



Inspire Better Living

Sustainability Report 2022

TOA Paint (Thailand) Public Company Limited



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The Corporate Governance and Sustainability Committee regularly monitors the formulation of strategies and goals in line with the business context, as well as oversees the implementation of the management plan. The purpose is to enable TOA Paint (Thailand) Public Co., Ltd. to generate good returns for shareholders and operate responsibly for various impacts from corporate operations throughout the supply chain. It also covers adherence to business principles that are transparent, verifiable, ethical, respecting human rights, and the interests of stakeholders. TOA Paint (Thailand) Public Co., Ltd. must strive to produce quality and safe paint for consumers. The Company must pay attention to the impact on the community and the environment in accordance with relevant laws and regulations or international guidelines. It also consists of development and optimization as well as preparation to meet future challenges and changes. Companies must focus on promoting sustainable business operations and future changes in accordance with the sustainability development framework covering ESG dimensions (Environmental, Social, and Governance).



Mr. Jatuphat Tangkaravakoon
Chairman of The Corporate Governance
and Sustainability Committee

From continuing to operate under ESG, the Company received a 5 - star rating or an excellent rating for the 4th consecutive year from the Corporate Governance Survey for Thai Listed Companies conducted by the Thai Institute of Directors Association (IOD) as well as the 2022 AGM Quality Assessment Score from the Thai Investors Association for the third consecutive year and was selected as one of the Thailand Sustainability Investment 'THSI' and SETTHSI index of the Stock Exchange of Thailand 3rd consecutive year.

On behalf of the Corporate Governance and Sustainability Committee and all executives, we would like to thank all involved for their commitment and dedication to driving success for the Company and overcoming various obstacles and challenges. We would like to thank all stakeholders for their continual trust and support.

Pride Awards



No. 1 paint brand award in the building materials category (interior/exterior paint) for 11 consecutive years and the Thai Brand Award from 2022 Thailand's Most Admired Brand.



Outstanding Innovative Company Award from SET Awards 2022



"Thailand Sustainability Investment" for the third consecutive year



The highest brand value in the construction material category for the second consecutive year



Best Innovation Award 2022 from Architect Event 2022



Best Brand Performance on social media in Construction Material category from the 10th Thailand Social Awards.



CSR-DIW Continuous Award 2022



Outstanding Safety Award for the 9th consecutive year



Outstanding Workplace Award on Labor Relations and Labor Welfare for 6 consecutive years



Carbon Footprint for Organization (CFO) and Carbon Footprint of Products (CFP) has been registered.

Sustainability Report

TOA Paint (Thailand) Public Company Limited is the producer and distribution of paint and coating products with the state-of-the-art and largest plant in ASEAN, the headquarter is located on 31/2 Moo 3, Bangna-Trad Road, Bangsaothong, Bangsaothong, Samutprakan 10570 Thailand




The company publishes a Sustainability Report annually for communicating with stakeholders about the Company's sustainable development policies and guidelines, as well as its performance on issues important to business operations. The Company has prepared a Sustainability Report (56-1 One Report) in line with Global Reporting Initiative (GRI) Standards.

In 2022, the Corporate Governance and Sustainability Committee reviewed and assessed key issues and risks related to business operations with reference to the THAILAND SUSTAINABILITY INVESTMENT (THSI) and the United Nations Sustainable Development Goals (SDGs). The opinions of stakeholders are considered in parallel in order to formulate plans, strategies, and organizational indicators that are appropriate for managing the issues appropriately and responding to the needs of actual stakeholders.

This Sustainability Report covers the Company's operations from January 1, 2022 to December 31, 2022, focusing on sustainability issues related to all stakeholders in economic, social and environmental dimensions. The scope of this report covers only the business in Thailand which is the Company's core business.

Sustainability Vision

TOA Paint (Thailand) Public Co., Ltd. is committed to conducting business and developing sustainable products and services for **“Being a leader in the paint and construction materials industry in the ASEAN region by offering a complete range of products and services along with strengthening stability and sustainability in the business as well as contributing to a good environment and a livable society.”** The Sustainability Development Framework covers 3 dimensions: environment, social, and governance with 13 key success indicators:

 Economy and Corporate Governance Management excellence in all dimensions for the highest customer satisfaction and being a good partner and progressing together.	 Society Being a leading organization that delivers sustainable value to society is the first priority.	 Environment To be an organization that demonstrates environmental responsibility and improvement.
1.1 Conducting business with good governance, legal compliance, goal-oriented achievement, and quick adaptability 1.2 High-quality products and services that fully satisfy customers' needs as well as product stewardship 1.3 Distribution Channels and Customer Relationship Management 1.4 Supply chain management and partner relationship management with responsibility and support	2.1 Fair labor practices, incentives, personnel retention, and human capital building 2.2 Human rights, occupational safety, and health care 2.3 Supporting education and improving the quality of life for the community and society 2.4 Building good relationships with communities, society, and related agencies	3.1 Efficient and sustainable energy management 3.2 Managing climate change and developing towards net zero emissions 3.3 Efficient water use management 3.4 Efficient waste management towards a circular economy 3.5 Innovation development for sustainability and promoting a good environment

The Company has set up a Corporate Governance and Sustainability Committee which consists of top executives and executives from each business unit. There is a Chief Executive Officer who is the chairman and a working group in each area as follows.

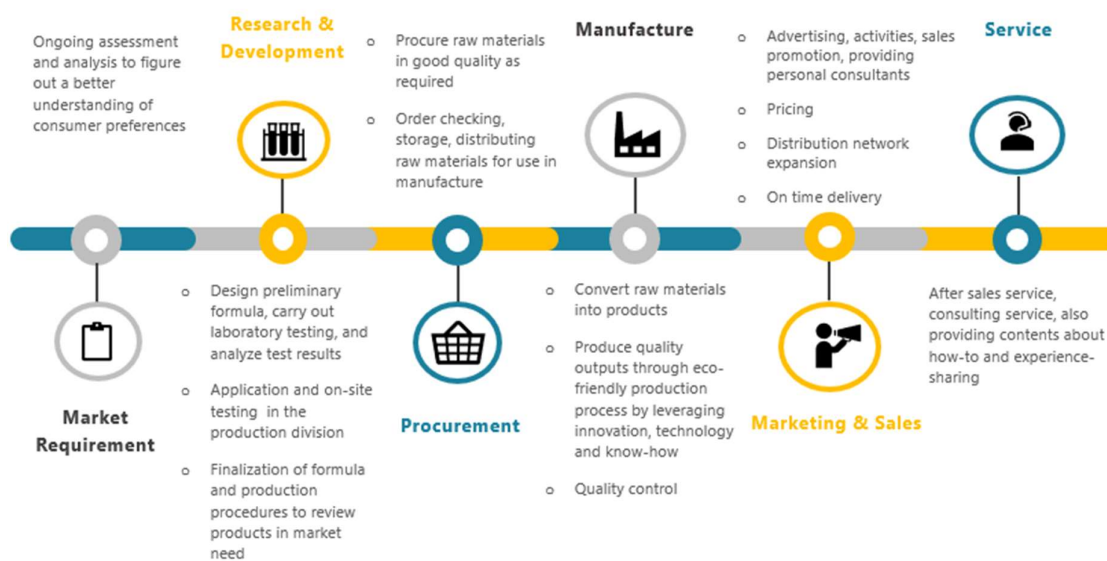


Roles and responsibilities of the Corporate Governance and Sustainability Committee

