

CORPORATE SOCIAL RESPONSIBILITY REPORT

2013



innovate • strength

About This Report

The 2013 Corporate Social Responsibility Report of Sahaviriya Steel Industries Public Company Limited (SSI) (outcome between January - December 2013) is the fifth 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 management and SSI Group's business management to ensure that the CSR guidelines are delivered consistently throughout the Group.

Moreover this report has been generated in accordance with Global Reporting Initiative (GRI) G3.1 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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Awards and Recognitions

Awards and Recognitions	By
SET Awards 2013 for Outstanding Corporate Social Responsibility in the group of Thai listed companies with market capitalization between 10,000- 20,000 million Baht	Stock Exchange of Thailand and Finance and Banking Magazine
CSRI Recognition Awards 2013	Corporate Social Responsibility Institute (CSRI), Stock Exchange of Thailand
The National Prestigious Industrial Establishment Award for Outstanding Labour Welfare/Relations Category for 10 consecutive years (2004-2013) with no labour union type	Department of Labour Protection and Welfare, Ministry of Labour
Bronze Awards for “Zero Accident Campaign 2013”	Department of Labour Protection and Welfare, Ministry of Labour
Outstanding Accomplishment under the Quality of Annual General Meeting (AGM) Project 2013	The Securities and Exchange Commission (SEC), the Thai Investors Association (TIA) and the Thai Listed Companies Association
Excellent Accomplishment in Corporate Governance Report Survey	The Thai Institute of Directors (IOD) in cooperation with the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)
Thailand Outstanding Company Award for Safety, Occupational Health and Working Environment 2013 (2 nd consecutive year)	Ministry of Labour



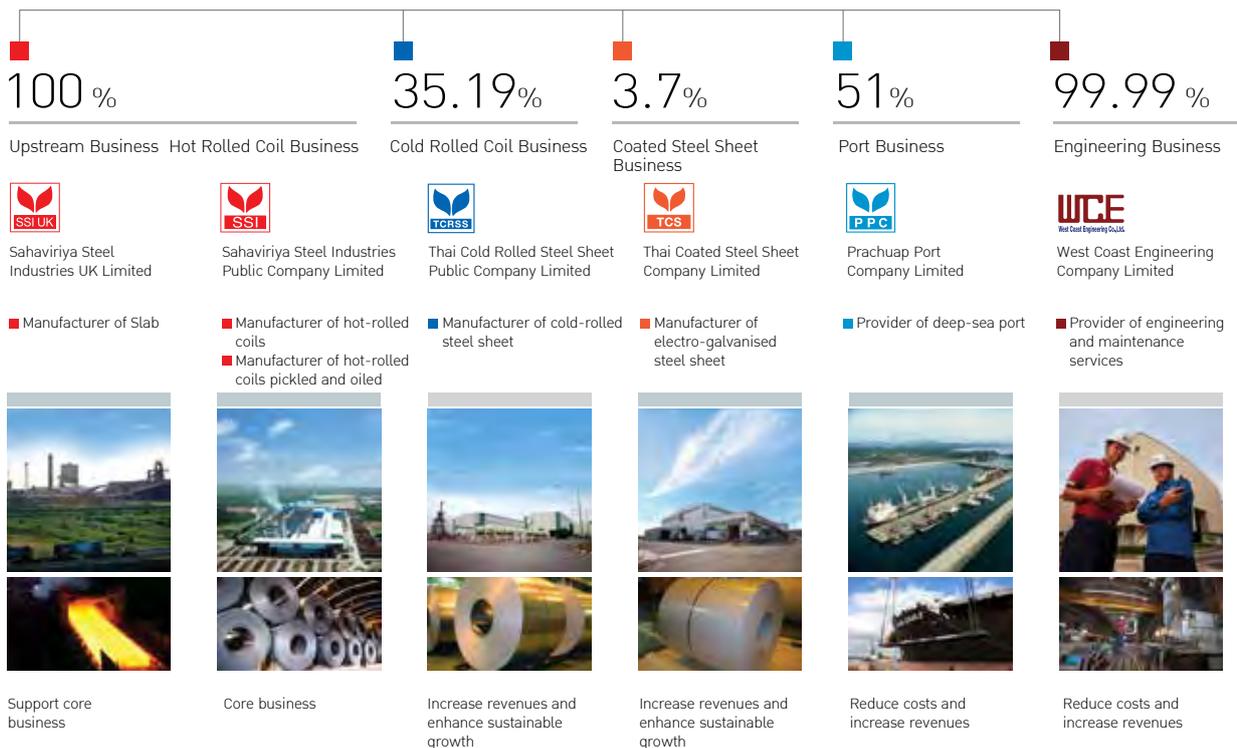
Corporate Information

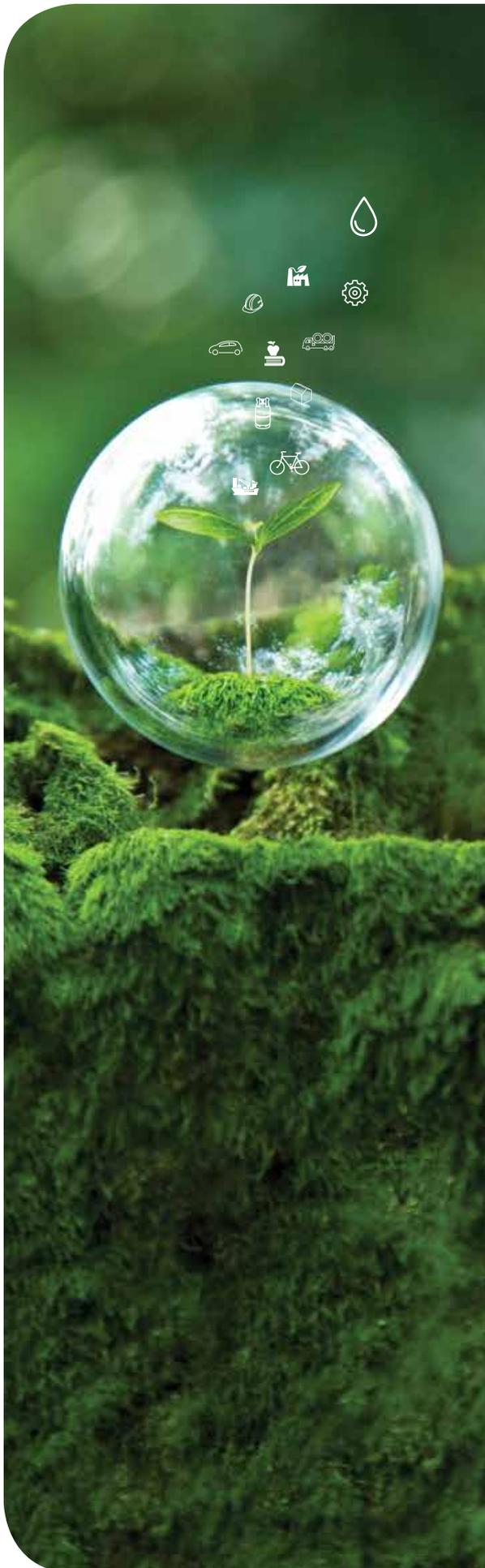
Sahaviriya Steel Industries PLC or SSI is the ASEAN's largest fully-integrated flat steel producer with 4 million tons annual capacity of hot rolled steel sheet in coils (HRC). SSI endeavors to supply premium-grade steel sheets to cater for the region's growing demand in various sectors such as automobile, energy, transportation and construction sectors. In the upstream side, SSI has acquired SSI Teesside, a 3.6 million tons per annum fully-integrated iron-steel making plant located in Redcar in the northeast of UK, through a wholly-owned subsidiary Sahaviriya Steel Industry UK Limited ("SSI UK"). SSI Teesside supplies premium-grade steel slabs to feed the growing demands from SSI, as well as other rolling mills around the world. In the downstream side, SSI has investments in joint-venture downstream plants: 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-galvanizing line.

All SSI's plants in Thailand are located on a world-class coastal industrial site in Bangsaphan, Prachuap Khirikhan 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 specializes 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





Vision & Mission

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

Values

i

integrity

"We do what we say"

F

Fighting spirit

"Never give up"

a

aim for excellence

"The best is yet to be"

C

can change

"Be the leader of change"

t

teamwork

"One for all, all for one"

S

service-mind

"Deliver more than expected"

Message from the Group CEO and President



Dear Stakeholders,

The year 2013 marked a major step-change in the CSR management of Sahaviriya Steel Industries Public Company Limited (SSI) – the launch of our Shared Value strategy. By closely engaging with our stakeholders and through frank exchange of ideas and concerns, we can better identify the social issues that most needed our attention and address them together with our stakeholders. Our social responsibility activities can then be better targeted and achieve the right result. Our ultimate aim is that our business is designed to be socially responsible and achieve better results than just being a good corporate citizen and looking at minimizing negative impacts.

Under our Shared Value strategy, our engagement with the stakeholders goes deeper, allowing us to together identify and define economic, social and environmental issues before integrating them into the business plan and projects of the Company. The emphasis on active engagement and open stakeholders participation is closely monitored from the Good Corporate Governance Committee to ensure the successful implementation of this strategy.

Our CSR processes can be divided into two dimensions: in-process and after-process. The former is about how social responsibility can be embedded into our business process. An example is the development of Premium Value Products (PVP). This adds value to the customers and raises their competitiveness, and also reduces impact to the environment

as better product leads to less waste. Another example is our promotion of local education and co-operation with Bangsaphan Iron & Steel Technology Institute through curriculum enhancement and apprenticeship program. This program uplifts the quality of the local community education, prepares our young graduates to be ready for work in industries such as ours, and also increases the number of people we can employ locally and reduces the social problems related to people migrating elsewhere looking for jobs.

The latter is about community and social development activities under the concept “innovate • strength”. These activities are specifically designed to make positive impact in various areas, such as the well-being of the underprivileged; community development; education; environment; skills and job training; and quality of life.

Together these activities, when properly designed, can sharpen the Company’s competitive edge, and at the same time creates common benefits among the Company, our stakeholders, the local community and society at large.

Economic Performance

The Company’s business activities generate positive economic value. We work relentlessly to ensure that the business processes are properly designed and effect such results to the maximum extent. No less attention is paid to the risk management of the business – covering various aspects such as market, operation and finance – to ensure that the business case is robust and no intended value is lost. In 2013, the Company’s business activities generated an economic value of 7,167 million Baht. The core of our activities is in Our Premium Value Products (PVP) strategy – which is about innovating of our products and services to add value to the customers and support them to win more business – resulting in 716,789 tons of Premium Value Products, or 34% of the total sale.

As for the SSI Teesside Steelworks, the steel slabs export generated US\$ 1.47 billion revenue for the United Kingdom. This is forecasted to increase to US\$ 2 billion in 2014.

Safety, Occupational Health and Environment

We achieved our target in safety improvement. The Lost Time Injury Frequency Rate (LTIFR) for the SSI Group in 2013 was 1.50, an improvement from 2.55 in 2012. At SSI Bangsaphan Steelworks, the Safety and Occupational Health Training Programme and Safety in Material and Product

Transportation Action Plan have been implemented. Our people are individually trained according to their job and related risk profile. Risk assessment is carried out for each activity, this allows appropriate procedures to be put in place to reduce the identified risks and improve safety at work. The work done last year by our working group on transportation led to a number of improvements, such as setting up 9 surveillance cameras in Bangsaphan district to improve oversight, reinforcing the level of patrol to improve safety compliance, etc.

At SSI Teesside Steelworks, we gave a high priority to reduce our LTIFR by 50%, from the 2012 rate of 4.8 to 2.4. The result was 2.2. This was achieved by the dedication of the management and our people, with a number of interesting initiatives being introduced to promote understanding, accountability and confidence.

Improvements in energy saving measures at SSI Bangsaphan Steelworks resulted in reduction of 3,380,677 MJ of energy consumption in 2013. Yield loss from production decreased to only 1.75%, better than our target, resulting in less waste generation. The implementation of PCI technology at SSI Teesside Steelworks reduced energy consumption by 130,000 kcal per ton of hot metal produced.

Social and Community

The Board of Directors places a strong emphasis on conducting business with good corporate governance and corporate social responsibility for sustainable development. The Board deems that corruption creates or increases threats both to the organization and the nation, hence the Board of Director meeting No. 13/2013 held on 12 November 2013 resolved to join the "Private Sector Collective Action Coalition Against Corruption" (CAC) by signing the Declaration of Intent based on the willingness of the company to work together in solving the corruption problem with the Thai Institute of Directors (IOD) who act as Secretary of the CAC and prepare for its certification process which includes the completion of a self-assessment form pertaining to anti-corruption measures.

The 5th Sahaviriya Bangkok Triathlon had recorded participants, 632 athletes from 36 countries, raising 1.13 million Baht for the vulnerable youth. The 6th Thailand Iron Man Mini Marathon, enrolling more sponsoring partners from the industrial sector, raised 2.4 million Baht for 24 charities for the underprivileged, making the total sums raised from 6 past events to 14 million Baht.

