information and news about activities being held in the Company as well as asking them for their opinions and suggestions.	4 times
Employee Relations staff visit shift staff at their workplace	To visit night shift workers at their workplace and gain their opinion and provide them suggestion.	6 times
Welfare Committee	To communicate employees' requirements to the management team and strengthen the relationship between executives and staff.	4 times
Electronic News letters	To publicise updated information and activities of the Company. The newsletter includes completed and future projects to provide useful information related to daily life and health.	10 times
SSI Way Understanding Activities	To help employees learn and understand the "SSI Way" which are the values that the Company encourages staff to demonstrate - "good person", "talented person" and "qualified person" who will help develop both the organisation and the society.	23 activities
Internal TV	To distribute major information to all staff quickly	1,221 messages
Communication via Social Media (Facebook-Page-SSI Employee Relations and Welfare)	Social media is used as a two way communication tool to inform staff about updated information regarding the organisation. The communication can be made via both the internet and smart phone.	467 messages
Steel Man Steel Mind Project	To support the relationship between employees' families and the Company by choosing from employees who cooperate well with the Company's activities.	Whole year activity

Social and Community Development

SSI has continuously focused on social and community development in accordance with sustainable development to strengthen relationships with its stakeholders. SSI has done this by adhering to three principles: creativity, stakeholder engagement and operation efficiency. In 2015, the Company operated 42 social and community development projects (this includes 15 Arsa projects), which benefit 23,098 stakeholders. These projects are divided into two parts:

- 1) Social development to strengthen the underprivileged
- 2) Community development in 4 aspects: Education quality development, Environment quality development, Job and income development, Good quality of life development which includes religion and culture support.

Social Capital Development

Thailand Iron Man Mini Marathon 2015

The Company, with co-operation with steel industry partners, namely Thai Cold Rolled Steel Sheet Plc. (TCRSS), NS Blue Scope (Thailand) Limited (NS Blue Scope), Siam United Steel (1995) Co., Ltd. (SUS), Nippon Steel & Sumikin Galvanizing (Thailand) Co., Ltd. (NSGT) and JFE Steel Galvanizing (Thailand) Co., Ltd. (JSGT) – together held “Thailand Iron Man Mini Marathon 2015,” raising 2 million baht fund, to support organisations for the underprivileged, at Lumpini Park, on 7 November 2015. There were more than 1,400 participants. Moreover, the 8 consecutive years of arranging the event raised more than 18 million baht.

Cycling Trip to Plant Trees to honour the King

The Company collaborated with local people in Bangsaphan district to arrange a cycling trip to plant trees to honour His Majesty the King. This will help increase green space, and also help raise awareness among local people to realise the importance of tree planting and energy reduction usage.

Four cycling trips to plant trees have been arranged: The 30-km cycling trip from Bangsaphan District Office to Tham Khiriwong Temple in Thong Chai subdistrict, The 12-km cycling trip from Bangsaphan District Office to Tung Kee Tai in Phongprasas subdistrict, The 16-km cycling trip

from Bangsaphan District Office Khaowong Mountain in Ban Don-sanga, Moo 8 in Kamnerd Noppakhun subdistrict and, The 9-km cycling trip from Bangsaphan District Office to Tung Tub Tong Abbey, Moo 12, Ron Thong subdistrict.

Community Development

In 2015, SSI has carried out 27 projects which reflect our commitment towards good citizenship and earned trust from Bangsaphan locals and stakeholders from having strengthened the relationships with the community. The community development of SSI focuses on engagement from everyone, including SSI staff, locals and related organisations in the aspects as follows: education quality development, environment quality development, job and income development, good quality of life development, religion and cultural support and “SSI Arsa,” a public mind project development among SSI Staff.

Jointly Developing the Quality of the Community Education

Sahaviriya Funds for Bangsaphan Educational Developments

Sahaviriya Funds for Bangsaphan Educational Developments Project emphasised 3 dimensions (school, teacher and student) and has continued for 3 years, with co-operation with the Office of the Basic Education Commission (OBEC) and from the Office of Prachuap Khirikhan Primary



Educational Service Area Zone 1. Sahaviriya Funds for Bangsaphan Educational Developments Project was started in 2011, and in 2015 it has expanded target schools to 36 schools in 7 subdistricts in Bangsaphan district to join “Sahaviriya Funds for Bangsaphan Educational Developments Project 4th generation” and moves forward to be excellent at sustainability. This project is a 3-year continuous project with 4 school generations and 6 schools who received the scholarships in 2015. During 2015 there were activities during February to November 2015 as follows:

The 1st generation schools: In 2015, the 2 medium-sized schools, who passed the assessment in 2011 - Ban Don Sa-Nga School in Kamnerd Noppakhun subdistrict and Suan Luang School in Phongprasas subdistrict, were supervised and followed up after receiving the third installment fund (the last installment fund).

The 2nd generation school: In 2015, a large-sized school Bangsaphan Kindergarten School in Kamnerd Noppakhun subdistrict, who passed the assessment in 2013, was supervised and followed up after receiving the second installment and their 3-year education plan was assessed before receiving the third installment fund (the last installment fund of the 2nd generation schools).

The 3rd generation school: In 2015, a large-sized school Bangsaphan Kindergarten School in Kamnerd Noppakhun subdistrict, who passed the assessment in 2014, was supervised and followed up after receiving the first installment fund and their 3-year education plan had their first assessment before receiving the second installment fund.

The 4th generation schools: In 2015, the Sahaviriya Funds Committee has concluded that 2 small-sized schools – Ban Nong Chan School in Chai Kasem subdistrict and Ban Wanyao School in Thong Mongkhon subdistrict – will receive the funds, while there were 12 schools, submitting 3-year education plans.

In 2015, the project was extended to 4 local schools (the 2nd- 4th generation schools). Two schools have demonstrated impressive results. Their average results for the Ordinary National Educational Testing (O-NET) were 50.13% and 59.20%, higher than the average national result 44.98%. Two other schools have just received the funds and we wish their best as they began their first year into their plans.