1. To define and review, direction, strategies, and policies for business sustainability development to be integrated with the Company's business operations covering environment, social, and governance (ESG) areas.
2. To define and review material issues in the Company's business operations by emphasizing both positive and negative impacts on the Company and all stakeholders.
3. To set both short-term and long-term sustainability goals.
4. To consider opinions and approve work plans and operational guidelines to drive relevant operations to create competitive advantages and reduce potential negative impacts.
5. To supervise and monitor the progress of various operations in accordance with the established policies and plans.
6. To encourage communication for directors, executives, employees at all levels, and related persons to be aware of and comply with policies and practices on corporate governance, business ethics, and related policies.
7. To follow up and support all business units in the Group to comply with the sustainable development policy.
8. To present progress to the executive committees and/or the audit committees and/or the board of directors.
9. To consider and review the sustainability development report to be proposed to the board of directors and disclosed to the public.

1. TOA's Value Chain

The Company pays great attention to managing its value chain pertaining to business operations and processes, which finally leads to achievement. The Company contributes to the value creation of products and services, managing stakeholder expectations, production with focused attention to the impact on communities and environment, marketing and service standards, and responding to diverse needs. In this regard, there must be a management approach to each oriented procedure to ensure well compliance and effectiveness as follows:



• Components of a supply chain

Stakeholders in the supply chain	Employee	Customer	Partner or supplier	Financial institution/ investor and shareholder	Community	Civil society and government
1. Market demand for each product	😊	😊				
2. Research and development	😊	😊	😊			😊
3. Procurement	😊		😊			
4. Production	😊	😊	😊	😊	😊	😊
5. Marketing and sales	😊	😊			😊	😊
6. Service	😊	😊				

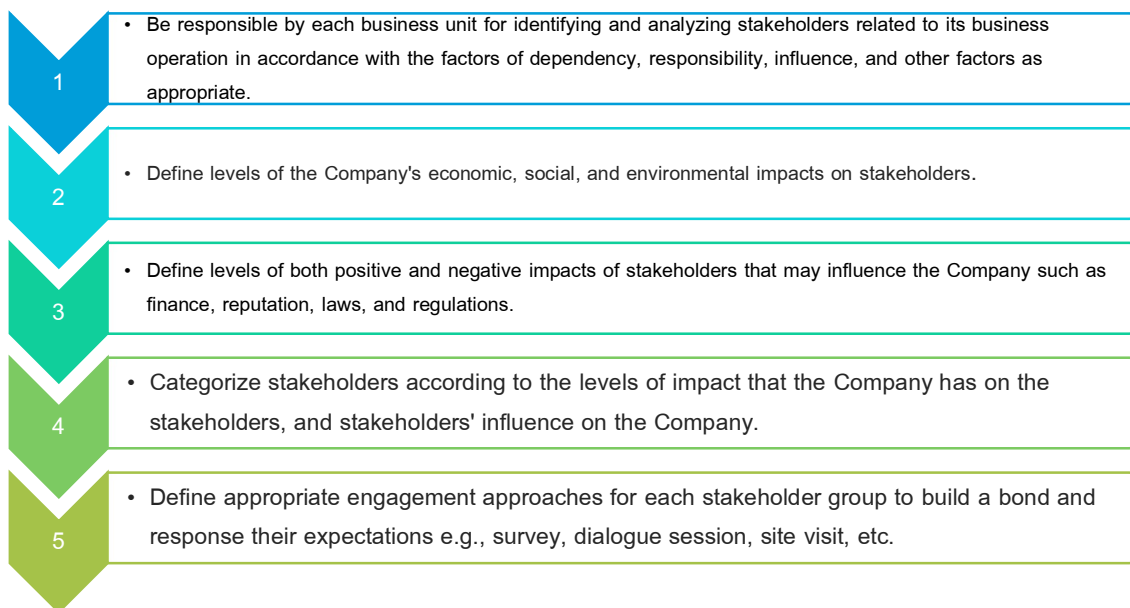
2. Analysis of Stakeholders in Value Chain

- Guidelines for Stakeholder Engagement and Material Concerns

The company has given importance to “**Stakeholders**” involved in the value chain. The Corporate Governance and Sustainability Committee has reviewed the division of stakeholders into 6 groups as follows.


- | | |
|------------------------|--|
| 1) Employees | 4) Financial institution/ investor and shareholder |
| 2) Customers | 5) Community |
| 3) Partner or supplier | 6) Civil society and government |

The Company has surveyed needs and expectations as well as suggestions to analyze both positive and negative impacts that may occur. The Company also summarizes the guidelines for actions or responses to the needs of the stakeholders as appropriate. The steps are as follows:





- **Stakeholder Engagement Method & Issues**

Concern & Expectation	Method of Promoting Participation	Communication
 Employees		
<ul style="list-style-type: none"> ▪ Management of safety, occupational health, and working environment according to standards ▪ Regular communication of corporate strategy and direction 	<ul style="list-style-type: none"> ▪ The establishment of committees and agencies that oversee and educate employees on safety ▪ Supervision and knowledge of safety for employees 	<ul style="list-style-type: none"> ▪ Opinion survey and organization engagement ▪ Arranging seminars or activities for employees that are appropriate for each level