We continued to support 22 CSR activities in Bangsaphan area, covering improvement of education quality and youth, environmental preservation, vocation training and quality of life. In addition, we carried out 33 "A hundred good deed, A thousand hearts of SSI Arsa" Projects – designed to cultivate volunteering spirit among our people and put social responsibility in their heart – thus completing a 100 Projects, a goal set out 3 years ago. This involved 1,035 SSI staff members (8,280 working hours) and 1,442 community members (11,536 working hours). We intend to continue this good deed and expand this spirit further into other parts of the community.

Similarly, at SSI Teesside Steelworks, though still in the start-up mode, we initiated a number of CSR activities in the areas of education, raising funds for charitable causes, engagement with local resident groups. For example, in our Apprenticeship Programs, 40 students were given placements for three month programmes of work experience as part of their studies for apprenticeships and gained invaluable experience. In another example, we worked together with the Trade Union representatives to provide food items via a Foodbank to support disadvantaged people in the Teesside area.

We continue to support the employment of local people. As at 31 December 2013, 71% of the 2,211 employees in Bangsaphan and 95% of the 1,822 employees in Teesside are local.

Whatever challenge the business will face, our commitment to this vision is undeterred. Our social responsibility initiatives under our vision "Innovate premium value steel products and services for customers; generate consistent profit and sustainable value for stakeholders," will deliver. With the support from our stakeholders, we will achieve all three dimensions of our goals: economic, environmental and social.

Ultimately our goal is sustainable development, which is the only way forward.



Win Viriyaprapaikit
Group CEO and President

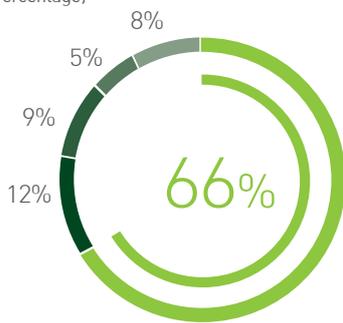
Corporate Social Responsibility Activities Highlight

Economic Performance

- Premium Value Products (PVP) sales volume was 716,789 tons or 34% of the overall sales volume.

Premium Value Products (PVP) sales volume

(Unit : Percentage)



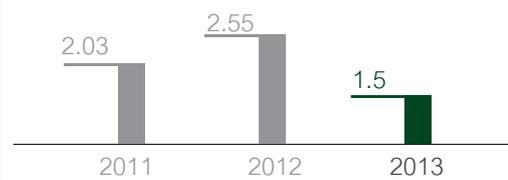
Commercial Products	66%
Unique Products	12%
High - Grade Products	9%
Innovated Value Products (High-Grade)	8%
Innovated Value Products (IVP)	5%

- Purchases from general suppliers were 4,424 million Baht.

Safety, Occupational Health and Environment

- The Lost Time Injury Frequency Rate (LTIFR) for the SSI Group in 2013 was 1.50, an improvement from 2.55 in 2012.
- SSI purchased 10 groups of environmentally-friendly products in accordance with the Thailand Environment Institute Foundation's regulation.
- The reduction lost only 1.75% of raw materials, which is above the average.
- Improvements in energy saving measures at SSI Bangsaphan Plant have resulted in a reduction of 3,380,677 MJ of heat retaining energy from 2011 to 2013.
- The air emissions from SSI Bangsaphan Plant's 5 furnaces and analysis of the water quality were better than regulations required.
- There were 74,102 tons of waste and 98.53% was recycled with zero sent to landfill.

Lost Time Injury Frequency Rate of SSI Group



$$LTIFR = \frac{\text{(Number of Lost Time injury} \times 1,000,000)}{\text{Total working hours}}$$

Ratio of local people hiring in 2013



Social and Community Contribution

- In 2013, SSI operated 35 social and community development projects.
- 632 athletes from 36 countries participated in the 5th Sahaviriya Bangkok Triathlon, raising 1.13 million Baht from admission fees for the underprivileged youth.
- The 6th Thailand Iron Man Mini Marathon which witnessed more partners from the industrial sectors, raised 2.4 million Baht for 24 charities for the underprivileged. This makes the total sum raised from the 6 events 14 million Baht.
- During the year, 119 people were hired with 101 or 84.8% being inhabitants of Bangsaphan and the nearby area.
- SSI purchased products and services totaling 239.12 million Baht from local people.
- The value of SSI Promotes local Product Sales Project in 2013 was 636,750 Baht.
- The project "A hundred goodness, A thousand hearts of SSI Arsa" has finished with 100 good deeds. The total number of SSI Arsa Volunteers was 1,035, or 8,280 working hours, in addition there was 1,442 or 11,536 working hours from volunteers from the community.
- SSI became a member of the Anti-Corruption Network which is a private sector group.

SSI Corporate Social Responsibility Guidelines and Policies

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

SSI is determined to do all we can to continuously improve ourselves and our operations. Through study, research, development, and upgrading, we aim for the highest we can attain. This effort to develop and break new records of excellence must be perpetual in all aspects of our operations.

2. Adherence to Quality of Products and Services

SSI's products and services are all designed with the best interests and satisfaction of the customer in mind. We believe that our customers will always be willing to pay for the best, and that no improvement is of any use if it does not meet our customers' needs.

3. Belief in the Value of Our Personnel

SSI realise that good employees are the main reason for an organization's success. For this reason, we take care to hire only the best to work with us, and provide fair and attractive remuneration packages that include constant training and education. Quality of life for our employees is paramount; their occupational health and safety are assured.

4. Commitment to Honesty and Ethics

SSI is fully resolved to conduct our business honestly and ethically. We believe that honesty and ethics in business bring good order to society and progress to the nation, and

assure long-term prosperity in commercial dealings, for that reason we ethically conduct our business with all stakeholders, including shareholders, investors, customers, business partners, creditors, competitors, employees, the local community, and society in general.

5. Dedication to Our Social and Environmental Responsibilities

SSI firmly believes that we are part of society. Any change in society is certain to affect our business. We are convinced that business and society must all be developed in concert to ensure a sustainably successful enterprise. Our responsibility, therefore, is to take part in continual maintaining, developing and conserving of a good natural and social environment.

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:

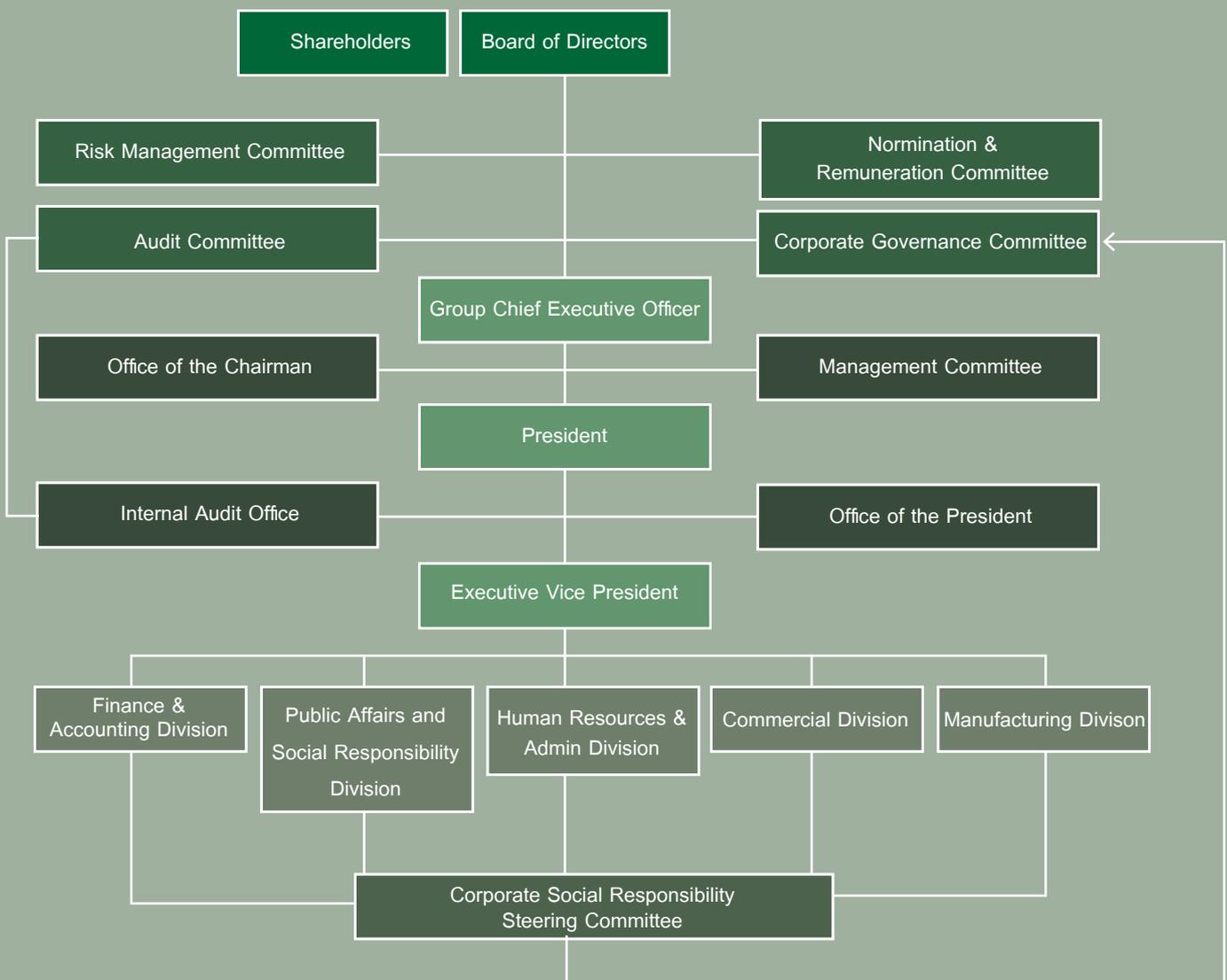
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Corporate Social Responsibility Management System

The Company has established the Corporate Social Responsibility Steering 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 Subcommittee, which the Committee proposed to the President for appointment. The objectives of the CSR Working-Subcommittee 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 oversee 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 Management Structure



SSI CSR Framework



Stakeholder Engagement and Expectations

Shareholders	Engagement	Expectations
Shareholders and Investors	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report • Investor Relations Activities • Road Show • Financial Institutions Relationship • Plant Visit 	<ul style="list-style-type: none"> • Good Corporate Governance • Risk Management • Good Performance and Return • Investment Plans for the Future • Anti-Corruption Policy
Customers	<ul style="list-style-type: none"> • Customer Visit • Customer Meeting • Development of Good Relationship via Corporate Tools; Website, Products Manual, and Activities • System of Complaint • Plant visit • Customer Satisfaction Surveys 	<ul style="list-style-type: none"> • Product Quality • Technical supports • On time delivery of products in accordance with specified quality and quantity • Appropriate access to product information • Other services that promote economic, social, and environmental development
Business Partners and Suppliers	<ul style="list-style-type: none"> • Annual Seminar • Meeting • Recruitment and selection processes • Receiving complaints system • Advisory System 	<ul style="list-style-type: none"> • Quality Promotion • Providing Guidance and Technical Supports • Technical Supports • Co-Management of Occupational Health, Safety and Environment
Competitors	<ul style="list-style-type: none"> • Conference • Association and Membership • Association And Sharing of Experiences 	<ul style="list-style-type: none"> • Fair Competition • Avoiding dishonest or inappropriate to access confidential information of competitors • Not discrediting competitors
Employees	<ul style="list-style-type: none"> • Meeting • Internal Programme Development • Employee Relations Activities • Workplace Visit • Internal Radio Broadcasting • Intranet • Receiving Complaint System • Employee Engagement Surveys 	<ul style="list-style-type: none"> • Environment, Health and Safety at Work • Human Resource Development • Fair Evaluation and Appropriate Remuneration and Welfare • Communications • Equal Employment Opportunity and Anti-Discrimination in the Workplace
Governments	<ul style="list-style-type: none"> • Building good relationships • Providing Information • Membership and participation in activities 	<ul style="list-style-type: none"> • Job Creation • Fair Competition • Safety at Work • Additional Investment • Promoting National Economic
Communities	<ul style="list-style-type: none"> • Customer Visit • Monthly Meeting • Opinion Leader Meeting • Plant Visit • Activity Support and Sponsorship • Opinion Survey • System of Complaint 	<ul style="list-style-type: none"> • Community Development • Environmental, Occupational Health and Safety Management • Additional Investment • Knowledge Transferring • Community Activity Support

Economic Performance

Economic Overview

In 2013 the global economy remained fragile and the prospect of growth was not strong, particularly the US who were experiencing some recovery but still confronting the Debt Ceiling. The Euro-zone economy began to improve but high levels of public debt continued alongside high unemployment rate. The Chinese economy however initiated to encounter economic slowdown from the Restructuring and Rebalancing Measure controlled by the government.

For the prospect of the Thai economy, the Office of the National Economic and Social Development Board had projected that in 2013 the economy would increase by approximately 3.0 %, a decline in growth from 6.4 % achieved in 2012. The decline was predicted due to lower growth in exports along with the delay of the government's economic improvement measures from political crisis and global economic slowdown.