Personnel Development for Steel Industries

The Company joined forces with Bangsaphan Industrial and Community Education College to support metallurgy knowledge for educational institutes and local youth and open more opportunity to recruit staff. As of 2015, there were 531 students across 8 generations graduated from this project. Out of this number, 129 people are now working with SSI and companies in Sahaviriya Group.

SVG Annual Scholarships

The Company and Sahaviriya Group provided SVG Annual Scholarships 2015 for local youth who have determination to study but have economic difficulty from 21 schools in Bangsaphan district, 21 schools received 242 scholarships, worth 540,000 baht. The scholarship details are as follows:

- 240 scholarships for primary school – high school students, 260,000 baht worth
- 2 continuous scholarships for bachelor’s degree students, 70,000 baht worth
- 6 SVG’s Scholarships for Excellent Education Development (SVG SEED), 210,000 baht worth, for local youth who will continue their study in becoming teachers and come back to develop their community.

Moreover, SSI staff also provided additional fund, “Tun Nee Phue Nong”, with 92 scholarships, worth 105,000 baht, for the youths in Bangsaphan.



Local Curriculum Development Project

SSI has joined with the school committee and local people in setting up the Local Curriculum Development Committee to apply local resources such as tools to teach students and create an effective learning environment. To generate co-operation among SSI staff, the lesson about “Steel in daily life” and “Steel industry and community development,” were taught to more than 150 Pratom 4 - 6 high school students, 24 hours overall in a year, by SSI Volunteer Teachers.

In 2015, Wat Napakkuang School and Ban Chamuang School took part in the project after Ban Tha Kham School joined the project in 2012 and Ban Don Samran School in 2013.

The Annual Drawing Contest Project

“The 12th Creative Arts, Wide Imagination Project 2015,” a drawing contest, provides an opportunity for students in Bangsaphan district to compete for scholarships. There were 172 students from kindergarten to junior high school levels, joining the contest. 115 pieces of the drawings will be selected and sent to compete in an international drawing contest in Tokyo, Japan.

Sufficiency Economy School for Sustainability Project

SSI recognises the importance of His Majesty the King's idea of Sufficiency Economy, therefore, Sufficiency Economy School for Sustainability Project was launched since 2012.

In 2015, the Company set up this project in Ban Don Samran in Moo 1, Mae Ramphueng subdistrict, Bangsaphan district, Prachuap Khiri Khan province, by focusing on sustainability and creating shared value between SSI, schools, temple and community.

Young Agriculturist Project

This project was launched in 2012. SSI has set up Hydroponics Vegetable system for Ban Tha Kham School in Moo 4, Mae Ramphueng subdistrict, Bangsaphan district, Prachuap Khiri Khan and 143 students gained benefit from. In 2013, the project was expanded to Ban Morasuab school, Moo 3, Chai Kasem subdistrict. During this project, students can learn to practice business skills by planting vegetables and selling them in the school's cooperative. There were 346 students who received benefits from the project and enjoyed lunch from the vegetables while the rest were sold to the community to generate additional income for students and integrated to school curriculum. In 2014, SSI expanded Young Agriculturist Project to Ban Huaysai Khao School and Ban Suan Luang School. Students will learn business skills, including production process, management and marketing skill. Moreover, the food grown from the project will be used for school lunch, sold to parents and the community to add more income for students.

In 2015, the Company strictly supervised schools, that joined the project, by focusing on efficiently managing the project, increasing business skill for students and creating young agriculturist. Moreover, older generations will help teach younger generations to create responsible person who will sustainable take care of the project.



Modern Organic Farming Project for Community Enterprise 2015

In 2015, the Company has expanded the organic farming project to communities in the strategic area around the plant. These communities are ready, have potential and agree with project conditions. The Company conducted a survey to explore the needs of the communities and arranged meetings with community leaders to evaluate if the project could succeed. Ban Thongchai Community in Moo 3, Thongchai subdistrict was selected and named "Ban Good Community Enterprise," with 33 members. There were activities included committee selecting, project funding, area improving, and greenhouse building with help from SSI Arsa Volunteers. Moreover, the Company arranged a study tour for the group and arranged a training session about organic farming with specialists and activities will be continuously arranged by operating by the committee.

Youth Council Project

This project focused on life skill development management for the youths, by the Youth Council. The youths were prepared in various aspects such as potential development and instilling public awareness to support the community.

In 2015, there was outstanding progress made as a result of the project as follows:

- Huay Kreab Youth Council was set up, expanded from the first council Ban Don Sa-nga Youth Council.
- Council structure, youth committee and consultants (from local leaders) were set up.
- There were 13 youth members and 9 consultants.
- Ban Don Sa-nga Youth Council consisted of 144 members, an increase from 55 members in 2014.
- 4 potential development activities and 2 community development activities were arranged.
- They competed in Information Community, arranged by Community Development Department and was chosen to be the only representative of Prachuap Khiri Khan Province.

- They presented their plan and received 67,300 baht fund from the Prachuap Khiri Khan Welfare Fund. They receive the highest amount of fund, among 25 organisations, receiving the funds. Moreover, under SSI support, Ban Don Sa-Nga Youth Council was certified by the Ministry of Social Development and Human Security which is the only organisation, working on youths and the first one in Prachuap Khiri Khan.



Job Development to Strengthen Household Economy

SSI has been supporting the agriculture development to help generate more income for local agriculturalists and housewife groups as follows:

Supporting Sahaviriya Ruam Pattana Project

Sahaviriya Ruam Pattana Project was launched by Sahaviriya Group, by establishing community banks in 4 subdistricts around the plant. At present, there are 18 community banks, with 24,690,139 baht total fund and 3,094 members.

Increase Locals Hiring from the Community

In compliance with the policy of promoting the local workforce and discouraging people from Bangsaphan and surrounding areas to move away in search of income, SSI altered the policy in 2015 to increase the ratio of employment of local inhabitants. In 2015, SSI admitted 57 employees, and admitted 61 employees, both full time and outsourcing employees, or 60% of total employees.

Purchase of Products and Services from the Community

SSI has supported jobs in Bangsaphan district by buying local products from various groups 167.28 million baht worth and in 2016, the number is expected to reach 185 million baht.