Concern & Expectation	Method of Promoting Participation	Communication
<ul style="list-style-type: none"> ▪ Capability development and job advancement ▪ Appropriate remuneration and welfare management ▪ Enhancement and retention of talent with the organization ▪ Organizing activities to promote working happiness ▪ Promoting communication/labor relations between executives and employees ▪ Fair and equitable fundamental rights 	<ul style="list-style-type: none"> ▪ Organizing a Townhall for communicating Corporate Strategy & Objectives ▪ Competency development in line with the organization's values and position ▪ There is an appropriate performance management and compensation system. ▪ Establishing a career path for growth and appropriate repositioning policy ▪ Employee engagement survey and results analysis ▪ Providing opportunities for employees to have engagement through the establishment of various committees e.g., the welfare committee ▪ Health care and employee happiness support 	<ul style="list-style-type: none"> ▪ Opportunity for employees to propose work process and development projects and products by OKRs. ▪ A survey of the needs for training and professional development of employees ▪ Complaint channels ▪ Communication and information publicity through various channels ▪ Organizing activities with the CEO or executives meeting employees ▪ Arranging a meeting to review business strategies and plans each year
 Community		
<ul style="list-style-type: none"> ▪ Preparing a community development plan according to the needs of the community appropriately ▪ Participating in development activities that benefit both the organization and the community in the long term ▪ Having an agent or agency that mediates and supports the community ▪ Preparation of work plans according to the needs of the community to develop and solve problems appropriately ▪ Participating in development activities that benefit both the organization and the community in the long term ▪ Essential basic health support, education, technology, culture, use of indigenous knowledge, caring for people with special needs, and employment or income generation to improve the well-being of the community ▪ No environmental impact on people in the community 	<ul style="list-style-type: none"> ▪ Establishing a unit responsible for community relations and community development activities ▪ Consideration of cooperation with public and private organizations in community development activities ▪ Appointment of the working group committee on participation community relations representatives and review on the plan at least once a year ▪ Gathering information from communications and analyzing the needs and expectations of the community in order to formulate a plan ▪ Organizing educational support activities, creating careers, generating income for communities, and groups of people who need special care ▪ Promoting employment and products of local people ▪ Participation in community activities e.g., religious days and folk traditions 	<ul style="list-style-type: none"> ▪ Communication through representative agencies responsible for community relations ▪ Organizing a dialogue and field visits to listen to opinions and problems of the community and allowing the community to visit the factory ▪ Using a variety of channels to receive complaints and suggestions from the community, organize a dialogue, visit the area to listen to community opinions or organize Open House activities ▪ Exchange of knowledge, skills, and resources with public and private organizations ▪ Using a variety of channels to receive complaints and suggestions with communicating in various ways about the operations of the organization ▪ Arrangement for the assessment of community satisfaction from project operations and community relations activities

Concern & Expectation	Method of Promoting Participation	Communication
	<ul style="list-style-type: none"> Supervision of environmental management systems that may affect the community 	
 Customers (B2B and B2C)		
<ul style="list-style-type: none"> Brand confidence and value of products and services delivered to customers and reasonable prices Always developing new innovations and innovative products that are environmentally friendly and safe for health Development of completed products and services in line with the decoration trend and lifestyle of consumers Improving and developing products and services, complaints, and suggestions Arrangement of channels or representatives from companies responsible for communicating information with customers Sustainable business operations in both social and environmental aspects according to good governance principles Product training with product users, mechanics, and store sales staff Presentation of strategies, plans, and guidelines for joint business development in various fields 	<ul style="list-style-type: none"> Setting up a PC or other sales team for coordination, support, and customer service Providing product training and product information to users Creation of references to international product standards Establishment of a working group for the development of products and services and innovations for the benefit of society and the environment Meetings and collaborations to exchange business information, innovations, product developments, and social projects Customer survey analysis for improvement and development Organizing training on products and usage techniques for customers, technicians, and customer sales teams Participating in activities with customers regularly 	<ul style="list-style-type: none"> Regular communication and meetings with customers through assigned teams Communicating product information through catalogs and product labels on the company's website and other media The preparation of advertising media to communicate on product awareness and confidence in the product and brand Market research or customer satisfaction surveys Having a customer relations center and a channel to receive information by having experts to provide information and solve problems for customers
 Dealers		
<ul style="list-style-type: none"> Promoting and developing the work of partners or suppliers of raw materials and developing cooperation to create mutual business growth, including creating sustainable value for society Exchange of information about industry, technology, and innovation to further develop knowledge Transparent and verifiable procurement and procurement 	<ul style="list-style-type: none"> Procurement with a transparent and verifiable process under the same conditions according to the Company's procurement policy Supplier Code of Conduct announcement and supplier evaluation Evaluation of partners and informing the results of assessment to partners, including planning to improve together 	<ul style="list-style-type: none"> A survey of expectations from key partners or suppliers of raw materials Meetings with key partners or suppliers of raw materials Coordination and exchange of information between the purchasing department and partners or raw material distributors

Concern & Expectation	Method of Promoting Participation	Communication
<p>processes to build confidence with partners in doing business together</p>	<ul style="list-style-type: none"> ▪ Risk assessment of suppliers that are an important part of products and services and prevent/ correct/ reduce the impact of the risk as much as possible ▪ Organizing meetings to exchange information and collaborate on innovative technologies for further sustainability 	
 Financial institution/ investor and shareholder		
<ul style="list-style-type: none"> ▪ Conducting business with good governance for business growth and sustainable returns ▪ Communicating accurate and latest information for analysis and decision making, e.g., as financial statements, performance, etc. ▪ Paying debt on schedule and complying with the terms or conditions in the contract ▪ Opportunity to offer products and services of financial institutions 	<ul style="list-style-type: none"> ▪ Establishment of a unit responsible for communicating accurate information to investors and investors ▪ Establishment of corporate governance and sustainability committees and working groups in each area to drive business operations with good governance and sustainability development in the organization ▪ Development of business risk management processes and sustainability issues to cover the entire organization ▪ Meetings to exchange information and opinions between executives of the company and financial institutions ▪ Inspection and monitoring of compliance with contract conditions 	<ul style="list-style-type: none"> ▪ Coordination of the Finance and Accounting Division and the Investor Relations Department ▪ Arrangement of shareholders' meetings for shareholders to receive business information and to have an engagement to make decisions on important transactions of the Company ▪ Communication of operating results and information about business strategies and directions, e.g., annual strategy and direction announcements, performance announcement meetings, Opportunity Day, etc. ▪ Communication of information through public channels, e.g., the Stock Exchange of Thailand ▪ Reporting to present business information and performance, e.g., One report, MD&A, and other reports
 Civil society and government		
<ul style="list-style-type: none"> ▪ Promoting, supporting, and helping to improve the quality of life of people in society sustainably or the urgent need of people in society to continue the sustainable life ▪ Comprehensive communication channels with reaching target groups. Each group can communicate effectively. ▪ Getting support for information that is complete and accurate for good 	<ul style="list-style-type: none"> ▪ Conducting business with good governance along with taking care of society and the environment ▪ Implementation of social activities in various fields to support sustainable development and helping society in various crises ▪ Cooperation with the government in carrying out various activities 	<ul style="list-style-type: none"> ▪ Arrangement of small group meetings to provide important information in various fields and listening to opinions and suggestions from civil society and government sectors ▪ Discussions with representatives of government and civil society groups, e.g., corporate representatives, charities, non-profit organizations, community representatives, etc.