Business Strategies

In the midst of the sensitive economic circumstances, the Company closely monitored and implemented the following strategic plans to manage risk:

Market Risk

The Company evaluated the risks and employed various measures to mitigate those which were within their control. Measures to mitigate the risks include the following:

- 1) Carefully manage the procurement of raw materials;
- 2) Increase the focus on premium value products which achieve value added and lower price fluctuations;
- 3) Closely monitor domestic and overseas markets in order to analyze and consider product sales. This allows the Company to respond to the order and import of slabs from foreign countries as well as searching for more raw material sources to provide high quality, low cost, adequate quantity and short delivery timescales;
- 4) Control an appropriate level of inventories for both slabs and finished goods. This allows the Company to meet sales projections and reduce raw material and inventory turnover periods which reduces the risk of negative price effects;

- 5) Ensure that the production and sales plans are aligned and shorten the delivery times of finished products; and
- 6) Closely monitor the dumping situation of imported products and the government's price control policy in order to take proper and timely actions.

Production Risk

To prevent the production risks, the Company has implemented the following procedures to improve the production process for problem solving and risk management:

- Conducted the inventory management plan to maintain spare parts to be ready for use at all times;
- Acquired new technologies for production to enhance the quality control efficiency and accuracy by installing the Surface Inspection System. The Surface Inspection System facilitates real-time decision making which will enable a prompt reaction on unqualified products leading to significant reduction of inferior goods;
- Obtained an automatic system to be used in product quality management to accommodate the ability to meet the customer requirements, reduce human errors and improve product quality consistency;
- Encouraged setting up a working group for the development of the production processes with the aim to provide solutions for particular problems. The working group is responsible for analysis, improvement planning and implementation of various projects; and
- Agreed insurance policies covering natural disasters, property damages, loss from business interruption, and damages on goods and products caused by incidents against fire in any circumstances in order to relieve cost of damages.

Financial Risk

1. Exchange Rate Risk

Foreign exchange rate risk was managed by regularly monitoring factors affecting the depreciation of Thai Baht and closely reviewing the domestic political circumstances resulting in reduction of foreign investment. The Company also administrated a natural hedge and entered into forward contracts for currency hedging. In addition, the Company governed and reported the outstanding amount in foreign

currency (Opening Exposure) in the limit stipulated by the Board of Directors. As of 31 December 2013, the outstanding liabilities were split 77.7% in Baht currency, 22.2% in USD currency and 0.1% in other foreign currencies.

The company revised proportion of forward contracts relying on the projection of revenues and expenses, in line with appropriately corresponding to assets and liabilities in foreign currency outstanding.

2. Trade Credit Risk

Trade credit risk is handled by determining the guidelines and procedures of granting trade credit. The credit given to each customer is limited in accordance with analysis on product purchasing demand and payment ability. The credit line given to each customer must be approved in writing by the authorized executive. In addition, the Company has also consistently governed the risk management of trade credit risk by controlling the credit granted to all customers within

the approved limits and closely monitoring payment records to assure the Company is getting paid on time and no payments are overdue. Furthermore, additional terms and conditions are stipulated to certain customers to make a deposit or to place collateral before delivery of goods.

3. Liquidity Risk

Liquidity risk has been regulated by closely monitoring working capital levels through consistently providing a projection of cash inflows and outflows. Long-term funding is also agreed in advance in accordance with the Company's operational plan. In addition, financial ratios are monitored to ensure they are within the stipulated limits and conditions of the financial credit agreements.

As of 31 December 2013, the Company had 20% fixed-rate and 80% floating-rate interest loans in place.

Economic Performance

Unit: Million Baht

Transactions	2012	2013	% change (YOY)
Sales and service revenues	60,604	65,387	8%
Total sales volume (MT)	2,478	3,243	31%
EBITDA	(10,597)	(2,888)	73%
Net profit (loss)	(15,918)	(7,053)	56%

Sharing of Economic Value

Unit: Million Baht

Stakeholders	2011	2012	2013
Suppliers *	3,530	4,236	4,424
Employees**	493.04	526.40	595.47
Financial Institutions (Interest Expense)	1,300.95	2,044.65	1,970.87
Communities, Social and Environment ***	28.67	18	18.63
Government (Tax) ****	143.76	95.87	157.78

* Consist of value of general trading transactions in goods

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

*** Consist of expenses in community and environment development

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

Environment, Occupational Health and Safety

Environment, Occupational Health and Safety

Occupational Health and Safety Management

The Company recognises its social responsibility to take care of its staff and contractors working in the SSI Bangsaphan Steelworks area. The Steelworks has a goal of reducing accident statistics and lost time injuries less than former years. The management of safety and occupational health based on Thai Industrial Standard (TIS) 18001 and OHSAS 18001. Both standard systems have been examined, evaluated and renewed for certificates continuously.

Occupational Health and Safety Performances

The Safety Committee has responsibility to oversee safety inspections and make recommendations for safety measures in the workplace. The members of the committee include executives, management, supervisors, and operations. The attendance rate in 2013 was 82.4%. The committee listens to employee suggestions and voted to fix or improve a total of 86 issues; representing about 64% of the total with the remainder relating to security and tidiness.

In order to increase flexibility to perform a specific subject, the Committee has set up several sub-working groups under the supervision of the Safety Committee such as fire protection, emergency response, crane safety and working conditions improvement. The Occupational Health and Safety Committee have 218 people with represents 22% of total employees.

SSI collects accident and occupational disease statistical data to analyze and establish a plan to prevent these going forward. In 2013 there were 12 casualties representing 33% of all accidents at work. The majority of the accidents incurred were injuries to employee's fingers. Although there are no specific diseases resulting from work, SSI is closely monitoring the group at occupational risk by an annual health check. There are also improvements in the working environment and controls to reduce employee's exposure to risk factors.

Lost Time Injury Frequency Rate (LTIFR of SSI Group)

SSI Group of Companies	2011	2012	2013
SSI	2.14	0.36	0.97
TCRSS	0.53	0.51	0.00
WCE	4.17	1.05	1.63
PPC	0.00	0.00	0.00
SSI UK	1.66	4.81	2.20
SSI Group	2.03	2.55	1.50

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

Occupational Health and Safety Training

SSI has provided training courses to employees relevant to their risk exposure. There is also a risk assessment of each activity and a plan in place to reduce and control them. These are reviewed regularly or when changed.

Emergency Preparedness

SSI is aware of the reduction of the risk from emergencies such as fire, gas leaks, 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 and continuously monitors emergency equipment to ensure availability when required. New technologies are also considered to improve the fire protection procedures.

SSI has an insurance policy with comprehensive coverage of natural disasters including; hurricanes, floods, tsunamis, lightning, landslides, and earthquakes. 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 2013 there were no instances of fire or natural disasters that affected employees' lives or Company property. Nevertheless, the emergency response committee undertook practice simulations in each area.

Safety Management on Raw Materials and Products Transportation

SSI continues to monitor the implementation of work of the working committee to control vehicle of Sahaviriya Group through Sahaviriya Community Leadership Council monthly meeting and Sahaviriya Group's 24 hours receiving complaints of Materials and Products Transportation Center in order to follow up their operating, gather suggestions and complaints for improvement. In 2013 there were several

improvements from suggestions such as installation of surveillance cameras in township of Bangsaphan to monitor and control vehicles. At present there are 9 surveillance cameras in various areas. Moreover, the working committee has promoted road safety through activities such as setting up warning posters, arranging drivers and transportation contractors seminars and extended safeguarding of traffic rules-abiding of other vehicles in the city. In addition, they promoted safety transportation by launching a project "Safely Steel Deliver for Community" and providing a reward for drivers who have an outstanding performance in safety.

Environmental Management

SSI realises that the steel industry is a part of 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 work 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.

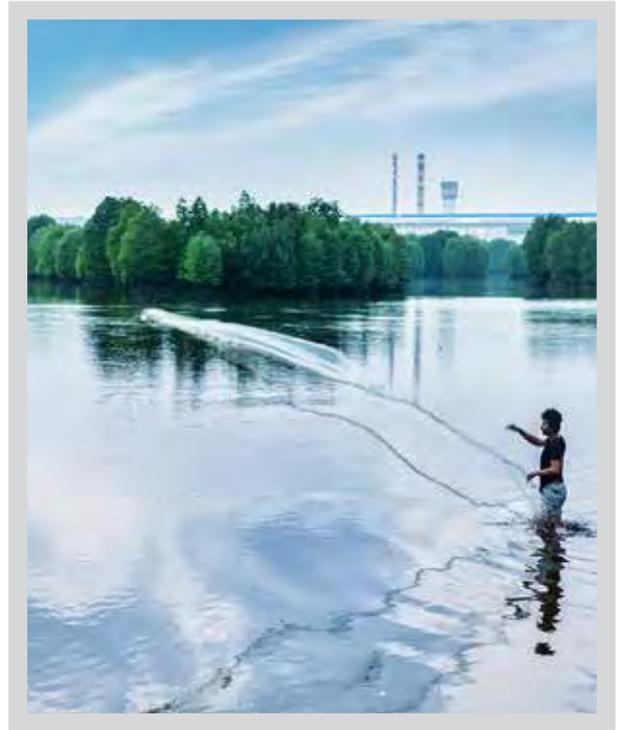
Raw Materials and Products

SSI imports steel slabs as raw materials from several sources with quality controls in place regarding appropriate standards and customer demands. In 2013, the Company produced 2.18 million tons of hot-rolled steel sheets and 0.11 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. 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.

Moreover, in order to generate sustainable and efficient energy conservation, SSI is planning to apply an international standard "ISO 50001" to its energy management system.



The Energy Consumption Rate at SSI Bangsaphan Steelworks in 2013

Process	Energy usage	
	target	actual
Hot Rolled Coil Steel Sheets		
• Heat energy (kcal/kg slab)	345	353
• Electrical energy (kwh/ton)	104	104.42
Hot Rolled Steel Pickled and Oiled Sheets		
• Heat energy (kg LPG/ton coil)	3.10	2.95
• Electrical energy (kwh/ton)	18	22.79

The heat energy, which is used for HRC production, was higher than expected as during the first quarter SSI used 3 furnaces for production and encountered an issue with a leak in the furnace. The issue was noted during the year and has now been fixed.

At SSI Bangsaphan Steelworks, the electrical energy usage for HRC production is higher than forecast, with 0.42

kwh/ton and 4.79 kwh/ton for Hot Rolled Steel Pickled and Oiled Sheets. As a result, the electrical energy usage could not reach expectation.

As a result of energy conservation plan, during 2011-2013 SSI Basaphan Steelworks had an energy saving as follow;

Energy Saving From Improvements to the Conservation and Enhancement in 2013

Year	Heat Accumulation Reduction (MJ)
2011	543,510
2012	3,343,305
2013	3,380,677

The Company has followed the 20-year plan for energy conservation and increasing its renewable energy and alternative energy sources by 25% in 10 years of Thailand. This is the plan the government applies to focus on encouraging companies to use alternative energy to reduce greenhouse gas emission and allow the Thai society to become a Low Carbon Society. The following projects focus on energy conservation and alternative energy sources:

1. LED light bulb replacement measures in place of fluorescent bulbs: resulting in 245,981 Mj per year electrical energy saving.
2. Furnace's Pusher improvement measures to reduce heat losses: resulting in 1,542,716 Mj per year electrical energy saving.
3. Study projects on alternative energy, for example, Low Speed Windmill installation, Solar Rooftop installation and electricity generating from Napier grass. The potential of each initial project has already been evaluated and further detailed studies will eventually follow.

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 minimized 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 the levels of waste water, SSI has set up a chemical water treatment system for the waste water which occurs in hot-rolled coils pickled and oiled, set up sedimentation tanks, sand filters and grease tanks in the HRC production line

and 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.

During the past year, the Company controlled the water usage in its production processes at 1.42 million cubic metres in 2013: The HRC production line has a water usage rate of 0.64 cubic metres per ton of production, a small increase in comparison with the 2012 rate which was 0.52 cubic metres per ton of production. The HRC and hot-rolled coils pickled and oiled production line rate is 0.28 cubic metres per ton of production, compared to 0.33 cubic metres in 2012.

Water Quality Control

Apart from the system 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 authorized bodies. The outcome proved to be above the waste water standard according to the Ministry of Industry's rule of 1996.
2. Six-month checks on underground water quality at 9 stations which is carried out by outside authorized 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 authorized 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		
		March 2013	Sept 2013	March 2013	Sept 2013	March 2013	Sept 2013	
pH	-	7.29	7.29	7.09	7.15	8.17	7.36	5.0-9.0 ^{1/}
Suspended Solid	mg/l	33.3	13	35.3	13.6	33.3	17.3	-
Total Dissolved Solid	mg/l	18,100	5,360	18,000	2,710	13,100	4,170	-
Acidity	mg/l as CaCO ₃	10	5	28	5	<1	5	-
Alkalinity	mg/l CaCO ₃	318	208	338	151	254	232	-
COD	mg/l as O ₂	406	36	500	30	96	36	-
Grease & Oil	mg/l	<2	<2	<2	<2	<2	<2	-
Total Coli form Bacteria	MPN/100 ml	43	23	23	150	23	43	No more than 20,000 ^{1/}
Iron	mg/l	0.32	0.39	0.34	1	0.28	0.49	-
Manganese	mg/l	0.187	0.063	0.265	0.082	0.076	0.050	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

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Use 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. Other suggestions for improvement have already been included in the implementation plan.