Moreover, the Company has supported local entrepreneurs in Bangsaphan district, by organising Local Market @ SSI Project. This project supported One Tambon One Product ("OTOP") goods, produced by housewife groups from various areas, to be sold in SSI Bangsaphan Steelworks. This will make local products well-known and generate additional income for Bangsaphan locals. In 2015, the value of purchased local products amounted to 0.40 million baht.

Safeguarding and Upgrading the Environmental Quality

SSI considers its responsibility to the environment and natural resources. The Company controls the industrial processes to ensure that pollution is minimised to maintain the quality of life and health of staff and local people. SSI, together with related offices, co-operate to continuously improve the quality of the environment. 3,463 people joined in the activities promoting environmental conservation.

SSI Beach Clean-Up

SSI executives, staff, together with students, business sectors and people in Bangsaphan district annually joined together on the World Environment Day, on 5 June, to support the United Nations Environment Programme (UNEP) (this year topic: 7 billion dreams. One Planet. Consume with Care), by collecting garbage on Mae Ramphueng beach in Mae Ramphueng subdistrict, Bangsaphan district, Prachuap Khiri Khan province. There were 558 participants and the distance covered was 3 kilometers.

Bangsaphan Car Free Day

SSI joined forces with Sahaviriya Group to arrange a bicycle ride trip "Bangsaphan Car Free Day 2015" which was the 4th consecutive year, on 20 September 2015. The aims were to raise awareness of global warming among people in Bangsaphan, reduce energy usage and support bicycle riding for good health. The 12-km bicycle ride trip attracted 441 people to cycle from Bangsaphan District Office to Mae Ramphueng Sub-District Administration Office. At the same time, Bangsaphan people were encouraged to stop using motorised vehicles for 30 minutes from 8.00 - 8.30 a.m. This activity helped reduce 2,010.96 kgs of carbon dioxide emission approximately. Moreover, the amount of carbon dioxide emission reduction, resulted from this activity since 2011 is 11,152.34 kgs of carbon dioxide emission approximately.

Moreover, SSI and Sahaviriya Group also arranged Ride for Smile Project, a project under Two Wheels Preserve Bangsaphan Project, to encourage people in Bangsaphan district to join bicycle trips for good health, reduce energy usage and create social contribution. In 2015, there were 3 activities under this project as follows:

- Ride for Smile # 1/2015 was arranged on 17 May 2015, with 108 participants. The activity included a 16-km bicycle ride trip from Bangsaphan District Office to Ban-Ao-Yang Park Moo 3, Mae Ramphueng subdistrict, Bangsaphan district and cleaning the parking area in the park. The event could reduce approx 656.64 kgs of carbon dioxide emission.

- Ride for Smile # 2/2015 was arranged on 20 May 2015, with 117 participants. The activity included a 18-km bicycle ride trip from Bangsaphan District Office to Tung Song Temple in Tung Tub Tong, Moo 12, Ron Thong subdistrict to plant 300 trees. The event could reduce approx 800.28 kgs of carbon dioxide emission.

- Ride for Smile # 3/2015 joined a cycling trip with the "Bike for Dad" project which was organised by Bangsaphan Police Station and Subdistrict and Village Headman Club, on 6 December 2015. There were 322 participants, joining a 28-km bicycle ride trip from Bangsaphan District Office - hospital intersection - Don Samran junction - Baan Bon Don junction - Somboon Beach junction - Mae Rampheung Subdistrict Administrative Organization Office - to clean Mae Ramphueng Beach. The event could reduce approx 3,426.08 kgs of carbon dioxide emission.

In conclusion, the 3 events in 2015 could help reduce approx 4,883 kgs of carbon dioxide emission.

SSI Waste Bank Project

The Company has been arranging SSI Waste Bank Project since 2008. There were 8 schools in this project, including Ban Suan Luang School, Bangsaphan Kindergarten School, Ban Nai Lock School, Ban Nong Yahphlong School, Ban Morasuab School, Women Secretaries 1 School, Ban Klongloy School and Nong Chan School. SSI played a role in instilling public mind and pushing forward knowledge process to generate sustainable development in environment preservation among local youths. The activities included

supporting them to learn waste management, arranging a waste bank role model tour, organising a seminar for the 8 schools and arranging a waste invention competition. The aims were to support the youth to manage and deal with environmental problem, allow them to express their imagination and expand SSI's environmental projects among them.

Moreover, SSI Community Relations Team joined forces with the Office of Prachuap Khiri Khan Primary Educational Service Area Zone 1 to supervise and assess the project. Results found that the project brought significant change to each school. Students applied knowledge, gained from study tours, exchanging ideas in seminars and activities from joining SSI Youth Conservation Camp to activities in their schools. The activities included waste disposal, plastic reduction in school, sharing knowledge with friends, integration with school curriculum and students also used knowledge, gained from joining these activities, to develop new environmental activities in schools.





Youth Conservation Camp

SSI, in cooperation with the Prachuap Khiri Khan Primary Educational Service Area 1, organised Youth Conservation Camp for primary school students (Prathom 5) from educational institutes in Bangsaphan district annually. The project aims at instilling green heart among local youths, by arranging various activities. This project has been held for 10 consecutive years, with 1,049 junior conservationists, in total.

In 2015, the Company has focused on supervising and assessment to support schools that joined the camp. Results were satisfactory. Students shared their knowledge with other students, environmental preservation club was set up in schools, environmental activity plan was launched and environmental activities were constantly set up in schools, with support from school executives and teachers.

Super Smart & Intelligent Kids (SSI Kids)

SSI, in co-operation with Natural Resource and Environmental Office, arranged Super Smart & Intelligent Kids (SSI Kids) Project 2015 to support the youth to realise the importance of water and environment, water pollution, to learn basic water, environment quality monitoring, to create water conservation network and to have good quality community water. Learning bases were set up, including water quality learning base at HRC Plant (before and after treatment process), water quality monitoring base at Hot Rolled Coil Picked and Oiled Plant, small freshwater animal monitoring base and bird surveying base. There were 142 primary school students (Pratom 5) from Mae Ramphueng subdistrict, joining the camp.