Concern & Expectation	Method of Promoting Participation	Communication
understanding to the public by disseminating appropriately through various media ■ Policy response, supporting government activities, and contributing to economic and social development, including environmental preservation	■ Developing a comprehensive, effective, and timely communication channel ■ Creation of press releases covering business, social, and environmental issues ■ Determining the person responsible for legal compliance, government policy and reviewing legal compliance risks	■ A meeting to discuss together to improve the development of operational guidelines that will promote joint support between the government sector, civil society, and the company ■ Channels for receiving assistance and support for public charities

Materiality Assessment Result

The company determines key issues by surveying and analyzing stakeholders' expectations and needs, then taking the results into consideration and prioritizing in order to plan appropriate sustainability policies and visions. In 2022, key sustainability issues can be shown as follows

Materiality Assessment's Result





Significant sustainability development topics


Economy and Corporate Governance	1.1 Conducting business with good governance, and legal compliance, goal-oriented achievement, and quick adaptability 1.2 High-quality products and services that fully satisfy customers' needs as well as product stewardship 1.3 Distribution Channels and Customer Relationship Management 1.4 Supply chain management and partner relationship management with responsibility and support
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Society	<p>2.1 Fair labor practices, incentives, personnel retention, and human capital building</p> <p>2.2 Human rights and occupational safety and health care</p> <p>2.3 Supporting education and improving the quality of life for the community and society</p> <p>2.4 Building good relationships with communities, society, and related agencies</p>
Environment	<p>3.1 Efficient and sustainable energy management</p> <p>3.2 Managing climate change and developing towards net zero emissions</p> <p>3.3 Efficient water use management</p> <p>3.4 Efficient waste management towards a circular economy</p> <p>3.5 Innovation development for sustainability and promoting a good environment</p>

3. Sustainable Development Goals: SDGs

The Company has material issues responding to certain principles of the SDGs as follows:

SDGs	Topic
<p>Economy and Corporate</p> <p>Governance</p>    	<p>1.1 Conducting business with good governance, and legal compliance, goal-oriented achievement, and quick adaptability</p> <p>1.2 High-quality products and services that fully satisfy customers' needs as well as product stewardship</p> <p>1.3 Distribution Channels and Customer Relationship Management</p> <p>1.4 Supply chain management and partner relationship management with responsibility and support</p>
<p>Society</p>      	<p>2.1 Fair labor practices, incentives, personnel retention, and human capital building</p> <p>2.2 Human rights and occupational safety and health care</p> <p>2.3 Supporting education and improving the quality of life for the community and society</p> <p>2.4 Building good relationships with communities, society, and related agencies</p>

SDGs	Topic
<p style="text-align: center;">Environment</p>  <p>The icons represent the following Sustainable Development Goals: 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production), and 13 (Climate Action).</p>	3.1 Efficient and sustainable energy management
	3.2 Managing climate change and developing towards net zero emissions
	3.3 Efficient water use management
	3.4 Efficient waste management towards a circular economy
	3.5 Innovation development for sustainability and promoting a good environment

Economy and Corporate Governance

Sustainable business drive should aim not only for profit but also for accountability to stakeholders through engagement and economic value creation based on good corporate governance. In addition to paying dividends for the benefit of shareholders, the company focuses on responding to basic needs and showing responsibility to the stakeholders where it operates, for example, the full payment of taxes or fees to the government or local authorities. It encompasses the support and development of the community surrounding the operational area. The goal is to strengthen the economy for communities and countries in which the business operates.

Highlighted Performance

1.1 Conducting business with good governance and compliance with the law



No significant complaints about corporate governance



Employee awareness of business ethics was 70%.



Employee awareness of personal data handling was 75%.

1.2 Responsibility for products and services



Reduce customer complaints* by 37% (*in term of product quality)



The satisfaction score for complaints in 2022 was 91%.



Response ratio of customer complaints resolved within 24 hours was 100%.

1.3 Distribution channels and customer relationship management



The average customer satisfaction score was equal to 91% from 4 channels.

- Retail sales = 87%
- Modern trade sales = 93%
- Project sales = 94%
- Marketing = 91%

1.4 Supply chain management and partner relationship management.



Partners have been audited at 64.94 %

1.1 Conducting business with good governance and law

1.1.1 Operating business on fair basis

The Company adheres to and complies with the principles of good corporate governance in conducting business through directors, executives, and employees. The Company considers good corporate governance principles to be an important factor in promoting the overall success of the Company. As an organization with social responsibility according to the guidelines announced by the SEC Office of Good Corporate Governance Principles for Listed Companies 2017 (CG Code), However, there are still some topics that the company has yet to take action in 2022. For the optimized topics that the Company has adopted and practiced as follows:

1) Cumulative voting for the election of directors

Cumulative voting for the election of directors According to the Company's Articles of Association no. 16 stating that each shareholder shall elect a company director, which is made by a majority vote as a resolution. In addition, no. 16(1) specifies that each shareholder shall have a number of votes equal to one share for one vote. Thus, the cumulative voting for the election of directors is not applied at the shareholders' meeting. However, the Company has determined measures to treat the rights and encourage the participation of minority shareholders such as proposing agenda in advance for the shareholders' meeting, nominating a candidate to serve as a director, etc.

2) Chairman from an independent director

Chairman and Chief Executive Officer are different persons. The Company clearly separates the roles, duties, and responsibilities of such two positions. Moreover, Chairman is a non-executive director. Although Chairman is not an independent director, he is knowledgeable, expert in the Company's business, and also gives all directors the opportunity to express their opinions and suggestions with beneficial to the Company. Moreover, the Board of Directors has appointed a designated independent director to participate in setting the board meeting agenda for compliance with the good corporate governance principles. In approving a meeting agenda that a non-independent director is involved with a conflict of interest, there must be at least 2 independent directors participating and voting in the meeting.

3) The Board of Directors has established a Risk Management Committee, a Corporate Governance and Sustainability Committee (only at the director level).

The Board of Directors has appointed a Risk Management Committee with 1 director, namely Mr. Jatuphat Tangkaravakoon, Director/ Chief Executive Officer, serving as the Chairman of the Risk Management Committee and has also appointed a Risk Management Working Group. It comprises senior executives in various fields of the

company who are responsible for establishing risk management policies, overseeing risk management, and reporting to the Audit Committee and the Board of Directors.

In addition, the Board of Directors has appointed the Corporate Governance and Sustainability Committee, with one member, namely Mr. Jatuphat Tangkaravakoon, acting as the chairman to join the sub-working group in driving the development of governance. business and sustainability with performance reports to the Board of Directors.

4) Appointment of a high percentage of independent directors (more than 50 %) on the Board of Directors

The Board of Directors consists of 9 directors; 2 executive directors or 22.22%, and 7 non-executive directors or 77.77%, of which consists of 3 independent directors or 33.33% of the entire board. This is in compliance with the composition of the Board of Directors and independent directors regarding the regulations specified by the Securities and Exchange Commission which states that the Board of Directors must consist of independent directors at least 1/3 of the entire board but must not less than 3 independent directors.