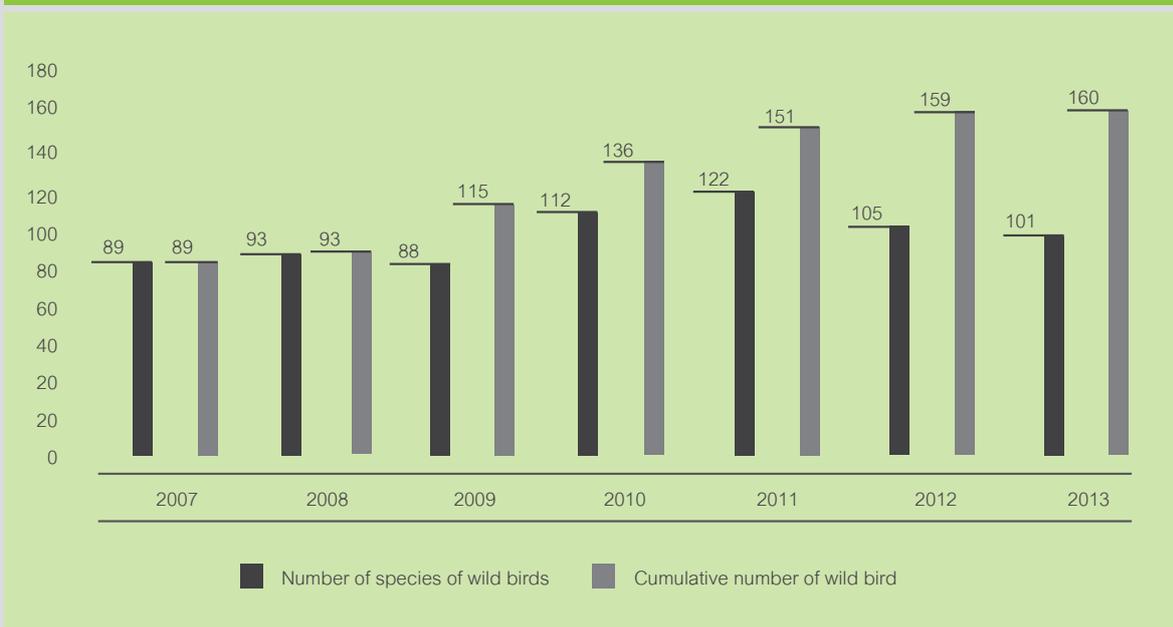
Eco-Friendly Supply

In 2013, SSI has continuously obtained supply from the 10 eco-friendly product groups, certified by the National Environment Board, which includes a project on supply and services, corresponding to the Save-Energy Policy of SSI Bangsaphan Steelworks. In 2014, SSI aims to extend to 15 eco-friendly product groups and 2 Save-Energy service groups.

Eco-Friendly Purchasing Table

Purchasing Year / Type of Product	2011	2012	2013
Products certified by Thailand Environment Institute and are used in SSI Bangsaphan Steelworks	7	9	10
Products in our Energy Saving Project	-	2	1

Species of wild birds found in Bangsaphan



Community Biodiversity

SSI in-co-operation with the Environmental Management and Promotion Centre of Sahaviriya Group has 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:

A project is carried out to monitor bio-diversity effects by studying the environmental effects which may impact on the wildlife in natural habitats around 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 160 by 2013. The data reflects the steel industry and the operation of Sahaviriya Group which are eco-friendly and together with pollution measures undertaken does 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.

“Search the Stone Beach by Mahingsa Discovery Project” is a project which is carried out to survey the state of the bio-diversity. The project is jointly organized by the Environmental Management and Promotion Centre of Sahaviriya Group and Mahingsa Discovery Team of Ban Tha Kham School. Living creatures at Stone Beach around Aow Thian, next to Prachuab Port Co., Ltd’s area are documented in order to understand their varieties and use the data as an environmental indicator. The results suggest that Stone Beach’s environment is changing, affecting the temperature of water pool habitats. However, the nearby port has a constant flow of cargo ships which may also affect the environmental conditions and living creatures. The outcome of surveying activities point towards the existence of over 30 types of living animals and plants, for example, sea anemones, seashells, sea cucumbers, hermit crabs and sea sand goby, indicating the quality environment and abundant nature and that Prachuab Port Co., Ltd, a subsidiary of SSI, does not negatively affect the eco-system in Stone Beach. Nonetheless, the data gathered will form the basis for safeguarding environmental quality from future expanding activities of the port.

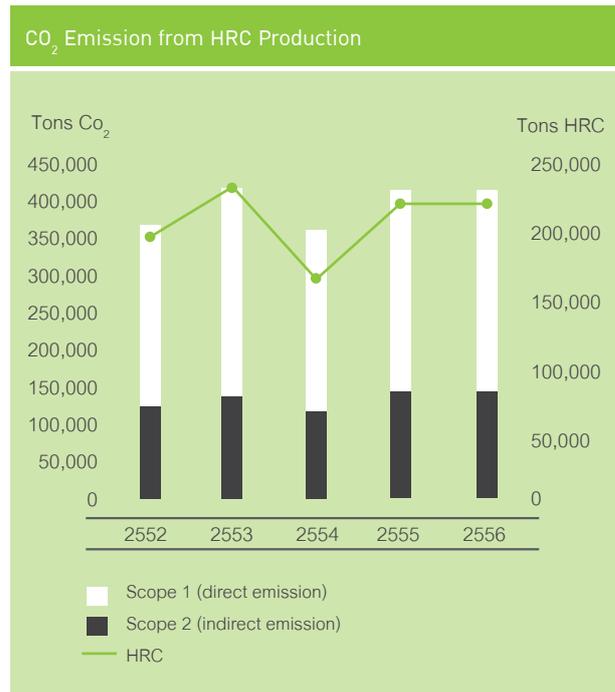
Climate Change Management

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, SSI in all levels of its activities has aimed to decrease the greenhouse gas emitted, together with joining the public and governmental sectors in reducing the negative effects caused by SSI activities. 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 standardization, collecting and documenting data, as well as revising the list by outside bodies
3. Buy eco-friendly products and services. In 2012, SSI obtained such products from 10 groups who adhered to the Environmental Board rules, and used energy-saving products and services at Bangsaphan. The target in 2014 is to increase the eco-friendly groups to 15, and the energy-saving groups to 2.
4. Support 3R activities which aim to reduce production waste, 98.53% 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.

An outstanding work is SSI's report on greenhouse gas release based on ISO 14064-1 standard, focusing on operation control of the Company by collecting data on each type of energy. The results of the 2013 greenhouse gas releases are as follows:

1. The greenhouse gas release from HRC production is 0.186 tons carbon dioxide per HRC ton, decreasing 2.67% from the year 2012.



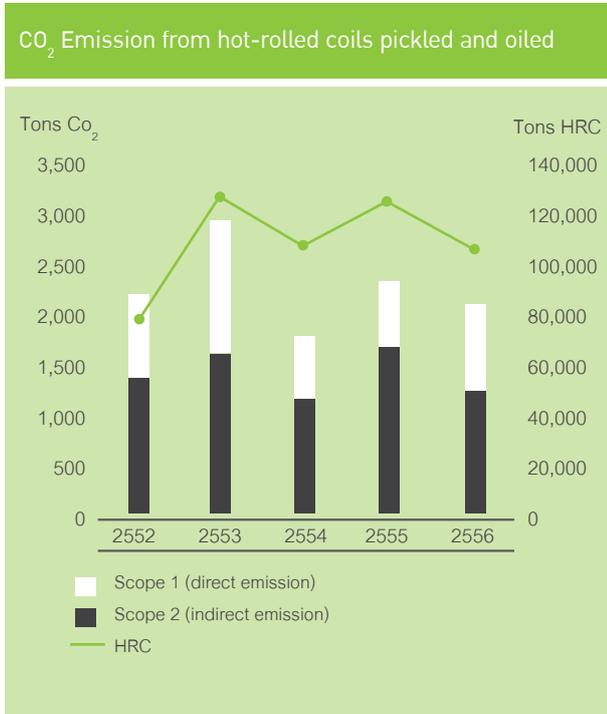
Note:

According to ISO 14064-1: 2006 and IPCC

Scope 1 : Green house gas emission from HRC production and internal transportation (not include SSI's vehicles)

Scope 2 : Green house gas emission from external electrical usage (not include SSI Bangkok office)

- The greenhouse gas release from hot-rolled coils pickled and oiled production is 0.02 tons carbon dioxide per PO Coil ton, decreasing 6.57% from the year 2012.



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, which is needed for developing our country towards becoming future low-carbon society.

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 2013, five 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:

- Hourly average of the density of sulfur dioxide in the atmosphere
- Hourly average of the density of nitrogen in the atmosphere
- Hourly average of total dust in the atmosphere
- Hourly average of the density of hydrogen chloride in the atmosphere
- 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
	22-29 March 13	17-24 Sept 13	
Quantity of dust and particles (mg/m ³)	0.032 - 0.123	0.013 - 0.063	No more than 0.330 ^{1/}
Quantity of sulfur dioxide gas (mg/m ³)	0.009 - 0.019	0.012 - 0.020	No more than 0.300 ^{1/}
Quantity of nitrogen dioxide gas (mg/m ³)	0.010 - 0.044	0.014 - 0.046	No more than 0.320 ^{2/}
Quantity of dust less than 10 microns (mg/m ³)	0.016 - 0.061	0.006 - 0.031	No more than 0.120 ^{1/}
Quantity of hydrogen chloride (mg/m ³)	< 0.001	< 0.001	-

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

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

Remark : <0.001 is the Detection Limit of HCl

HCl does not have specific standard

Measured /analyzed/controlled by

SPS Consulting Service Co, Ltd. (22-29 March 2013)

Recorded by

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Examined/controlled by

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Air emission from the Furnace I and II

Index	Result				Standard
	11 Jan 13	25 Mar 13	22 Sep 13	12 Dec 13	
Quantity of particle intensity (mg/m ³)	204	169	200	185	No more than 240 ^{1/}
Quantity of sulfur dioxide gas intensity (SO ₂)(ppm)	524	500	658	714	No more than 800 ^{1/}
Quantity of the intensity of nitrogen dioxide gas (NO _x)(ppm)	125	109	117	142	No more than 200 ^{1/}
Quantity of carbon monoxide gas intensity (CO)(ppm)	1.5	6.2	6.3	5.2	No more than 690 ^{1/}

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 /analyzed/controlled by

SPS Consulting Service Co, Ltd. (11 Jan 2013 and 25 Mar 2013)

Recorded by

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Examined/controlled by

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Air emission from the Furnace III

Index	Result		Standard
	26 Mar 13	26 Mar 13	
Quantity of particle intensity (mg/m ³)	70	100	No more than 120 ^{1/}
Quantity of sulfur dioxide gas intensity (SO ₂)(ppm)	582	374	No more than 800 ^{1/}
Quantity of the intensity of nitrogen dioxide gas (NO _x)(ppm)	124	137	No more than 180 ^{1/}
Quantity of carbon monoxide gas intensity (CO)(PPM)	1	2.7	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

Measured /analyzed/controlled by SPS Consulting Service Co, Ltd.
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Air emission from the Scrubber PPPL (from the pickling and oiling process)

Index	Result		Standard
	22 Mar 13	18 Sep 13	
Quantity of hydrogen chloride gas (HCl)(mg/m ³)	0.71	0.94	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 /analyzed/controlled by SPS Consulting Service Co, Ltd. (22 Mar 2013)
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Measured /analyzed/controlled by SPS Consulting Service Co, Ltd. (22-29 March 2013)
 Recorded by Mr. Warayus Lunthong/Mr. Kasem Seemapon
 Examined/controlled by Ms. Bungorn Siripoka (๓-011-๙-2955)
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Air emission quality from Boiler

Index	Result		Standard
	22 Mar 2013	18 Sep 2013	
Quantity of particle intensity (mg/m ³)	5	11	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 nitrogen dioxide gas (NO _x)(ppm)	68	81	No more than 180 ^{1/}
Quantity of carbon monoxide gas intensity (CO)(ppm)	1.0	35	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 /analyzed/controlled by SPS Consulting Service Co, Ltd. (22 Mar 2013)
 Recorded by Mr. Peera Dechudom/Mr. Kasem Seemapon
 Examined/controlled by Ms. Jarinee Nuntawisutr (๓-011-๙-4550)/Ms. Bungorn Siripoka (๓-011-๙-2955)
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Measured /analyzed/controlled by SPS Consulting Service Co, Ltd. (18 Sep 2013)
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 Analyzed by Ms. Sorada Boonmee (๓-011-๙-5140)
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Air emission quality from Dust Collector

Index	Result		Standard
	22 Mar 2013	21 Sep 2013	
Quantity of particle intensity (mg/m ³)	4	6	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 /analyzed/controlled by SPS Consulting Service Co, Ltd. (22 Mar 2013)
 Recorded by Mr. Peera Dechudom/Mr. Kasem Seemapon
 Examined/controlled by Ms. Jarinee Nuntawisutr (๓-011-๙-4550)/Ms. Bungorn Siripoka (๓-011-๙-2955)
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Waste Management

SSI is committed to reduce quantity of waste at the original source through several projects. The loss of raw materials had a target of less than 2% while the actual outcome is 1.75%. Reducing humidity in sediments left from water treatment had a target of 15% while the actual outcome was 14%. Other activities such as reducing the waste of paper, selecting plastic and glass bottles from the garbage to sell, recycling waste such as organic fertilizer from dead trees in the plants and holding a competition from waste-materials designs continuously help reducing waste.