Culture and Religion Activities

Activities on Elders Day

The Company joined activities on Elder's Day 2015 in Mae Ramphueng subdistrict. The event aims at preserving cultural traditions and expressing gratitude to the elderly. The activities included sprinkling water onto a Buddha image, poured water onto the elders' hand, arranging recreation and exercise activities for the elderly, with 729 elderly people joining event at Mae Ramphueng Sub-District Administration Office, Bangsaphan, Prachuap Khiri Khan.

National Children's Day 2015 in Bangsaphan

SSI and SSI Group helped arrange activities on National Children's Day, by handing over English book sets, supported by Books for Thailand Foundation, to 44 school libraries in Bangsaphan in order to cultivate a lifelong love of reading habits among students and improve their English language skills. Moreover, the Company also supported 3 local organisations, including Mae Ramphueng Subdistrict Administration Organization, Kamnerd Noppakhun Subdistrict Administration Organization, and Kamnerd Noppakhun Municipal District Organization.

SSI Arsa Project

"SSI Arsa Project" is a volunteering project, launched by SSI staff and executives. They worked together, to arrange activities to help the society and community in Bangsaphan to generate pride among the staff.

Instilling Corporate Volunteering Culture

In 2015, SSI Arsa Volunteers have arranged 1 major volunteering activity and 14 minor activities under the project "SSI 25th Anniversary, 250 Virtues.". The total number of SSI Arsa Volunteers involved is 620 or 4,960 working hours, and of volunteers from the community are 213 or 1,704 working hours.

SSI Arsa Major Volunteering Activity

The 20th SSI Arsa Project: Painted fence at Ban Nong Kong School (SSI & TCRSS Arsa)

SSI 25th Anniversary, 250 Virtues: 14 good deeds

- The 122nd good deed: Repaired children plaything and built a public rest-house at Thong Mongkol School
- The 123rd good deed: Built Bangsaphan School sport field at Kaoboat Temple
- The 124th good deed: Painted school building at Mattayom Noppakhun School
- The 125th good deed: Built field fence and gate at Ban Seeda Ngam School
- The 126th good deed: Supported workers to build rainspouts for an auditorium at Bangsaphan School
- The 127th good deed: Repaired a crematorium at Tung Kratai Tong Temple
- The 128th good deed: Improved the appearance of Sot Suksa Tepparat School
- The 129th good deed: Cut the grass at Tha Manao Temple
- The 130th good deed: Set up and repaired computer for Ban Dan Samnuk School
- The 131st good deed: Improved the appearance and planted trees for a village in Moo 7, Mae Ramphueng subdistrict
- The 132nd good deed: Repaired a crematorium at Wang Num Kaew Temple
- The 133rd good deed: Improved the appearance and collected garbage on a walkway in Ban Tha Kham
- The 134rd good deed: Renovated a dining hall for Na Pakkuang Temple
- The 135rd good deed: Set up a hydroponics green house for Thong Chai Community

Expanding Arsa Network to Stakeholders

Tam Kan Pan Nong Project

SSI supported “the 14th Tam Kan Pan Nong Project,” by providing school stationery and necessities for Wat Had Tanong School in Uthai Thani province, on 17 January 2015. The Company also helped repair school buildings and arranged recreation activities with students. This project was set up by the media from the Energy for the Society Club.

Youth Volunteering Project for Society

The Company set up a network of volunteering for local youths named “Arsa Bangsaphan Youth Group.” The group was given initial investment to raise funds for vulnerable people. In 2015, Arsa Bangsaphan Youth Group sold PRAY FOR NEPAL T-shirt and raised 10,000 baht fund which were used to support the United Nations International Children’s Emergency Fund Thailand (UNICEF Thailand) to help Nepal earthquake victims.

CSR Performance

1. Economic Performance Table



GRI	Required Data	Unit	2013	2014	2015	Remark
Economics						
G4-EC1	Economic performance					
	Sales and service revenues	million baht	65,387.00	65,276.00	20,173.00	
	HRC Sales Volume (ktons)	million baht	3,243.00	3,318.00	1,126.00	
	EBITDA	million baht	(2,888.00)	808.00	(37,907.00)	
	Net profit (loss)	million baht	(7,053.00)	(4,903.00)	(40,840.00)	
	Economic value distributed					
	Suppliers ¹⁾	million baht	4,424.00	3,099.00	1,502.00	
	Employees ²⁾	million baht	595.47	620.24	546.71	
	Financial Institutions (Interest Expense)	million baht	1,970.87	1,669.89	2,345.44	
	Community, Society and Environment ³⁾	million baht	18.63	17.81	13.91	
	Government (Tax) ⁴⁾	million baht	157.78	124.01	100.57	
Customer satisfaction						
G4-PR5	Target	%	75	75	75	
	Customer satisfaction					
	• Domestic market group A1	%	72	76	79	
	• Domestic market group A2	%	70	74	70	
	• Domestic market group B2	%	80	77	77	

¹⁾ Consist of value of general trading transactions in goods

²⁾ Consist of salary, wages, welfare, provident fund, social security and other expenses for HR development

³⁾ Consist of expenses in community and environment development

⁴⁾ Consist of corporate income tax, local maintenance tax, property tax, signboard tax and withholding tax