See the disclosure detail in the Annual Registration Statements / Annual Report 2022 in Section 6. “Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others”, and Heading “7.1 Summary of Board Performance in the previous year”.

1.1.2 Ensure compliance with applicable laws, rules, and regulations

The Company has recognized the significance of compliance with applicable laws, regulations pertaining to the environment, occupational health, and safety at local, regional, and national levels, including the code of conduct applied in accordance with international standards. Directors, management, and employees must comply with applicable laws, rules, and regulations, and all of them should avoid being involved in, supporting, or otherwise violating laws and related regulations.

Guidelines to treat all stakeholders with responsibility are defined in the Company's corporate governance and code of conduct handbook. Stakeholders include shareholders, employees, customers, business partners, and contractual parties, as well as communities, society, and the environment. The handbook also embraces the principles of free and fair competition, the prevention of a conflict of interest, intellectual property infringement, and anti-corruption in all forms.

1) Corporate governance

The Company aims to operate its business with fairness, honesty, transparency, as well as disclose material information based on accountability and auditability. The Company considers both the benefits and impacts that

may be experienced by shareholders, customers, business partners, employees, and all stakeholders. In addition, fair benefit sharing must be considered as appropriate. In this regard, the Board of Directors has determined corporate governance guidelines for directors, management, and employees to comply with.

2) Corporate social responsibility

The Company has determined the corporate social responsibility policy under the ethics to ensure fairness toward all stakeholders. The principles of good corporate governance also serve as guidelines for the Company to maintain a balance between its performance for economics, community, society, and environment, which will lead its business to success with sustainability.

3) Supervision of compliance with intellectual property laws

The Company must not commit misconduct that violates intellectual property rights and ensure that the directors, management, and employees comply with laws and regulations. They must not be involved in a part of such misconduct, helping, or any act in such a way that violates the laws and regulations pertaining to intellectual property.

4) Promote the efficiency of resource utilization

All of the Company's directors, management, and employees are encouraged to appropriately, efficiently, and sustainably use resources for the utmost benefit. The Company communicates with all employees and stakeholders to promote and educate the responsible use of resources for the best benefit of the Company, to ensure the awareness of resource management among related parties.

1.1.3 Tax Procedure

The Company believes that good corporate tax responsibility is a part of the nationwide socio-economic development in the future; therefore, tax practices are determined as follows:

- Strictly comply with the revenue code and tax laws that are related to the Company's business operations, submit related document adequately and completely within the period required by laws, and abide by regulations on the disclosure of financial and tax information to the state sector and all stakeholders.
- Regularly set up a seminar to notify and educate responsible persons about tax measures and tax privileges for full compliance.
- In order to monitor tax implementation, the responsible person for each country has been assigned to closely oversee changes in regulations and tax policies of each country at both the federal and local levels. In case of a tax dispute, the Company will hire an experienced tax advisor to express opinions and proceed to a dispute resolution as appropriate.

- The Company does not have a policy to shift its profits to overseas subsidiaries where there is a low tax regime. Transfer pricing for any intercompany transactions is based on the arm's length basis and normal business practices.
- The Company will use tax privileges correctly and completely for the maximum efficiency under legal requirements.

In 2022, profit before tax on the separated financial statements was 2,134.76 Million Baht. Tax expenses were 418.94 Million Baht, representing 19.62 %, slightly lower than the effective tax rate at 20.0% which is equivalent to Thailand corporate income tax rate. For the year 2022, tax privileges were public charity, education and sports, training and education for employees, hiring persons with disabilities, and investment in capital assets, etc. The Company did not obtain any subsidies from the government.

According to the Company's consolidated financial statements, profit before tax was 1,887.40 Million Baht. Tax expenses were 452.57 Million Baht, accounting for the effective tax rate at 23.98 % due to the corporate income tax rate of foreign subsidiaries ranging from 15% to 25%.

1.1.4 Code of Conduct

The Company encourages directors, executives, and employees at all levels to adhere to practical guidelines and desirable behaviors in conducting business under the framework of good corporate governance principles, morality and business ethics. It is for good performance and sustainable growth for the business along with taking care of stakeholders, society, and environment. The company has prepared the "Corporate Governance Principles and Business Ethics Handbook" for all directors, executives and employees who are responsible for acknowledgment and practice.

1) Anti-corruption and transparency

The company focuses on transparent business operations with a whistleblowing process and receiving complaints directly to the internal audit department for investigation, coordination with relevant parties, and correcting and creating a mechanism to prevent future recurrence. It also covers reporting to the audit committee and board. The company has announced the policy "No Gift Policy" to discourage accepting and giving gifts. It might result in corruption. In addition, the company is preparing to announce its intention to join the Action against Corruption (CAC).

In 2022, the Board of Directors supervised the anti-corruption policy, complaint, and whistle-blowing measures. Investigation process for misconduct and corruption, reporting false information and penalties, keeping information confidential, and protecting the rights of complainants or whistleblowers are included in the corporate governance principles and business ethics manual of the company. All directors, executives, and employees are required to adhere to and comply with public relations through email and intranet channels. It includes the addition of TOA Orientation to new employees at all levels through "Risk Management and Compliance, CSR and Anti-

Corruption, and Code of Conduct.” It is to foster the knowledge and understanding of new employees to practice correctly.

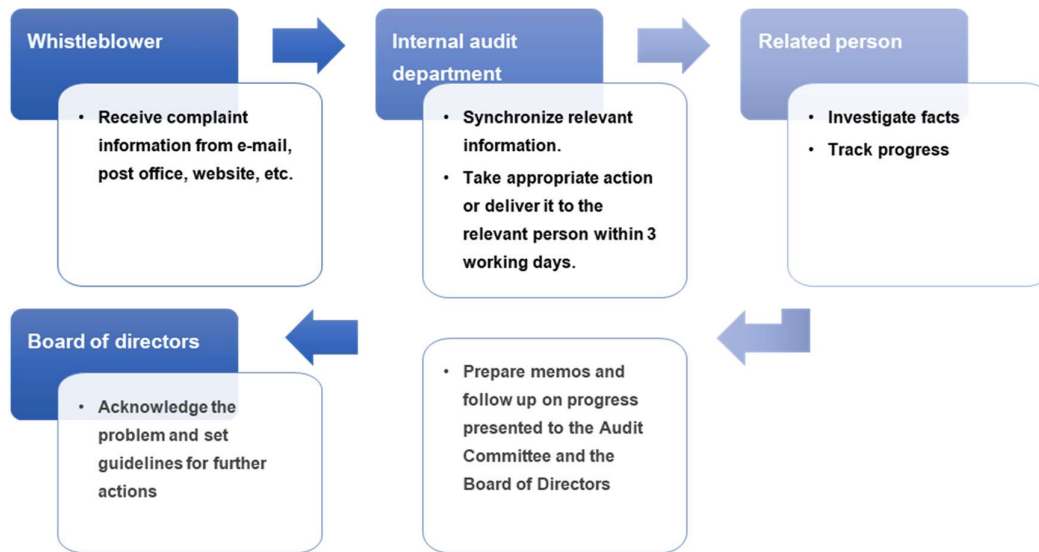
2) Whistleblowing Measures

The Company has defined the whistleblowing measures, and the information provided remains confidential for employees and other parties who want to address their concerns about illegal, unethical practices, or human rights violations occurring in the corporate group, or to express opinions useful to the corporate group for more convenient proceeding.