In 2013, the total waste amounts to 74,102.17 tons, costing 11.29 million Baht. The sale of 69,298.38 tons of waste amounts to 546.84 million Baht. The processes used to handle waste is 98.58% recycling, 1.47% burning and zero landfill.

Co-operations with Partners

SSI joined the governmental and institutional bodies to manage climate change as follows:

- Reducing greenhouse gasses in the workplace according to the ISO140641-1 standard, so as to become the Low Carbon Industry, in co-operation with Department of Industrial Works
- Serving in an advisory role for the short-term 5-year action plan to conserve energy in the steel industry in Thailand, in co-operation with Iron and Steel Institute of Thailand
- Taking part in increasing efficiency in energy consumption in the industrial sector of Thailand "Industrial Energy Efficiency (IEE) Project" in co-operation with United Nations Industrial Development Organization (UNIDO)

Ozone Depleting Substance Management

Regarding the Montreal Protocol on substances that deplete the ozone layer which Thailand ratified on the 7th July 1989, member countries are required to gradually decrease and abolish the ozone-affected substance. The latest research

has shown the proposed HCFC-22, or R-22 which is to replace CFC still affects ozone in the atmosphere. SSI has begun to replace R-22 in the air-conditioning with BPX4400, which does not affect ozone. In 2013, SSI decreased 93.37 kgs of R-22, on the equivalent of 169 tons of carbon dioxide in greenhouse gas. Moreover, air-conditioning maintenance is done by recycling R-22 in place of releasing into the atmosphere. The recycled amount of R-22 totals 179.56 kg (in comparison with the year 2010 when recycle did not exist), or the equivalent of 325 tons of carbon dioxide. SSI plans to further use BPX4400 or other non-toxic substance in all factories.

Green Industry

SSI signed the memorandum of co-operation to develop a Green Industry with the Ministry of Industry as it recognizes 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. The duration of the certification lasts 3 years (24th August 2011 to 23rd August 2014), covering the current period.

Surveying Local viewpoints and Environmental Local Participation

A survey on attitudes of the community has been 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 over the year, and pave the way to joint decisions through participatory meeting, for example, community leader council meetings village meeting SSI has used suggestions from these meetings as basis to arrange programmes that directly respond to the need of the community and lead to sustainable local satisfaction.

Community Surveys made in 2013

Subdistrict	Community	Household	Number of Samples	
			From Calculation	From Actual Study
Kamnerd Noppakoon	Kamnerd Noppakoon Subdistrict Municipal	1,468	120	120
Mae Ramphueng	Moo 2 Ban Tha Manao	564	46	46
	Moo 3 Ban Aow Yang	190	16	16
	Moo 4 Ban Tha Kham	380	31	31
	Moo 5 Klang Aow	547	45	45
	Moo 6 Ban Klang Na	634	52	52
	Moo 7 Ban Thung Lan Khwai	121	10	10
	Moo 8 Ban Lang	570	47	47
Total		4,474	367	367

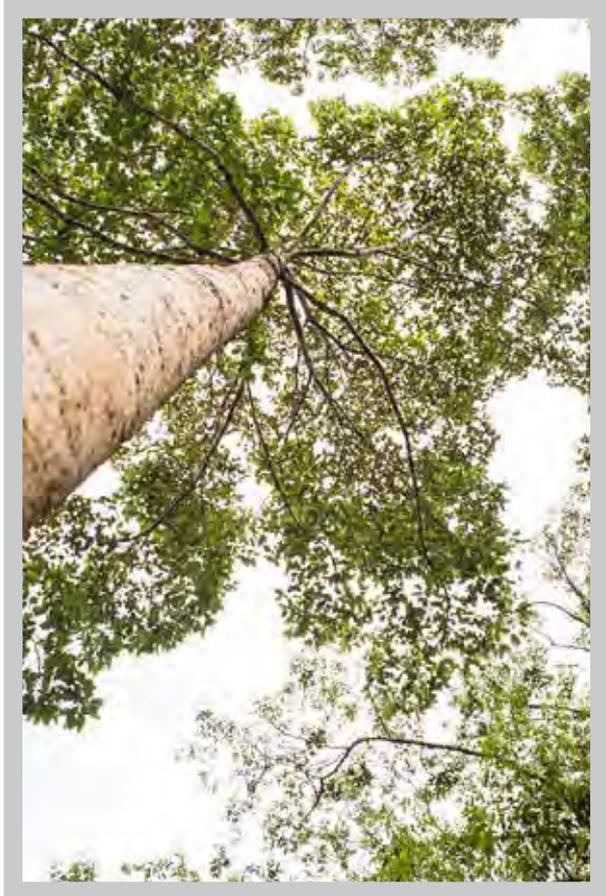
Surveys made in 2013 show that most locals accepted and appreciated the role the Company has played in improving income generation, better commerce and infrastructure. Such activities included grant-giving, donations for educational purposes, and community-banking. The top priority was tree-planting, followed by Mae Ramphueng mangrove conservation, beach-cleaning, local environment safeguarding, support for sports, agricultural vocation, students' skill development, local product purchasing and youth camp.

As road traffic has become a major issue, SSI in co-operation with a working committee to control vehicle of Sahaviriya Group has focused on time management for goods traffic to avoid certain hours, setting up CCTV and patrol wagon, setting up funds and seminars for transportation contractors, and setting up local councils for community leaders to jointly consult and agree on appropriate solutions.

Top Major Concerns For 2013	
Road traffic	11.2%
Rain quality	7.6%
Accident	6.0%

In comparison with 2012 which were

1. Dust issue 7.6%
2. Road traffic 7.0%
3. Road accident 6.5%



Social and Community Contributions

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. SSI ensures that correct reports and facts are provided to customers and are committed to negotiating appropriate solutions based on business relationships and avoid conflict of interest.

Innovated Value Products (IVPs)

In 2013, SSI 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 by the Products and Services Department to meet the needs of the customers. Activities undertaken include customer visits, meetings with key customers on a monthly basis, annual customer satisfaction surveys, training and providing further knowledge of the Company's products. The Products and Services Department also provide advice and assistance to clients to support them in resolving any problems associated with the Company's products.

The activities to analyse customer needs were carried out by the Innovated Value Products (IVPs) working team who then worked 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. Further important developments are as follows:

1. Developing prototypes of high strength hot-rolled steel for structural parts of the automotive application that needs strength more than 590 MPa.

2. Developing IVP, creating value added to customers (You+) for automotive industry customers.

In 2013, SSI had delivered 280,300 tons of Innovated Value Products (IVPs) which represent 13 % of the total sales.

Create Value with Business Partner

SSI strengthens relationships with suppliers through sharing experience and information. In 2013, 2 oversea manufacturers were invited to attend the meeting to reconsider an agreement in Technical Protocol and Specification about raw material quality improvement, market fulfillment including solution for raw material quality improvement and other problems. In addition, meetings and seminars with vendors and service providers were conducted to clarify Company regulations, procurement purposes and procurement practices for Sahaviriya affiliated companies.

In 2013, SSI purchased products from general vendors of approximately 4,424 million baht. Cost is classified into 7 categories: (1) 2,804.35 million Baht for energy product group, (2) 255.50 million Baht for rollers, (3) 340.90 million Baht using spare parts, (4) 249.15 million Baht for factory supplies, (5) 650.15 million Baht for services, (6) 123.95 million Baht for others, and (7) 276 million Baht for local purchases in the Bangsaphan community. For 2014, it is expected that procurement costs will be raised up to 4,800 million Baht from general vendors and 300 million Baht from the local community.

Fair Trade Practices

SSI 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 meeting to strengthen relationships and share their experiences.

Innovation, Research and Development

SSI recognises the need to focus on capability development in the steel industry . This is shown by 86 research projects certified by the National Science and Technology Development Agency (“NSTDA”). The R&D expense related to the projects was 62.8 million baht from 2006 to 2013. This reflects SSI’s recognition of the importance of research and development to create sustainable knowledge.

Certified Research and Development Projects by NSTDA (2006 - 2013)

Certified Research and Development Projects by NSTDA (2006 - 2013)		
Product Quality	44 Projects	R&D Expense 33,389,270 Baht
Process Improvement	42 Projects	R&D Expense 29,472,078 Baht
Total	86 Projects	R&D Expense 62,861,348 Baht

SSI place emphasis on network development. In 2013 SSI created a Memorandum of Understanding on metallurgy and material sciences for collaboration with a renowned research institute and university form both public and private sector.

In 2013, SSI collaborated with Synchrotron Light Research Institute (Public Organization)(SLRI) on 2 main topics

Collaboration projects between SSI and SLRI			
No.	Topic	Project	Objective
1	Low carbon steel strip structure and properties analysis	1. In-situ study of austenite decomposition, grain boundary segregation and crystallographic of boron added low carbon steel strip	1. To study the in-situ analysis of austenite decomposition, grain boundary segregation and crystallographic orientation of boron added low carbon steel strip
		2. X-ray absorption fine structure analysis of precipitate element (Al) in boron added low carbon steel strip	1. To study X-ray absorption fine structure analysis of precipitate element (Al) in boron added low carbon steel strip
2	High strength low alloy steel strip structure and properties analysis	1. X-ray absorption fine structure analysis of precipitate element (Nb) in high strength low alloy steel strip	1. To study X-ray absorption fine structure analysis of precipitate element (Nb) in high strength low alloy steel strip

Furthermore SSI has collaborated with other renowned institutes and universities as follows:

1. “Numerical Process Design of Hot Rolled High Strength Steel” collaborated with The Sirindhorn International Thai - Germany School of Engineering, RWTH AACHEN University. This helped SSI to develop a mathematical model for predicting steel properties from process parameters.
2. “Study width necking problem at Hot strip mill by Finite Element Software modeling” collaborated with King Mongkut’s University of Technology Thonburi to develop Finite Element model to investigate width necking behavior and finding a solution.
3. “Development of hot roll steel strip for hot stamping application” collaborated with King Mongkut’s University of Technology Thonburi to develop a hot rolled steel strip for the hot stamping process in automotive.

Development of SSI laboratory and Research & Development Center

In 2013, SSI established a separate laboratory from the manufacturing division to increase flexibility and efficiency. In addition to organization development, SSI improved its research and development capability by developing hole expansion and Forming Limit Diagram (FLD) preparation machine.

Dissemination of Innovation

For sustainable development disseminating research and innovation are considered to be important. SSI participated in domestic and international conferences to share knowledge. Furthermore, SSI was a fund supporter for The 7th Thailand metallurgy conference. In 2013, SSI submitted research to conference and seminar as follows:

- *The 22nd International Conference on Metallurgy and Materials (METAL 2013)*

This conference was held in May 15-17, 2013 at Brno, Czech Republic. The SSI research studied on “Development in production of high formability boron added low carbon steel”.

- *The 7th Thailand metallurgy conference (TMETC #7)*

This conference, hosted by Prince of Songkla University, was held in Thailand on October 24-25, 2013. Three research studies from SSI were selected to present as follows:

1. A study of “Effect of holding temperature on mechanical properties and microstructure of JIS G4051 – S45C” aimed to develop steel for machine and structural uses.
2. A study of “Effect of boron on microstructure and BN precipitation of boron added low carbon steel at high temperature” aimed to develop steel for extra deep drawing application.
3. A study of “Effect of chemical composition on mechanical properties and forming limit curve of hot rolled steel strip for automotive application tensile strength > 440 MPa” aimed to develop steel for automotive application.

In this conference the SSI research project attracted interest from participants at the conference. This was reflected by achieving 1st prize in the POSCO-THAINOX awards in the topic of “Effect of chemical composition on mechanical properties and forming limit curve of hot rolled steel strip for automotive application tensile strength > 440 MPa”.

SSI has shown through past performance an emphasis on research and development to create high quality steel products to meet customer requirements.



Anti-Corruption

The Board of Directors places a strong emphasis on conducting business with good corporate governance and corporate social responsibility for sustainable development. The Board deems that corruption creates or reinforces threats both to organizational and national levels, hence the Board of Director meeting No. 13/2013 held on 12 November 2013 resolved to sign “the Declaration of Intent in view of establishing Thailand’s Private Sector Collective Action Coalition Against Corruption” and prepare for its Certification Process.

In 2013, the Company carried out several anti-corruption initiatives as follows:

- 1) Submitted “the Declaration of Intent in view of establishing Thailand’s Private Sector Collective Action Coalition Against Corruption” signed by the Chairman to the “Private Sector Collective Action Coalition Against Corruption” (CAC) with the Thai Institute of Directors (IOD) acting as Secretary of the project, in November 2013 and received the letter of acceptance from IOD within the same month.
- 2) Established the working committee which is comprised of representatives from various business units within the Company to develop a policy and guidelines regarding anti-corruption. In addition they study the “Self-Evaluation Tool for Countering Bribery” developed by IOD which must be completed prior to applying for the certification process.
- 3) The working committee used the “Self-Evaluation Tool for Countering Bribery” as a checklist to evaluate and identify areas where improvement or additional measures were needed to prevent corruption. The results will be submitted to the Good Corporate Governance Committee for acknowledgement. As part of the evaluation process, the working committee also considers the “SSI Way” manual which involves the business philosophies, business ethics, the ethics for directors and employees, as well as other existing policies and guidelines related to anti-corruption.