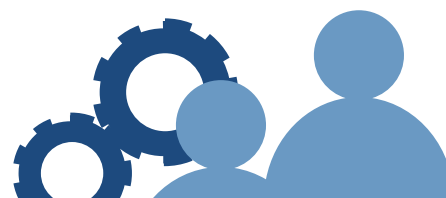
2. Environment Performance Table

GRI	Required Data	Unit	2013	2014	2015	Remark
Energy						
G4-EN3	Total energy consumption	Megajoule (MJ)	4,541,864,551.08	3,015,980,591.43	2,379,108,513.62	
	Direct energy consumption	Megajoule (MJ)	3,517,917,008.22	2,265,435,128.01	1,768,090,287.55	
	• Benzene consumption	Liter	83,933,127.00	53,902,830.00	41,860,117.86	
	• Diesel consumption	Liter	1,023,596.00	657,318.00	536,149.00	
	• LPG consumption	Liter	316,109.09	326,235.00	409,677.00	
	Indirect energy consumption	Megajoule (MJ)	1,023,947,542.86	750,545,463.42	611,018,226.07	
	• Electricity consumption	MegawattHour (MWh)	284,429.87	208,484.85	169,727.29	
G4-EN6	Total amount of saved energy	Megajoule (MJ)	3,380,677.00	20,604,613.00	35,135,428.00	
CO₂ Emission						
G4-EN15	CO ₂ Emission	Tons CO ₂	404,790.00	270,767.00	214,704.00	
Water						
G4-EN8	Water consumption from production process	million cubic metres	1.42	1.37	1.17	
Wastes						
G4-EN2	Percentage of materials used that are recycled input materials	%	98.53	98.22	98.34	
G4-EN23	Percentage of waste by waste incineration	%	1.47	1.78	0.36	
	Percentage of waste by landfill	%	0	0	1.3	
Transport						
G4-EN30	Number of company's vehicles or leased vehicles for product transportation					
	• Short distance truck	Cars	56	56	73	
	• Long distance truck	Cars	700	700	878	
	Number of transportation					
	• Short distance truck	Trips	1,432	1,189	6,404	
	• Long distance truck	Trips	3,326	2,010	26,281	

3. Total Workforce Table



GRI	Required Data	Unit	2013	2014	2015	Remark
Hiring						
G4-LA1	Number of employees					
	• Number of permanent employees	Person(s)	1,036	1,059	1,020	
	• Number of contracted employees	Person(s)	591	492	429	
	By gender					
	• Male	Person(s)	850	865	882	
	• Female	Person(s)	186	194	138	
	By age					
	• Over 50 years old	Person(s)	47	61	77	
	• 30 - 50 years old	Person(s)	732	765	728	
	• Below 30 years old	Person(s)	257	233	215	
	By employee structure					
	• Executive	Person(s)	39	40	26	
	• Managerial	Person(s)	127	142	152	
	• Supervisory	Person(s)	419	420	405	
	• Operational	Person(s)	451	457	437	
	Employee turnover					
	Total turnover	Person(s)	73	63	118	
	Total turnover rate	% of total employee turnover	7.04	5.94	11.56	
	By gender					
	• Male	Person(s)	48	43	84	
	• Female	Person(s)	25	20	34	
	By age					
	• Over 50 years old	Person(s)	-	-	7	
	• 30 - 50 years old	Person(s)	50	45	62	
	• Below 30 years old	Person(s)	23	18	49	
	Newly hired employees					
	Total number of new employee	Person(s)	128	110	96	In 2015, 71 people from external parties and 16 people from SSI were recruited.
	Total new employee rate	% of total employee	12.35	10.38	9.41	
	By gender					
	• Male	Person(s)	75	60	73	
	• Female	Person(s)	53	50	23	
	By age					
	• Over 50 years old	Person(s)	1	-	-	
	• 30 - 50 years old	Person(s)	44	54	25	
	• Below 30 years old	Person(s)	83	56	71	



GRI	Required Data	Unit	2013	2014	2015	Remark
Maternity and parental leave						
G4-LA3	Number of employee who took maternity leave	Person(s)	11	9	5	
	Number of employees returning to work after maternity leave	Person(s)	10	9	5	
Training and education						
G4-LA9	Average training hour					
	By branch					
	• Bangkok office	Hours/Person/Year	22.56	24.32	15.12	
	• SSI Bangsaphan Plant	Hours/Person/Year	28.25	29.19	25.48	
	By employee structure					
	• Managerial - Executive level	Hours/Person/Year	-	34.83	18.43	No record in 2013
	• Operational - Supervisory level	Hours/Person/Year	-	26.74	22.17	
Anti-Corruption						
G4-SO4	Number of employees who have completed ethics training	Person(s)	404	296	189	
Code of conduct						
	Violation of Business Ethics	Cases	-	-	-	No violation
Talent attraction and retention						
	Percentage of employees who passed formal performance reviews	%	100.00	100.00	100.00	
	Employee satisfaction					<ul style="list-style-type: none"> • In 2015, no survey has been undertaken. • Hewitt Associates was applied in surveying employee engagement.
	Goal	%	65.00	65.00	-	
	Percentage of employees who take engagement survey					
	• Bangkok Office	%	9.00	9.40	-	
	• SSI Bangsaphan Plant	%	91.00	90.60	-	
	Score					
	• Total score of employee engagement with the Company	%	58.00	54.00	-	
	• Score of employee engagement with Bangkok Office	%	34.00	39.00	-	
	• Score of employee engagement with SSI Bangsaphan Plant	%	60.00	56.00	-	

4. Occupational Health and Safety Performance Table



GRI	Required Data	Unit	2013	2014	2015	Remark
Occupational health and safety						
G4-LA6	Injury Frequency Rate (IFR)					
	• Employees and contractors	case/a million working hours	2.97	2.92	2.67	
	Lost Time Injury Frequency Rate (LTIFR)					
	• Employees and contractors	case/a million working hours	0.99	1.10	0.76	

LITFR: (Number of Lost Time injury x 1,000,000) / Total working hours

IFR: (Number of injury x 1,000,000) / Total working hours

Awards and Recognitions

Certificate of ESG 100 Company,
as a listed company in the category of
Industrials with outstanding Environmental,
Social and Governance (ESG) performance
by Thaipat Institute



Thailand Outstanding Company Award
for Safety, Occupational Health and Working
Environment 2015 (4th consecutive year)
by Ministry of Labour



**National Outstanding
Industrial Establishment
Award**
in Labour Welfare/Relations
Category in 10 consecutive
years type (2006 - 2015)
by Ministry of Labour

**Outstanding Score for Corporate Governance Report
of Thai Listed Companies (CGR) 2015**
by Securities and Exchange Commission (SEC)

**Level 4 (Certified level) for Anti-Corruption Progress
Indicator of Thai Listed Company 2015**
by Thaipat Institute



**Prime Minister Industry
Award 2015**
for Outstanding Safety Management
and Quality Management
by Ministry of Industry



**Sustainability Report
Award 2015**
Recognition Category
by Office of the Securities
and Exchange Commission,
Thai Listed Companies
Association and Thaipat Institute

About This Report

Scope of the Report

The 2015 Corporate Social Responsibility Report of Sahaviriya Steel Industries Public Company Limited (SSI) is the seventh issue that the Company has published to inform shareholders, stakeholders, investors and the public. This issue has added information about stakeholder engagement and their expectation which will be applied to set up a clear CSR framework with economic, social and environmental consideration.