Scope of Complaint and Whistleblowing	Whistleblowing or Complaint Channels
<ul style="list-style-type: none"> • Crimes or inciting a person to commit an offense; • Unlawful acts including corrupt practices, bribery, and intimidation; • Ignorance of one’s duty or laws or corporate governance principles; • Any acts, behaviors, or ignorance of any compliance in relation to finances, reports, records, and guidelines and/or financial report or internal control implying unethical practices or non-compliance with the generally accepted standards; • Any incidents that harm the health or safety of an individual; • Any damages that occur to the environment; • Serious misconduct; • Willful or deliberate behavior to harm or disadvantage the corporate group or the corporate group’s reputation; • In the event that an inevitable charge or severe damage to the corporate group is not able to be solved or carried out in line with the rational procedures; • Intentional concealment of any wrongdoings. 	<ul style="list-style-type: none"> • Via e-mail to one of the following committees Board of Directors : directors@toagroup.com Audit Committee : uditcommittee@toagroup.com • By post Addressing one of the above-mentioned committees at: TOA Paint (Thailand) Public Company Limited 31/2 Moo 3, Bangna-Trad Road, Bang Sao Thong, Samut Prakarn 10570 • Via the Company’s website www.toagroup.com or https://investor.toagroup.com/th/whistle-blowing

3) Complaint and Whistle Blowing Process

The whistleblowers mentioned above must submit complaints or whistleblowers to the Internal Audit Department for information gathering or forwarding to relevant persons. It is to conduct an investigation as well as to monitor progress to ensure that appropriate procedures are followed:



The action plans are as follows.

Practice	Authorized person
1) Actions that violate or fail to comply with state laws and regulations, policies, and procedures regarding personnel	Chief human resources officer
2) Actions that violate or fail to comply with corporate governance policies and principles, business ethics, and regulations of the Group	Company secretary
3) Actions that involve omissions in accounting, reports, records, and practices and/or financial reporting or internal controls that are questionable or do not comply with standards or general practices	Chief executive in finance and accounting
4) Actions that may imply corruption, seeking unlawful benefits for oneself or others, such as embezzlement of property, corruption, fraud, etc.	Relevant top executives

Practice	Authorized person
5) In cases where the complaint is complex or involves multiple entities or matters that may have independence issues	Chief executive officer to appoint Investigation Committee

Details of the process, timing and investigation procedures are disclosed in the Annual Registration Statement/Annual Report 2022 (56-1 One Report) in Part 7: Report on important corporate governance performance.

4) False Reporting and Punishment

A person who, either intentionally or negligently, fails to comply with this policy, or commits an act of harassment, threatens, or imposes disciplinary punishment, or inflicts unfair treatment upon a complainant or any person involved in the reporting, including the case of false reporting or accusation, is considered to have committed a disciplinary offense and shall be liable for damage suffered by the corporate group or any other person, including any other liability otherwise provided by law.

5) Confidentiality and Protection of Whistleblowers

This policy is designed to build confidence for whistleblowers that their complaints will be treated seriously and there will not be any intimidation as a result of raising genuine concerns in good faith. However, the employees or whistleblowers should exercise due care to ensure the accuracy of the information disclosed before filing a complaint.

Complainants or whistleblowers can provide information without exposing their identity, and the corporate group also keeps their identity confidential during the investigation process. An identity of a whistleblower, report-related information, and the conduct of an investigation shall be kept confidential by all participants involved. However, under some circumstances, the participants may disclose the information if the disclosure is required by law or by the proceedings in accordance with the corporate group's rules. Disciplinary action and/or legal action may be taken against any person found to have intentionally disclosed confidential information.

Moreover, the corporate group shall not allow any unfair actions, for instance, threatens, position transfer, responsibility or work location change, suspension, termination, negative effect on performance appraisal, or any other actions that can cause damage to the employees who file a complaint, whistleblowers or cooperative witnesses, and will take disciplinary actions with the persons who attempt any retaliation to the whistleblowers under a proper process to prevent any impact on the work and/or work relationship of the whistleblowers by taking the corporate interests into account.

Thus, the corporate governance and code of conduct handbook is deemed as one of the disciplines that all directors, management, and employees must strictly comply with, and encourage others to follow. Any employees who violate or do not comply with shall be subject to disciplinary action.

1.1.5 Risk management

The Company recognizes the importance of risk management processes. Continuous development and improvement of such processes is carried out in a systematic and standardized manner. The Company establishes a risk management committee and determines risk appetite and risk tolerance, as well as establishes a risk matrix that reflects the assessment of the likelihood and impact of significant risks. The Company has also set Key Risk Indicators: KRIs, continuously monitors and evaluates the Company's risk management results, and reports the results of corporate risk management to the Board of Directors on a quarterly basis. The company has assessed the risks to cover various aspects and control them to be at an acceptable level as follows:

- | | |
|----------------------|--------------------------------------|
| 1. Strategic risks | 4. Regulatory risks |
| 2. Operational risks | 5. Social and/or environmental risks |
| 3. Financial risks | |

The Risk Management Department conducts various risk assessments for both the head office company as well as its subsidiaries in Thailand and abroad in all 5 aspects. The results of risk management in various aspects are detailed in One Report in Part 2 on Risk Management.

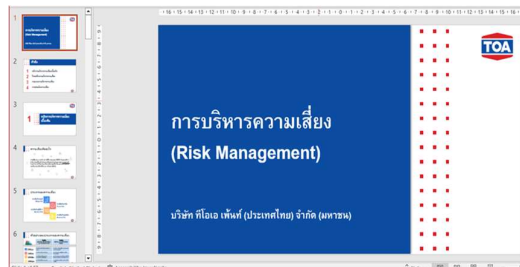
1) Emerging Risk Management

In 2022, the Company has considered emerging risks and identified such risk factors as follows:

1. Personnel risks (Structure of aging society)
2. Environmental and climate change risks
3. Social risks

2) Promotion of risk management culture

The Company recognizes the importance of developing and supervising risk management processes in both management and operations. The company aims to instill risk management awareness in all directors, senior executives, and employees from the first day. Every employee should have the knowledge, understanding, awareness and engagement in risk management to create a risk management culture throughout the organization. In 2022, the Risk Management Department has organized online training and meetings via Microsoft Teams to communicate, monitor risks, and organize training for all fields including subsidiaries both in Thailand and abroad. The fields in the company that have been trained are as follows.