- 4) The working committee drafted the Board of Directors’ policy and guidelines regarding anti-corruption and proposed this to the Management Committee for consideration and to the Good Corporate Governance Committee for consensus.

The Company participated in the following anti-corruption activities in 2013:

- 1) The representatives of the working committee participated in a workshop seminar organised by IOD on “Anti-Corruption: The Practical Guide (ACPG/2013)” for acknowledgement of how to join CAC’s project, the purpose of the project and how to complete a certification process on 15 -16 July 2013 and “Anti- Corruption Seminar 3/2013” on 14 November 2013. Moreover, a representative of the Company attended Thailand’s 4th National Conference on Collective Action Against Corruption on the topic of “Working Models for Governance in Corporate Operations and Infrastructure Projects” on 8 October 2013.
- 2) A number of executive officers and employees participated in “Walk Run Fun Bike Anti-Corruption 2013,” organised by the Anti-Corruption Organization of Thailand (ACT) and Thai Listed Companies Association at Phra Men Ground, Bangkok on 15 December 2013, to show their spirit against all forms of corruption.

The Company’s anti-corruption plans for 2014 are as follows:

- 1) Proposing the new policy and guidelines regarding anti-corruption to the Board of Directors for approval.
- 2) Communicating the policy and guidelines to all levels of employees for their acknowledgement and to promote consistent practice and to provide to stakeholders for their information and cooperation.
- 3) Assessing risks associated with corruption and put measures in place to mitigate these risks.
- 4) Developing action plans in preparation for the certification process.

Human Resources Development and Human Right

The Company recognises the importance of human resources and that they are essential to the organization's business success. We have determined the appropriate structure of employment, compensation and benefits, personnel development and promotional activities related to employees and their families. In 2013 the Company has initiated the "Care Organization" project which has the aim of creating efficient collaboration and working relationships between employees 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.

Number of Employees of SSI Group: as of 31 December 2013

Level	SSI	SSI UK	TCR	WCE	PPC	Total
Executive level	39	19	6	5	1	70
Managerial level	127	50	69	32	5	283
Supervisory level	419	566	167	202	25	1,379
Operational level	451	1,187	579	219	63	2,499
Total	1,036	1,822	821	458	94	4,231
Outsourcing	591	214	128	67	15	1,015

Employee structures

At the 31 December 2013 SSI employed 1,036 people; 146 at the Bangkok office and 890 at the Bangsaphan Plant. The employee structure recognizes 4 levels of employee as follows:

Executive	39 people
Managerial	127 people
Supervisory	419 people
Operational	451 people

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 looks to recruit candidates with the knowledge and ability to work in merit and efficiently and assesses this through appropriate testing and interviews. In 2013 the Company had 156 job vacancies with 512 potential candidates; 128 people were successfully recruited into these roles. Moreover, the Company has contributed to the Empowerment of Person with Disabilities Fund through the improving quality of life of people with disabilities.

Employee Engagement Survey

SSI has continuously conducted the employee engagement survey since 2008 with the results improving year on year. In 2013, the result of the relationship between the Company and its employees was in the indifference level with a score of 58%.

The Human Resources and Administration Division conducted the survey by considering supporting factors and difficulties related to the level of relationship- including gender, age, working period, working field, position etc. The results of the survey will be used to develop and improve the 2014 Human Resource Strategic Plan. Furthermore, SSI believes it is important to support employees, enabling them to be content at work and play a vital part in the overall sustainable development of the Company.

Note: Hewitt Associates were applied to conduct the employee engagement survey

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 2013 SSI has developed knowledge and skills of its employees with many methods and approaches as follows:

Guideline	Method	Outcome in 2013
On the Job Training (OJT)	<ul style="list-style-type: none"> 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. In addition the supervisors will regularly monitor the outcomes and performance. 	<ul style="list-style-type: none"> 178 people
In-House Classroom Training	<ul style="list-style-type: none"> Core Competency Course Managerial Competency Course Functional Competency Course Management Case Study Course Special Courses 	<ul style="list-style-type: none"> 128 courses 5,661 participants Average training period 22.41 hours/person/ year
Employee Development - talented and good staff through the SSI Way	<ul style="list-style-type: none"> Company value (iFacts) Knowledge and Awareness Role model activities selected that support the Company values (iFacts) 	<ul style="list-style-type: none"> 3 activities 654 participants 6 people can be selected
External Training (Domestic and Overseas Training)	<ul style="list-style-type: none"> Appoint staff to undertake training courses held by external organisations. The courses attended can be domestic or based overseas 	<ul style="list-style-type: none"> 222 courses 465 participants Average training period 5.79 hours/person/year
Acknowledge the annual Division Goal Program Goal Program Presentation 2013	<ul style="list-style-type: none"> Managerial level and upwards acknowledge the policies, strategies and activities in each division to ensure that they are aligned with the overall Company business plan. The Goal Program is presented to every department. The presentation includes activities that support the updated strategy and plans for the year. 	<ul style="list-style-type: none"> February 2013, 108 participants (Managerial level and up). July 2013, 119 participants November 2013, 108 participants

Welfare and Benefits

The Company places a focus on the welfare and benefits of employees and complies with the relevant legislation on employment. The Company provided the following welfare and benefits appropriate to the relevant working conditions:

- Provide annually 2 uniforms
- Provide 5-route transportation for staff in Bangsaphan to travel into the office
- Provide monetary support for staff who live outside of the Bangsaphan area
- Provide free rice and low price food for staff
- Provide upcountry allowance for staff who work at the plant
- Provide travelling allowance support for employees who work in others locations
- Provide shift allowance for shift workers
- Provide provident fund for employees on retirement
- Organise internal sport, Sport Day and Anti-Drugs sports
- Arrange "Staff Health Week" campaign to support staff to learn to take care of their health
- Organise the "Drug Free Workplace" project to bring collaboration from everyone involved in protecting and solving drug problems in organisations
- Arrange lectures on HIV/AIDs
- Provide health and life insurance

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 developed the "Care Organisation" project which has included the following activities:

- Coaching : Improved coaching skills were developed to create good relationships between employees and supervisors. Training was provided to supervisors to develop their coaching skills and allow them to be more effective coaches to their employees. Coaching and evaluation plans were developed to allow the coaches and employees to review the improvement in the efficiency and effectiveness of their work. 2013 was the first year the programme was in place and 78 supervisors successfully attended the training course "Super coach".
- Mentoring : Mentoring programmes have been developed to support new employees into the Company and create good relationships between the new employees and existing employees. Existing employees have volunteered as mentors, 82 of which have been trained in mentoring techniques and knowledge about the organisation such as vision, mission, values , ethics, personnel and

administration policy and the company's products and markets. New employees will be assigned a mentor who will take care, advise and assist them over their first 4 months with the Company. The mentor will introduce them to the workplace, executives, managers and consultants and answer any queries they may have.

- Buddy : A buddy system has been developed to create good relationships between employees by assigning buddies to employees to build relationships and engagement.
- Meet Management : The following activities have been put in place to establish good relationship between employees and management:
 - The annual policy statement : President will be informed of the strategic plan and company policies to managerial level up employees.
 - Goal Program Presentation : Managers and above will report their annual plans two times a year to support the Company strategy and business plan. This allows 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 will present to their staff the division strategy to create an awareness and improve all employees understanding of the Company's business plans.
 - Executive Meeting and Participation 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. This activities support 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 Mother's Day activities and volunteering activities for example "lunch for children".
 - HR Clinic : Arrange HR consulting staff to advise employees on any HR queries, for example company rules & regulations, salary, personal tax etc.

The Company recognises the importance of building relationships between employees and management to create an effective work environment.

Creative Internal Communication

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

Communication Channel	Objective	Outcome 2013
Message from Group CEO and President	To inform and make all staff aware of policies, operation directions and major performances of the Company directly from Group CEO and President.	2 times
Arrange presentation of job performance and operation plans (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.	1 policy presentation / year 2 achievement presentations / year
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 Workface 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.	Every department 1 time/quarter
Employee Relations staff visit shift staff at their workplace	Visit night shift workers at their workplace.	12 times
Welfare Committee	To communicate employees' requirements to the management team and strengthen the relationship between executives and staff.	4 times
Supervisor Communication Development Project	To develop improved communication skills of supervisors, allowing them to communicate with their staff and apply the skills to their daily life.	2 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.	15 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.	5 times
Internal TV	To distribute major information to all staff quickly.	1,084 times
Communication via Social Media (Facebook, Page-SSI Employee Relation 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 phones.	More than 376 messages
Steel man Steel Mind Project	To support the relationship between employees' families and the Company by choosing from employees who cooperate will with the Company's activities.	Whole year activities
Employee Engagement Survey	To survey engagement of employees toward the organisation in various aspects such as working process, welfare, wages and working environment in order to solve and improve issues.	1 time

Social and Community Development



SSI has continuously focused on social and community development in accordance with sustainable development to strengthen relationships with our stakeholders, by adhering to three principles: creativity, stakeholder engagement and operation efficiency. In 2013, the Company operated 35 social and community development projects which are divided into two parts: 1) Social development to strengthen vulnerable people and 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

Strengthening and Innovating the Steel Industry

• *The 7th Academic Conference on Metallurgy*

SSI has continuously supported the Academic Conference on Metallurgy and 2 awards for annual outstanding research. The Excellent Metallurgist Award was given to Associate Professor Dr. Prasong Srijareonchai, Professor of the Department of Metallurgy, Faculty of Engineering of Chulalongkorn University. The Young Metallurgist Award was given to Assistant Professor Dr. Pattama Wisuttiptakul, Professor of the Department of Metallurgy, Faculty of Engineering of Chulalongkorn University.

The conference was arranged by the Department of Mining and Materials, Faculty of Engineering, Prince of Songkla University. There were 56 projects at the conference. The Best Poster Presentation Award was Dr. Nattita Chaunkerkul from Chulalongkorn University.

• *SEAISI Economic, Environment & Safety Seminar 2013*

SSI, in cooperation with the Iron and Steel Institute, supported SEAISI (South East Asian Iron and Steel Institute Conference & Exhibition) Economic, Environment & Safety Seminar 2013 to exchange views on the use of steel products for the steel-based industry as well as promotion of regional co-operation. The event was held between 3-6 June 2013, at Dusit Thani Hotel, Pattaya. There were 470 participants from 28 countries.

• *Thailand Steel House Contest 2012*

Thailand Steel House Contest (Greenovation: Less is More), which is awarded with HRH Princess Maha Chakri Siridhorn Trophy and over 1 million Baht is aimed at encouraging steel-related innovation. The contest also serves as an arena for exchanging ideas among architects, engineers and those in the metallurgical circle to apply steel for housing and search for new knowledge. This project was carried out in co-operation with the Home Builder Association and Baan Lae Suan Publishing House as partners and judges. There were responses from 165 students and 21 professionals.

The winner of the student team was Taitune Baan Team from King Mongkut's Institute of Technology Ladkrabang (KMITL) with their work "Taitune Baan". There was no winner for the professional team but MIA Team with their work "BEE" and Boston Team with their work "10x20 Eco House" finished joint runner up.

The winner of the student team was awarded the Royal Trophy from Her Royal Highness at Dusidalai, Suan Chitralada Palace on November 20, 2013.

Strengthening Life Quality

• *Chakri Day Run*

SSI supported the Rajcha Pracha Samasai Foundation under royal patronage by arranging the Chakri Day Run 2013 on April 6, 2013. It was aimed at honoring the power eight monarchs of the Chakri Dynasty. The competition also raised public awareness of the benefits of exercise and helping each other. The benefits from this activity went towards the foundation for the vulnerable people who suffered from leprosy and 999 educational funds for children whose parents are afflicted with HIV under the royal-guided supervision of the Rajcha Pracha Samasai Foundation.

• *Sahaviriya Bangkok Triathlon 2013 in Honor of His Majesty the King*

SSI, in cooperation with Rajcha Pracha Samasai Foundation under royal patronage, arranged “the 5th Sahaviriya Bangkok Triathlon 2013” for athletes to compete for the Royal Trophy best owned by His Majesty the King on the July 7, 2013. The event was aimed at honouring His Majesty the King through raising funds for royal charities for children affected by leprosy and HIV. The event goals coincided with CSR activities of the Company of providing support for vulnerable people. A total of 632 athletes competed in the Triathlon, from 36 countries, making the raised fund from the enrolment to Bath 1,132,000.