This issue has covered all business strategy, policies, guideline, and business performance in economic, social and environmental aspect, mainly about SSI and some parts connected to its subsidiaries, during 1 January 2015 to 31 December 2015, to ensure that the CSR guidelines are delivered consistently throughout the Group.

Moreover, SSI determines to expand the report to cover more areas in the future.

This report has been generated in accordance with Global Reporting Initiative (GRI) G4 which is an international initiative. The report is disseminated in written reports and online at www.ssi-steel.com to allow everyone easy access to the information.

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Stakeholder Engagement and Sustainability

SSI has channels for appealing against illegal action, including actions which will damage whistle-blowers and the Company. Moreover, the Company has policies to protect the whistle-blowers and the appeal will be monitored and the facts assessed. These issues will be fixed, while the whistle-blowers and the Audit Committee will be informed about its progress. In addition, the results of the Good Corporate Governance Committee's tasks will be reported to the Board of Directors for acknowledgement twice a year.

There are communication channels that the Company has applied to communicate with the main 7 groups of stakeholders to create understanding and allow them to be part of the operation. Their opinion will be assessed to appropriately respond to all stakeholders and continuously enhance for sustainable development.

Stakeholders Engagement and Expectation

Group of Stakeholder	Expectations	Engagement Method	No. of time engaged
Shareholders and Investors	• Good corporate governance	Annual general meeting	Annual
	• Risk management	Annual report	Annual
	• Good performance and return	Investor relations activities	As needed
	• Business Rehabilitation Plan Progress	SET's website	Continuous
	• Anti-corruption policy	Analysis and explanation from the management	Quarter
		SSI's website	Continuous
		Strategic Partner Meeting	Quarter
		Twitter	Continuous
Customers	• Product quality	Meeting	Continuous
	• Technical supports	Meeting	Continuous
	• On time delivery	Development of good relationship via corporate tools; website, products manual, and activities	Continuous
	• Service quality	System of complaint	Continuous
	• Appropriate access to product	Plant visit	Continuous
	• Correct product information	Website	Continuous
	• Products that promote the society and environment	Website	As needed
Business Partners and Suppliers	• Quality promotion	Annual seminar	Continuous
	• Technical support	Meeting	Continuous
	• Co-management of occupational health, safety and environment	Recruitment and selection process Advisory system	Continuous Continuous

Group of Stakeholder	Expectations	Engagement Method	No. of time engaged
Competitors	• Fair competition	Conference	Continuous
	• Avoiding dishonest or inappropriate access to confidential information of competitors	Association membership Association and sharing of experiences	Continuous Continuous
	• Not discrediting competitors		
Employees	• Environment, health and safety management in workplace	Meeting Internal program development	Continuous Continuous
	• Human resource development	Employee relations activities	Continuous
	• Fair evaluation and appropriate remuneration	Workplace visit Internal radio broadcasting	Continuous Continuous
	• Communications	Intranet	Continuous
	• Equal employment opportunity and anti-discrimination in the workplace	E-mail System of complaint	Continuous Continuous
	• Welfare		
Government	• Job creation	Meeting and sharing information	Continuous
	• Fair competition	Membership and participation in activities	As needed
	• Safety at work	Meeting and sharing information	As needed
	• Additional investment • National economic promotion		
Communities	• Community development	Community visit	Continuous
	• Environmental, occupational health and safety management	Monthly meeting Opinion leader meeting	Continuous Continuous
	• Additional investment	Activity support	Continuous
	• Knowledge transferring	Sponsorships	Continuous
	• Community activity support	Communication activities	Continuous
	• Product transportation	Opinion survey System of complaint	As needed Continuous

Sustainability Evaluation

SSI has conducted this report, by considering important issues which cover risk assessment, current and future business opportunities, in accordance with Global Reporting Initiative (GRI) and information from its stakeholders. This report was assessed according to GRI (G4) and was grouped in “Core” level, by revealing Material Aspect, which is shown in GRI G4 Content Index. Details of the assessment are as follows:

1. Identification

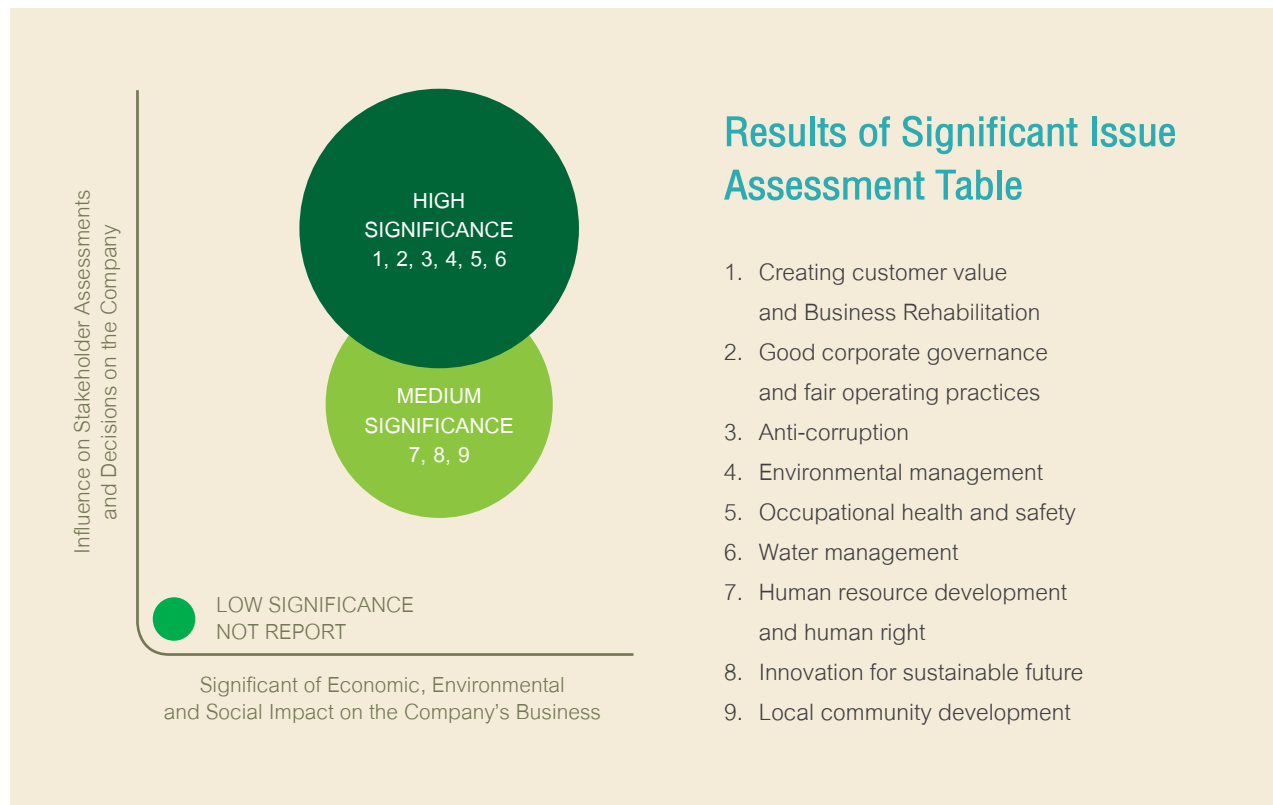
Identified significant sustainability related issues, by taking into account GRI indicators, industry standards, and market trends. The Company chose the issues influence business strategies, business risks and sustainability strategies of the Company, stakeholder expectations and creating shared values.

2. Materiality Assessment

Collected, assessed and introduced issues significant to business operations and in line with stakeholder’s interest regarding level of high and medium significance. Other issues are presented through communication channels such as Annual Report, 56-1 Report, website, etc.

3. Issue Verification

Interviewed external stakeholders and incorporate their perspectives and viewpoints during the content development. Corporate Social Responsibility Management Committee verifies assessment of significant issues to the organisation, selection of report content for publishing, as well as report formatting in order to ensure that the report covers significant issues relating to SSI and stakeholders’ expectations.





GRI Content Index

General Standard Disclosures

- Fully Reported
- ◐ Partially Reported
- Not Reported

GRI Aspect	Indicator	Level of Reporting	Page		Note
			CSR Report	Annual Report	
Strategy and Analysis	G4-1	●	2 - 5	-	-
	G4-2	●	2 - 5, 12 - 13	24 - 29	-
Organizational Profile	G4-3	●	6, 50	-	-
	G4-4	●	6, 50	-	-
	G4-5	●	52	-	-
	G4-6	●	13	4 - 5	-
	G4-7	●	6 - 7	6 - 7, 10 - 11, 13 - 16	-
	G4-8	●	6, 12 - 13	-	-
	G4-9	●	6, 50	-	-
	G4-10	●	32, 46	-	-
	G4-11	●	-	-	Not applicable
	G4-12	●	8 - 10, 13 - 16	17 - 20	-
	G4-13	●	-	4 - 5, 8 - 9	-
	G4-14	●	12 - 13, 14 - 27	25 - 29	-
	G4-15	●	2 - 5, 44	-	-
	G4-16	●	30 - 31	-	Thailand's Private Sector Collective Action Coalition against Corruption (CAC)
Identified Material Aspects and Boundaries	G4-17	●	-	17	-
	G4-18	●	50 - 53	-	-
	G4-19	●	53	-	Results of Significant Issue Assessment 2015
	G4-20	●	50 - 53	-	The Aspect is material within the organization, refer to "About this report" and "Assessment of SSI's Key Sustainability Issues"

GRI Aspect	Indicator	Level of Reporting	Page		Note
			CSR Report	Annual Report	
Identified Material Aspects and Boundaries	G4-21	●	27, 50 - 53	-	page 27 "Result of Stakeholder Survey" and page 50 - 53 "About this report"
	G4-22	●	2 - 5, 13	-	-
	G4-23	●	2 - 5, 50 - 53	-	-
Stakeholder Engagement	G4-24	●	9 - 10, 51 - 52	-	Stakeholder Engagement
	G4-25	●	9 - 10, 51 - 52	-	Stakeholder Engagement
	G4-26	●	9 - 10, 51 - 52	-	Stakeholder Communication Process
	G4-27	●	27, 51 - 52	-	Stakeholder Communication Process
Report Profile	G4-28	●	50	-	-
	G4-29	●	50	-	-
	G4-30	●	50	-	-
	G4-31	●	50	-	-
	G4-32	●	54 - 59	-	-
	G4-33	●	-	138	Our financial data are audited by Independent Auditor
Governance	G4-34	●	8 - 10	82 - 86, 92	-
	G4-35	●	11	92	-
	G4-36	●	11	92	-
	G4-37	●	-	35 - 54, 92	-
	G4-38	●	-	94 - 96	-
	G4-39	●	-	35 - 54	-
	G4-40	●	-	94 - 96	-
	G4-41	●	-	84 - 85	-
	G4-42	●	11	4 - 5, 64 - 65, 72 - 74, 192	-
	G4-43	●	33	74, 89 - 90	-
	G4-44	●	11	88	-
	G4-45	●	-	25 - 29, 64 - 65	-
	G4-46	●	-	25 - 29, 64 - 65	-
	G4-47	●	11	64 - 65	-
	G4-48	●	53	-	-
	G4-49	●	11	64 - 65	-
	G4-50	●	-	-	In 2015, there was zero case.
	G4-51	●	-	56 - 58	-
	G4-52	●	-	56	-
	G4-53	●	-	88	-
	G4-54	○	-	-	Not applicable
	G4-55	●	-	-	Not applicable: Proprietary information
	Ethics and Integrity	G4-56	●	9 - 10	-
G4-57		●	30 - 31	79 - 80	-
G4-58		●	30 - 31	79 - 80	-