- These are divisions in the company that were trained as follows

1. Digital Transformation	9. Procurement
2. Finance & Accounting	10. Project Sales
3. Global BPO SAP	11. Quality Management
4. Human Resources	12. R&D
5. Legal & Compliance	13. Resin
6. Manufacturing & CEM & Revamp	14. Retail Sales
7. Marketing	15. SHE
8. Modern Trade	16. Supply Chain

3) Crisis management

The company has studied the basics of crisis management at the corporate level with Business Continuity Management: BCM or Business Continuity Plan: BCP. It is to deal with major risks, e.g., natural disasters, terrorism, etc. It also covers how to deal with public health risks, e.g., epidemics and communicable diseases for further management planning in 2023.

The Company appointed a COVID-19 Emergency Response Control Committee on February 29, 2021, with weekly meetings continuously in 2022. The COVID-19 Emergency Response Control Committee has jointly set guidelines and prevent risks to employees, e.g., avoiding risky areas if not necessary, distribution and sale of ATK test kits and masks at low prices as well as proactive ATK investigation on a regular basis and providing vaccines to all employees at all levels. The company's safety department has made announcements via e-mail to report on the current situation and highlight how to prevent COVID-19 on a daily basis.

However, such measures have been reduced according to the severity of the outbreak and its impact at the country and organization levels. However, even though the situation has gradually improved, the company continues to encourage employees to wear masks at all times. The company provides test kits and face masks for employees and has a free alcohol area for employees.

Details of risk management are disclosed in the 2022 Annual Registration Statements / Annual Report (56-1 One Report) in Part 2 on Risk Management.

1.2 Responsibility of products and services (product stewardship)

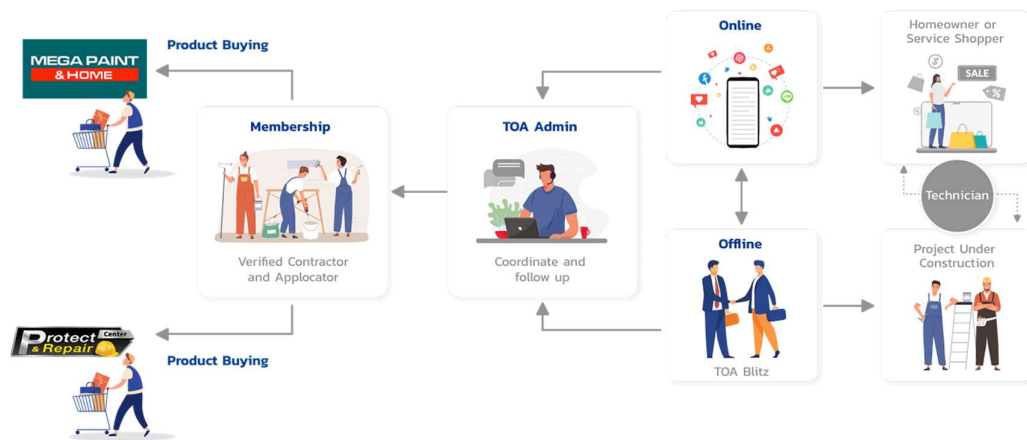
Over the past 58 years, our consistent growth propels us to be the No.1 paint in Thailand. We also focus on expanding our businesses into the AEC through light construction materials. Our growth pillar consists of 3 drivers: 1) enhancing brand engagement to be number 1 in the customer's mind for decorative paints and coatings, 2) growing beyond paints with next-generation products in the category of construction chemicals and construction materials by offering total solutions for customers, and 3) accelerating growth in overseas businesses (AEC) beyond decorative paints and coatings with inclusive solution portfolios.



1.2.1 Innovation Development and Business Model

1) The New Business Model to Grow into the Total Solution

The Company have emphasized our ongoing development and initiative for the distribution network, service capabilities, and products to assure that our customers will receive satisfaction and a good experience. Besides, we created diversified service platforms such as “One Stop Service”, “WHO Service” – a new construction service to solve customer pain points and ensure that customers have a great experience with TOA’s standards, which is integrated with the new business model “Mega Paint & Home” that is a shop-in-shop center offering the one-stop service with a wider range of product portfolio and solutions, “Protect & Repair Center” – displaying construction chemical products for solving and preventing leakage, seepage, and cracks. “TOA ide@color” – color designing services, and customer service to provide information about product usage.



1.2.2 Product innovation development

The company has continuously developed various products, whether it is product innovation that meets the needs of modern consumers in terms of emotions, feelings and beauty through color innovation that exceeds consumer expectations. Currently, there are products that satisfy all types of consumers.

The Company has focused on developing innovation to generate a full range of integrated paints and coatings which cover decorative coatings, special paints, construction chemicals, wood coatings, industrial coatings, and auto tinting machines. These are outstanding in functions, durability, and functional benefits that build trust in consumers to choose TOA products. The Company has put the development and innovation in place for generating high value-added products and services as follows:

- **Greenovation Products:** The Company focuses on production and distribution of “Greenovation” products that are eco-friendly, and new creative products to meet the customer needs, respond to changes, and to be in compliance with changes according to the enforcement of regulations pertaining to safety and environment, with the following features:

- **No Lead and Heavy Metal Products**

Innovative decorative paints without lead and heavy metal are produced for both emulsion and gloss formula, covering all group of products; premium, medium, and economy. These products are also certified by Thai Industrial Standards and green label standards.

- **Low VOCs and Extra Low Odor Products**

Paint products with advance technology of low VOCs and extra low odor, (hazardous substances causing cancer), are certified by global standards of Sensitive Choice, and French Emission.

- **Energy Saving Products**

Exterior paints and coatings are created to deliver energy savings and help reflect sunrays by 96.7%, which can reduce electricity expenses. These products are certified by the world-class testing; ASTM E424, and energy efficiency of label no. 5 by the Ministry of Energy.