• *Thailand Iron Man Mini Marathon 2013*

SSI, with the co-operation from the other steel industry partners namely Thai Cold Rolled Steel Sheet Plc.(TCRSS), BlueScope Steel (Thailand) Ltd., The Siam United Steel (1995)

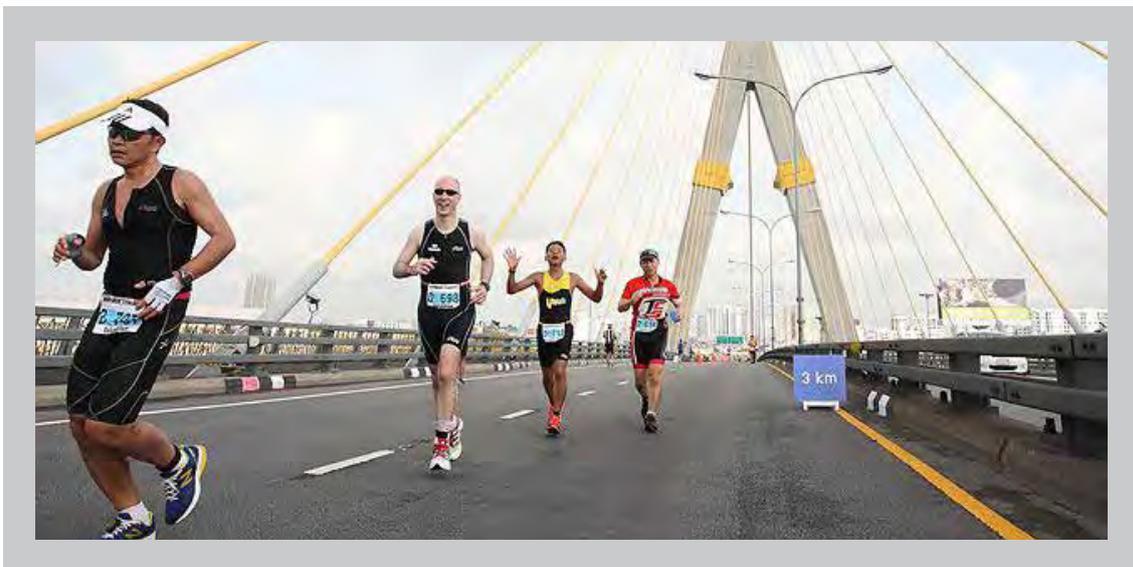
Co. Ltd and Nippon Steel & Sumikin Galvanizing (Thailand) Co. Ltd (NSGT) jointly arranged a mini marathon for vulnerable people. The 6th Thailand Iron Man Mini Marathon 2013 managed to raise 2.4 million Baht from 24 charities. The activity was held on 2nd November 2013 at Lumpini Park and was attended by over 1,400 participants. Over the previous six years over 14 million Baht has been raised for charities providing benefits to vulnerable people, strengthening and sustaining their life in the society.

• *Bangsaphan Youth Triathlon Team*

SSI opened up sport opportunities to the local children from Bangsaphan by encouraging them to apply and learn basic skills before being selected to represent the “Bangsaphan Youth Triathlon Team” to compete in sport events. At present, there are two generations: the 1st generation has 4 children and the 2nd generation has 5 children. The children were trained triathlon skills with Sahaviriya Team Triathlonists. They have competed in major national events and are consistently improving their score.

Community Development

In 2013, 22 projects were carried out from our community development team, all of which reflected the 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 organizations in the aspects as follows: education quality development, environment quality development,



job and income development, good quality of life development, religion and cultural support.

Jointly Developing the Quality of the Community Education

• *Sahaviriya Funds for Bangsaphan Educational Developments*

Sahaviriya Funds for Bangsaphan Educational Developments Project was started in 2011 through co-operation with the Office of the Basic Education Commission (OBEC) and from the Office of Prachuap Khirikhan Primary Educational Service Area Zone 1. Executives from 20 schools in Bangsaphan district were invited to send their 3-year plan for educational development, which emphasized all three dimensions, to compete for the annual funds of 2.6 million Baht for the implementation of the plan. This proved to be a new way to raise the quality of education in Bangsaphan towards excellence.

There are schools that have passed the fund assessment as follows:

- In 2011, there were 17 pilot schools from 4 subdistricts near SSI Bangsaphan Plant area: Mae Ramphueng, Phongprasas, Kamnerd Noppakhun and Thongchai subdistrict. The Sahaviriya Fund Committee included proficiently academic advisors from Office of the Basic Education commission of Thailand (OBEC), Ministry of Education, the Office of Prachuap Khirikhan Primary Educational Service Area Zone 1 and representatives from local government organization. Two schools have passed the assessment and received 800,000 Baht fund: Ban Suan Luang School and Ban Don Sa-Nga School. In 2013, the Sahaviriya Fund Committee monitored and evaluated the 2 schools and presented the second installment of the funds, as they passed the assessment in accordance with their 3-year plan. The grades of 5 groups of students have increased 2.52%. The Sahaviriya Fund Committee will monitor both schools before providing the third installment after the beginning of the 2014 first semester.
- In 2013, there were 72% of schools from 4 target subdistricts (2 pilot schools were not included), that joined the project. The Sahaviriya Fund Committee granted Bangsaphan Kindergarten School, one of the largest school in Kumnerdnoppakhun sub-district, a 1.2 million Baht fund (3-year period). In total there were

855 students and 28 teachers that gained benefit from the fund. The Sahaviriya Fund Committee monitored the school in 2013, after they received the first fund installment, and they passed the assessment. Therefore, they will be presented the second installment fund after their 2014 first semester. Moreover, at present, the Sahaviriya Funds for Bangsaphan Educational Developments 2014 will be opened for schools from 4 target subdistricts.

• *Scholarships Students in the Community*

Annually SSI and Sahaviriya Group give scholarships to students from schools in Bangsaphan from primary to undergraduate levels. In 2013, students from 21 schools received 189 scholarships for, totaling 483,500 Baht. There were;

- 182 scholarships for primary and secondary students
- 5 continuous scholarships for undergraduate students
- 2 continuous scholarships under The SVG's Scholarship for Excellent Education Development (SVG SEED) Programme.

The conditions of the scholarships were adapted to be in accordance with the idea of "support local teachers, develop the community." Students who bachelor in education will be supported with the scholarship in order to encourage them to become teachers in their home town. In 2012, two scholarships were given to students.

• *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 as tools to teach students and create an effective learning environment. The lesson about "Steel in daily life" and "Steel industry and community development," jointly initiated by the school, school committee and SSI, were taught by SSI Volunteers. There were 2 schools that took part in the project, including Ban Don Samran School and Ban Thakam School from Mae Ramphueng subdistrict, Bangsaphan district.

• *The Annual Drawing Contest Project*

This project has been carried out for 9 years in order to provide an opportunity for students to show their creativity in drawing. In 2013, 346 students from 28 schools joined the contest. Following the contest, some of the drawings were sent to compete in an international art competition.

- *Sufficiency Economy School for Sustainability Project*

SSI foresees the importance of His Majesty the King's idea of Sufficiency Economy, therefore, the Company has been supporting activities encouraging self-sufficiency in the economy. By collaborating with the Non-Formal and Informal Education (ONIE) Bangsaphan, Sufficiency Economy School for Sustainability Project was launched. The project included many activities, including arranging a tour to study Sufficiency Economy Learning Centers in Bangsaphan district, Prachuap Khiri Khan, arranging skill training, teaching management, marketing and accounting. Students who join the activities will be guided closely by teachers from ONIE. Moreover, 8 Sufficiency Economy Learning Centers in Bangsaphan and working funds for sufficiency economy activities were set up. Therefore, students can take out a loan to arrange sufficiency economy activities and generate income to gain profit to pay back with interest.

- *Young Agriculturist Project*

This project was launched in 2012. SSI has set up Hydroponics Vegetable system for Ban Tha Kham School in Mae Ramphueng subdistrict, Bangsaphan district, Prachuap Khiri Khan and 143 students can have non-toxic vegetables for school lunch. In 2013, the project was expanded to Ban Morasuab school, Moo3, Chaikasem subdistrict. Therefore, students can learn to practice business skills by planting vegetables and selling them in the school's cooperative. There were 346 students that gained benefits from the project. The vegetables were used for school lunch and sold to the community to generate additional income for students and become a part of school's curriculum.



- *Youth Council Project*

This is a pilot project which was first launched in Ban Don Sa-nga, Moo 8, Kamnerd Noppakhun subdistrict, Bangsaphan district. SSI, in cooperation with Prachuapkhirikhan Social Development and Human Security office, Bangsaphan Community Development office, Kamnerd Noppakun Subdistrict Administration, community leaders and locals in Don-sanga area, have arranged an election of the members of Ban Don Sa-nga Youth Council Committee. There were 55 young people that joined the project. There are many activities for the Youth Council, including supporting children's skill training, instilling public awareness, generating additional income and supporting savings.

- *The 9th To Be Engineer Project*

SSI joined with schools in Bangsaphan district to arrange a study camp for 322 Mattayom students to learn about steel industry. To Be Engineer Project consists of many activities for the youths, including encouraging the youths to pursue an engineering education, evaluating psychological personality for future career, and five different learning stations (HRC production, Waste management, Steel in daily life, Social responsibilities and Plant visit).

- *Preparing Kids for AEC*

SSI has launched a project "Preparing Kids for AEC," and provided 435 English-Thai dictionaries to 19 schools in 4 subdistricts around SSI Bangsaphan Steelworks, including Mae Rampheung, Kamnerd Noppakun, Pongprasas, and Thong Chai. This activity is under the "Preparing Kids for AEC" which is aimed at supporting young people to develop their language skill and prepare for the Asean Economic Community.

Job Development to Strengthen Household Economy

SSI has operated in the steel industry in Bangsaphan for more than 20 years. This is an agricultural-based area where pineapple, rubber tree and coconuts are grown. To date this has proven that agriculture and industrial societies can co-exist and grow together with mutual care in a harmonious society where the inhabitants have steady jobs and sufficient income. While adhering to Thai traditional living culture, the Company supported the agriculture development; this will help generate more income for local agriculturalists and housewife groups.

- *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 2013 to increase the ratio of employment of local inhabitants. They advertised job vacancies of SSI and Sahaviriya Group as part of the monthly meeting of community leaders. In 2013, SSI admitted 119 employees to work at the Bangsaphan Plant; of this number 101 people are locals from Bangsaphan and nearby areas, equating to 84.8%.

As of 31 December 2013, the total number of SSI Group staff was 4,285. SSI Group has a policy to focus on hiring local people, there are 2,211 employees at SSI Bangsaphan Steelworks (1,565 are from Prachuap Khiri Khan, 70.78%). The total number of SSI Teesside Steelworks Staff is 1,822, 95% are resident in the local area.

- *Bangsaphan Organic Fertilizer Bank*

SSI upgraded the efficiency of the activities of three SSI bio-fertilizer banks; Moo 4 Pongprasas subdistrict, Moo 9 Pongprasas subdistrict and Moo 3 Kamnerd Noppakun subdistrict. There were meetings held to monitor and assess the work. Furthermore seminars and on-the-job trainings were also organized for the three groups' members representing 185 of the inhabitants.

- *Purchase of Products and Services from the Community*

In 2013, SSI Group of Companies spent Baht 239.12 million on local products and services. In addition, SSI has supported jobs in Bangsaphan by buying local products from various groups. SSI also organized a mobile local products project, selling local One Tambon One Product ("OTOP")

goods. These products are produced by housewife groups from various areas and sold in SSI Bangsaphan Steelworks. This will make local products well-known and generate additional income for Bangsaphan locals. In 2013, the value of purchased local products amounted to Baht 636,750.

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.

- *SSI Beach Clean-Up*

SSI staff, together with students, business sectors and Bangsaphan people annually joined together on the World Environment Day to collect garbage on Mae Ramphueng beach, Mae Ramphueng subdistrict, Bangsaphan. In 2013 there were 901 participants and the distance covered was 3 kilometres.

- *SSI plants trees 86 Rai in honours of HM the King*

SSI, Forest Protection Department Prachuap Khiri Khan 1 (Pongka) of the Royal Forest Department, Forest Management Bureau No. 10 (Petchburi), government's agencies and local people in Bangsaphan, plant 2,000 trees in the project "SSI plants tree 86 Rai to honour His Majesty the King on His Majesty's 86 Birthday" at Thong Kee Tai, Pongprasas subdistrict, one of the five target plots (Klongloy, Klongplean, Wangnamkeaw, Paron).



- *Bangsaphan Car Free Day 2013*

SSI together with Sahaviriya Group, Bangsaphan District authority and locals in Bangsaphan joined a bicycle ride trip in “the 3rd Bangsaphan Car Free Day” on Sunday 22 September 2013 in order to encourage the inhabitants in Bangsaphan to help reduce global warming and live a healthy lifestyle. There were 288 cyclists, aged between 5-80 years old, that cycled from 5 meeting points around Bangsaphan town (Kamnerd Noppakhun Sub-District Municipal Office, Kamnerd Noppakhun Sub-District Administration Office, Phong Prasat Sub-District Administration Office, Mae Ramphueng Sub-District Administration Office, and Sahaviriya Steel Industry Plant) to the market and joined hands in stopping using motorized vehicles for 30 minutes, from 8.00-8.30 AM. This activity helped reduce approximately 5.06 tons of carbon dioxide emissions.