Specific Standard Disclosures Overview

GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
General	SSI	G4-Disclosures on Management Approach (DMA)	●	2 - 5, 9 - 10	-

Economic

GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
Economic Performance	SSI	G4-EC1	●	2 - 3, 44	127 - 136
	Partner	G4-EC2	●	20 - 24	-
	Customer	G4-EC3	○	Not applicable	
	Community	G4-EC4	○	-	-
Market Presence	SSI	G4-EC5	○	-	-
		G4-EC6	○	-	-
Indirect Economic Impacts	SSI	G4-EC7	○	-	-
	Community	G4-EC8	●	2 - 5, 44	-
Procurement Practices	SSI	G4-EC9	●	2 - 5, 40, 44	-

Environmental

GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
Materials	SSI	G4-EN1	●	16	-
		G4-EN2	●	25, 45	-
Energy	SSI	G4-EN3	●	16 - 17, 45	-
		G4-EN4	○	Not applicable	
		G4-EN5	●	21	-
		G4-EN6	●	16 - 17	-
		G4-EN7	●	16 - 17	-
Water	SSI	G4-EN8	●	17 - 18, 45	-
		G4-EN9	●	17 - 18, 45	-
		G4-EN10	●	17	-
Biodiversity	SSI	G4-EN11	○	-	-
	Community	G4-EN12	○	-	-
		G4-EN13	●	19 - 20	-
		G4-EN14	●	19 - 20	-

GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
Emission	SSI	G4-EN15	●	20 - 21, 45	-
		G4-EN16	●	20 - 21, 45	-
		G4-EN17	○	-	-
		G4-EN18	●	20 - 24	-
		G4-EN19	●	20 - 25	-
		G4-EN20	○	-	-
		G4-EN21	●	20 - 24	-
Influents and Waste	SSI	G4-EN22	●	17 - 18	-
		G4-EN23	●	25, 45	-
		G4-EN24	○	-	-
		G4-EN25	○	-	-
		G4-EN26	○	-	-
Product and Services	SSI	G4-EN27	●	15	-
		G4-EN28	●	-	130
Compliance	SSI	G4-EN29	○	-	-
Transport	SSI	G4-EN30	●	15, 45	-
Overall	SSI	G4-EN31	○	-	-
Supplier Environmental Assessment	SSI	G4-EN32	●	2 - 5, 19	-
		G4-EN33	●	15	-
Environmental Grievance Mechanisms	SSI	G4-EN34	●	27, 51 - 52	-

Social

GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
Employment	SSI	G4-LA1	●	32, 46	-
		G4-LA2	●	34, 44	-
		G4-LA3	●	47	-
Labor/Management Relations	SSI	G4-LA4	○	-	-
Occupational Health and Safety	SSI	G4-LA5	●	16	-
		G4-LA6	●	2 - 5, 14, 48	-
		G4-LA7	○	-	-
		G4-LA8	○	-	-
Training and Education	SSI	G4-LA9	●	15, 33, 47	-
		G4-LA10	●	47	-
		G4-LA11	●	47	-
Diversity and Equal Opportunity		G4-LA12	●	32	-
Equal remuneration for women and men	SSI	G4-LA13	○	-	-



GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
Labor Practices and Decent Work					
Supplier Assessment for labor practices	SSI Supplier	G4-LA14	●	SSI found no illegal actions from performing supplier assessments, auditing and evaluation.	
		G4-LA15	○	-	-
Labor practices grievance mechanisms	SSI	G4-LA16	●	SSI has received no significant complaints, affecting the business.	
Human Rights					
Investment	SSI	G4-HR1	●	47	-
		G4-HR2	●	33, 47	-
Non-discrimination	SSI	G4-HR3	●	47	-
Freedom of association and collective bargaining	SSI	G4-HR4	●	9, 10	-
Child Labor	SSI	G4-HR5	●	32, 46	No case of child labor in our operations.
Forced or compulsory labor	SSI	G4-HR6	●	32, 46	No case of forced labor in our operations.
Security practices	SSI	G4-HR7	○	-	-
Indigenous rights	SSI	G4-HR8	○	-	-
Assessment	SSI	G4-HR9	○	-	-
Supplier human rights assessment	SSI Supplier	G4-HR10	●	SSI found no illegal actions from performing supplier assessments, auditing and evaluation.	
		G4-HR11	○	-	-
Human rights grievance mechanisms	SSI	G4-HR12	○	-	-

Society

GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
Local Communities	SSI	G4-DMA	●	36	-
		G4-SO1	●	2 - 5, 36, 44	-
		G4-SO2	●	27	-
Anti-corruption	SSI	G4-SO3	●	30 - 31	-
		G4-SO4	●	30 - 31, 47	-
		G4-SO5	●	30 - 31 In 2015, there was no corruption case.	-
Public policy	SSI	G4-SO6	○	-	-
Anti-competitive behavior	SSI	G4-SO7	●	-	20
		G4-SO8	○	-	-
Supplier assessment for impacts on society	SSI	G4-SO9	○	-	SSI found no illegal actions from performing supplier assessments, auditing and evaluation.
		G4-SO10	○	-	-
Grievance mechanisms for impacts on society	SSI	G4-SO11	○	-	-

Product Responsibility

GRI Aspect	Location of Disclosure	Indicator	Level of Reporting	Page	
				CSR Report	Annual Report
Customer Health and Safety	SSI	G4-PR1	○	-	-
		G4-PR2	○	-	-
Products and service labeling	SSI	G4-PR3	○	-	-
		G4-PR4	○	-	-
		G4-PR5	●	44	-
Marketing Communications	SSI	G4-PR6	○	-	-
		G4-PR7	○	-	-
Customer privacy	SSI, Partner, Customer	G4-PR8	●	SSI strictly protects confidential information of customers (as promogated in the Business Ethics of the Company). In 2015, there was no substantiated complaint regarding breaches of customer privacy and losses of customer data, page 9, 28 - 29.	
Compliance	SSI, Partner, Customer	G4-PR9	●	In 2015, there was no fines for non-compliance with laws and regulations concerning the provision and use of products and services. Annual report page 79	



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