- *SSI Waste Bank Project*

The SSI Waste Bank Project was designed from the Clean Technology Teachers project which focused on the learning and understanding of local applied technology to manage garbage and waste. The follow-up Waste Banks for Schools aimed at teaching local children to divide garbage according to appropriate types, use the correct methods to dispose accordingly and recycle the renewable garbage. Since 2008, SSI has carried out this activity in 8 schools namely Ban Nailog School, Ban Nong Yahphlong School, Ban Suanluang School, Bangsaphan Kindergarten School, Ban Khlong Loy School, Ban Morasuab school, Ban Nong Jand School and Women Secretaries 1 School. In 2013 SSI arranged the Waste Bank Network Forum; they conclude on the overall operation and difficulties experienced in the previous project and discuss various solutions for development of future projects.

- *Youth Conservation Camp*

SSI, in cooperation with the Prachuap Khiri Khan Primary Educational Service Area 1, organised 8 environmental learning bases for 103 local representatives from schools in Bangsaphan. Local resource conservation in everyday life was taught to 929 junior conservationists by 61 science teachers.

- *Love the King, Preserve Bangsaphan 2013*

SSI, together with the local authority, organized an activity to honour His Majesty the King on His Majesty’s 86 birthday. The activities consisted of releasing 3 million sea shrimp and crabs and providing 860 young economic and garden plants to representative leaders from 7 subdistricts of Bangsaphan and the participants, 1,003 locals joining the activity. This activity helped to absorb carbon dioxide gas, according to Save the Earth Book by Bangkok Environment Department and Japan International Cooperation Agency (JICA), by up to 7,740 kgs. or 7.74 ton/year

- *Super Smart & Intelligent Kids (SSI Kids)*

SSI, in co-operation with Natural Resource and Environmental Office, organized academic talks and recreational activities to disseminate the Company’s environmental concept. Experiments were carried out among 70 kids from 5 Pratom grades in Mae Ramphueng. There were 5 learning bases for the children to test the percentage of oxygen in water to test the acid levels, as well as learning about marine animals in their community.



- *Teen Detective Project*

SSI allowed secondary-level children from Bangsaphan to learn about business of the Company in Sahaviya Group through filming a local television programme. In 2013, the 40 children who joined the project produced a 6 part series on Introduction to the West Coast Engineering Co., Ltd with the development engineering, Introduction to the Prachuap Port Co.,Ltd, environmental and transportation, Introduction to the Thai Cold Rolled Steel Sheet PLC and Cold rolled steel with environmental stewardship.

Culture and Religion Activities

- *Activities on Elders Day*

SSI, in co-operation with the Bangsaphan Hospital and Health Network of Bangsphan, organized 2013 Elder's Day activities by disseminating knowledge on elderly healthcare and sprinkle water to elderly people to show gratitude and respect. There were 165 local elders that participated.

SSI Arsa Project

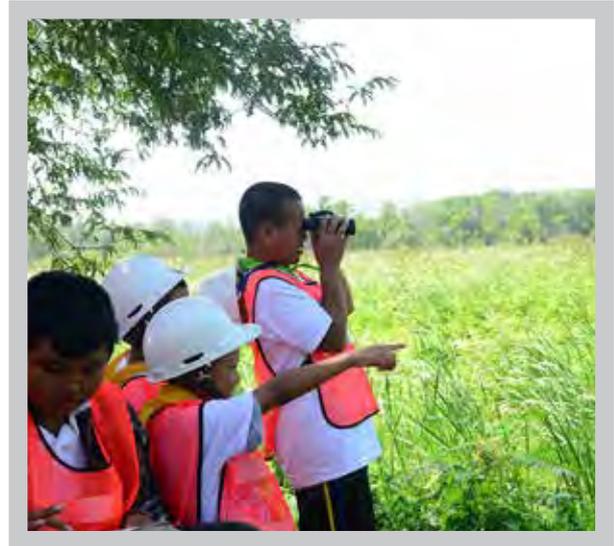
"SSI Arsa Project" is a volunteering project, launched by SSI Staff and executives. They worked together, to arrange activities to help the society and community in Bangsaphan. This project has generated pride among the staff.

Instilling Corporate Volunteering Culture

In 2013, SSI Arsa Volunteers have arranged 2 major volunteering activities and 33 minor activities under the project "A hundred good deed, A thousand hearts of SSI Arsa" and 1 activity of SSI Arsa Bangkok.

- *SSI Arsa's major activity: The 2 major voluntary activities comprised of:*

- The 17th SSI Arsa: built a 34-foot jump tower for the 147 Border Patrol Police Troop at Ron Thong subdistrict



- The 18th SSI Arsa: renovated a school building for Mattayom Noppakhun School at Moo1, Kamnerd Noppakhun subdistrict

- *SSI Arsa's minor activity: The 33 minor voluntary activities under the project "A hundred good deed, A thousand hearts of SSI Arsa" comprised of the following:*

- The 68th good deed: Coached basic triathlon for Bangsaphan Youth Triathlon Team Generation 2 in Moo 7, Mae Rampheung subdistrict
- The 69th good deed: Repaired the crematorium boat at Wat Kho Din in Moo 3, Ron Thong subdistrict
- The 70th good deed: Improved the appearance of the entrance of Bangsaphan School in Moo 8, Mae Rampheung subdistrict
- The 71st good deed: Painted the school building in Dermbang Nang Buach district, Suphan Buri



- The 72nd good deed: Built sheds for Ban Thung Kraton School in Pak Praek subdistrict, Bangsaphan Noi district,
- The 73rd good deed: Repaired a road in Moo 1, Kamnerd Noppakun subdistrict.
- The 74th good deed: Repaired a crematorium boat at Wat Nong Ra Wang in Moo 5, Thongchai subdistrict.
- The 75th good deed: Taught students from Bang Saphan Wittaya School to screen T-Shirts
- The 76th good deed: Built a roof for exercise area in a village in Moo7, Mae Ramphueng subdistrict
- The 77th good deed: Repaired the playground for Ban Huay Sai khao in Moo 5, Kamnerd Noppakun subdistrict.
- The 78th good deed: Improved the computer system for new building of Bangsaphan Police Station in Moo 5, Ron Thong subdistrict
- The 79th good deed: Fixed the public telephone line and light system of Bangsaphan Police Station in Moo 5, Ron Thong subdistrict
- The 80th good deed: Renovated Tum Ma Rong Temple in Moo4, Pongprasas subdistrict
- The 81st good deed: Arranged the Beach Clean Up Day 2013 in Moo 5, Mae Rampheung subdistrict
- The 82nd good deed: Checked and repaired Lan and Box Lan Line of Bangsaphan Police Station in Moo 5, Ron Thong subdistrict
- The 83th good deed: Repaired the crematorium at Wang Yao Temple in Moo 1 ,Ron Thong subdistrict.
- The 84th good deed: Repaired the crematorium at Wat Dong Mai Ngam in Moo 2, Chaikasem subdistrict.
- The 85th good deed: SSI Arsa Volunteers joined the project to be SSI Arsa Teachers and Become guest lecturers for Tha Kam School in Moo4, Mae Ramphueng subdistrict
- The 86th good deed: SSI Staff volunteered to join the project to be SSI Arsa Teacher to be a guest lecturer for Ban Donsumran School in Moo1, Mae Ramphueng subdistrict
- The 87th good deed: Provided dictionaries for schools in Bangsaphan in Moo8, Mae Ramphueng subdistrict
- The 88th good deed: Renovated a multipurpose building for a village in Ban Yang Kao in Moo5, Chaikasem subdistrict
- The 89th good deed: Painted and improved the appearance of Prince Chumpon Public Pavilion in Moo6, Pakprak subdistrict
- The 90th good deed: Repaired the crematorium boat at Don Samran Temple in Moo 1, Mae Rampheung subdistrict.
- The 91st good deed: Repaired the playground of Ban Tham Khao Noi School in Moo 3, Kamnerd Noppakun subdistrict,
- The 92nd good deed: Repaired the crematorium at Na Puk Khuang Temple in Moo 2, Kamnerd Noppakun subdistrict.
- The 93th good deed: Provided and set up 10 computers for Mattayom Noppakhun School in Moo1, Kamnerd Noppakun subdistrict.
- The 94th good deed: Repaired the crematorium at Na Puk Khuang Temple in Moo 2, Kamnerd Noppakun subdistrict.
- The 95th good deed: Renovated a pavilion in the village of Ban Raharn, Moo4, Kamnerd Noppakun subdistrict.
- The 96th good deed: Repaired toilets in a police's surveillance base Moo 3, Mae Rampheung subdistrict.
- The 97th good deed: Built a motorcycle parking space in high way center in Bangsaphan district, Moo5, Ron Thong subdistrict
- The 98th good deed: Mangrove Forest Planting at Chulachomklao Fort, Samutprakarn province
- The 99th good deed: Amateur Radio Club members joined with SSI Arsa Staff to provide tables for Ban Hin Kong School in Moo2, Phongprasas subdistrict
- The 100th good deed: Amateur Radio Club members joined with SSI Arsa Staff to take care of the children of Moo7, Mae Rampheung subdistrict as part of the project "SSI Kids".

- *SSI Arsa Bangkok*

SSI Arsa Volunteers from Sahaviriya Steel Industries Plc. (SSI), Bangkok Office, took part in the "SSI Arsa Mangrove Forest Planting Project," by planting 500 mangroves in the area of Chulachomklao Fort, Samutprakarn. The activity was supported by the Naval Dockyard of Chulachomklao Fort.

The total number of SSI Arsa Volunteers involved is 1,035, or 8,280 working hours, and of volunteers from the community are 1,442 or 11,536 working hours.

Expanding the Voluntary Networks to Stakeholders

• *Tam Kan Pan Nong Project*

SSI is working in partnership with the media to support the project "Tam Kan Pan Nong." The 12th Tam kan Pan Nong was arranged at Wat Wang Kula School in Suphanburi. Support was provided through 30,000 Baht sponsorship and arranging recreational activities for students and helped paint a school building.

• *Youth Volunteering Project for Society*

SSI set up networks of volunteering for local youths named "Arsa Bangsaphan Youth Group." The group was given initial investment to raise funds for vulnerable people. At present, 85 youths raised funds towards the 3 following activities:

- An amount of 10,000 Baht was given to vulnerable HIV-infected orphans at Thammarak Children's Home (Wat Phrabat Namphu), Nong Muang district, Lopburi.
- A further 10,000 Baht was given for lunch funds for the vulnerable children at Border Police School at Ban Pa Mak, Sam Roi Yot district, Prachuap Khiri Khan.
- Lastly, 20,000 Baht was given help the youths and schools affected by the flood at Wat Pak Nam Jo Lo School and Bang Kra Jed Child Center at Bang Kla district, Chachoengsao.

• *Anti-Drug Sporting Playground*

This project was launched by Ban Don Sa-nga Youth Council from the Kamnerd Noppakun subdistrict. The group focus on supporting society by joint working with parents and locals in the community to construct a-360 square metre "Anti-Drug Sporting Playground". The project aims to promote collaboration between the community, government agencies, private sectors and SSI and to generate pride among the youths in the community who had the opportunity to build the useful sporting playground.

Social and Community Development of SSI UK

At the SSI Teesside Steelworks in the UK many CSR activities have been arranged over the past year to support sustainable development of the community both from an educational and life quality perspective. The following activities are examples of the work performed:

- Strong relationships have been developed with Teesside University by providing placements for students which in some cases have resulted in permanent appointments. We also provide speakers and participants for activities linked to their courses of study.

- Work together with the Trade Union representatives to provide food items to support disadvantaged people in the Teesside area. This was done via a Foodbank which is a national charity in the UK. The venture was a huge success and will now be repeated on a quarterly basis.
- Provide materials for the construction of animal shelters to two local charities.
- Provide financial donations to worthy causes.

Moreover, SSI UK operates in a heavy industry that is located close to residential areas and it is therefore an ongoing challenge to ensure that we do not cause distress to the local community. We have established a robust complaints procedure to ensure that any complaint is properly received, recorded, investigated and adequate corrective and preventative actions are implemented. In addition, wind speeds are constantly measured and if these exceed 25mph we suspend our operations at Raw Materials Handling to minimise the risk of dust lift off. In addition, SSI UK were working closely with the local authorities to extract water from the beck that runs through the site as well as pumping water from the works roads. As a result, the potentially detrimental impact to nearby residents was avoided. Moreover, a wide variety of wildlife can often be found on and around our site due to the rich habitats provided. We provided 25 cargo bags to Royal Society for the Protection of Birds to help with transporting materials during their preservation of the habitats of birds.

Dispute with Stakeholders

The Company has conducted its business in a way that avoids conflicts or disputes with the stakeholders; Inclusive of its business involvements with customers, suppliers, competitors, employees, society, and the community. The Company has provided a mechanism to oversee and supervise all divisions of the Company to operate in compliance with the laws by preparing a list of legal and regulatory restrictions that are to be complied with. In addition, each division has also reviewed its legal compliance and reported both complying and non-complying actions to the Group Legal Office to present to the Audit Committee on a quarterly basis.

For major litigations and disputes against the Company as disclosed in the notes on the financial statements, the Company's Group Legal Office will operate, coordinate and report any progress, predict outcomes of the cases and give recommendations to the Group Chief Executive Officer and the President periodically as well as report to the Audit Committee and the Board of Directors on a quarterly basis.

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