- **Laboratory Accreditation According to ISO/IEC 17025: 2017:** the Company was named in the list of Accredited Laboratories According to ISO/IEC 17025: 2017 for both testing and calibration by Thai Industrial Standards Institute (TISI). This is recognized as a major step for surely building and maintaining the trust of customers, dealers, contractors, and top-notch real estate developers, as well as highlighting its well-positioned leader in the innovative decorative and coating products and wide range of construction materials as well.
- **Do It Yourself “D.I.Y.” Trend:** Consumer behavior tends to paint their homes by themselves increasingly; therefore, manufacturers have to adjust and design their production plan to customized products by creating an auto tinting machine providing selection of various shades of color and convenience and responding quickly. This helps the Company deliver customized products to its customers, and retail dealers have no need to store many products, which helps reduce costs while saving the environment.
- **Buy It Yourself “B.I.Y.” & E-Commerce:** Consumers currently buy products themselves through online channels; therefore, the Company has developed both e-commerce channels and created a unique selling proposition for products that have outstanding features, modern designs, and complete information for making decisions.
- **More Renovation:** The Company is committed to driving the consumer engagement especially for those, who have no experience in painting, thinking that painting is difficult, and not considering the worthiness of long-term investment. Therefore, the Company emphasizes the communication for consumers to motivate the paint consumption, to be aware of the importance of home painting through the consumer insight, including to create new concept to persuade consumers to decorate and renovate their homes by “Home Color Inspiration” with more benefits suitable for consumers.
- **Development and innovation for high-quality & heavy-duty coatings for industries:** these products are regarded as one of popular products receiving good feedback. Therefore, the Company has emphasized on developing its products consistently such as TOA Heavy Guard Enamel; high-quality topcoat with excellent durability for heavy duty better than oil paints, quick dry, vivid colors, no lead and mercury, anti-fungal, suitable for metal surfaces, metal alloys, machines, ship steel structures. The Company also produces the innovative anti-shipworm paints with high quality for double protection of shipworm for 24 – 30 months, and eco-friendly, without tin content, etc.

1) Innovative building paints

The company has continuously developed various products, whether it is product innovation that meets the needs of modern consumers in terms of emotions, feelings, and beauty through color innovation that exceeds consumer expectations. Currently, there are products that satisfy all types of consumers.

In May 2022, TOA Organic Care paint products received the Best Innovation Award 2022 from Architect'22 with new technology color innovation in 2021. "TOA Organic Care, the first and only one in Thailand that is the best in safety" is the concept of Living Care



Innovation that aims to develop and create products that are good for the living and sustainability of the world. The company focuses on the safety of everyone in the family, especially children and the elderly, including those with allergies and asthma. The main ingredient is bio base with the technology from the USA instead of petroleum-based raw materials. It has been certified BioPreferred® from USDA. The company is the first and only manufacturer and distributor in Thailand.



- **TOA AQUA SHIELD 2IN1 MULTI SURFACE**

The company developed the innovative self-priming water-based enamel paint for a variety of surfaces, it is formulated from a premium-quality advanced nano acrylic resin from Europe. The nano acrylic binder penetrates deeply into the surface, which makes the film stronger and more adherent.

Additionally, the nano hydro block technology provides strength, weather and UV resistant capabilities, ensuring that the surface will be protected effectively. It is easy to use, fast-drying and no need to dilute with thinner. Moreover, it is also an environmental friendly paint, low odor, and safe for all life.



- **TOA FIRE SHIELD INTUMESCENT PAINT**



Non-toxic water-based intumescent coating and low odor. Upon exposure to flame or heat, it immediately foams and swell (Intumesces) providing an effective insulation and heat shield to protect surface. Certificate ISO 834 Standard test methods for fire tests of building construction and material from global institution following ISO/IEC 17025. Able to prevent metal from fire damage up to 3 hours.

1.2.3 Important developments in the services

The company has developed a service system and organized a team with product knowledge to provide accurate advice to customers. It is to offer a full range of building paint expertise and meet the needs of consumers in a variety of channels:

Channel	Service
Call Center 02-335-5777	Provide product advice, technical consultation, and implementation issues.
TOA Protect & Repair Center 02-335-5777 ext. 1	Provide consultation, prevent, and solve problems with leaks or cracks with high quality construction chemical products from TOA.
Professional color technician	Provide inspection and evaluation of the actual area and advice on the use of complete products for general customers and customers of various real estate projects.
Professional painter	Provide TOA Home Painting Service for general customers
https://www.toagroup.com or 02-335-5777 ext. 2	Provide house color design services by TOA ide@color

1) Application of Information System as a Tool to Develop the Customer Service

The company systematically and continuously develops and invests in information technology infrastructure to be used as an important tool in improving work efficiency to international level as well as IT Development / E-Commerce/ Website & social media. It is ready to fully cope with changes in the digital age as follows:

- Management program, integrated resource management and planning (SAP ERP)
- Reporting program connected to historical data with live data to achieve analysis and decision-making for selling transactions (SAP BI)
- E-Ordering for retail customers
- Development of Direct-to-Consumer Ecommerce
- Accessibility of information about the Company's products and news through www.toagroup.com
- Social media applied for sales promotion, for consumers to easily access to the Company's information

1.2.4 Responsibilities to customers and consumers

The Company recognizes the importance of the satisfaction of customers and consumers who buy the Company's products and services. They should receive the fair prices, quality, and responsibility with the following guidelines:

1. The Company aims to develop its products and services to meet the customer and consumer needs. The Company's personnel strive to respond the customer and consumer needs with their best ability. The products should be set with fair and reasonable prices, marketing trends, good quality, and fair condition for customers, without any restriction against the consumer rights.
2. The Company shall not do any acts to deceive or mislead customers and consumers about its quality of products and services.
3. The Company intends to develop its products and services with safety for its customers as the high priority. The Company's products must be attached with product information. This also includes the evaluation of workplace safety, campaigns, and training on customer safety for employees.

1) Customer and Consumer Issues

Regarding the responsibility to customers and consumers above, the Company considers and manages whistleblowing issues, including disclosing information of products and services to the public through product label, catalog, point of sale consultants, etc. for customers and consumers to make decision and comparison. Furthermore, the Company aims to develop the safe products taking account of creating green products, attaching labels, compliance with legal requirements, disclosure of information, and management of impact on customers and environment.



2) Customer Complaint Procedures

Customers can submit their complaints about sales, product quality, delivery, and after-sales services via telephone and email or websites. The Company has a complaint recording system and tracking system while generating a deadline for handling them. A follow-up system is also in place to report root cause analysis of the complaints and how complaints are managed. Basic response time is set in a timely manner while the responsible business unit will be notified to ensure that the problem is solved within the given time limit.

3) Responding to Customer Complaint

When receiving complaints from customers, the responsible will send the information to the relevant departments for acknowledgment base on the type of problem to determine the root cause for correcting and preventing recurrence action, along with explaining to customers including finding the same nonconformities to extend the effect of preventing recurrence Also, having head of division to responsible for monitoring.

4) Customer complaints

In 2022, all customer complaints were responded to in a timely manner which exceeded the annual target set. We were able to reduce the number of product quality complaints from customers by 37% (2022: 1,031 items / 2021: 1,640 items). The satisfaction score for complaint resolution was 91% which exceeded the goal of 90%. There were no complaints related to customer privacy issues or safety or environmental impacts from the use of the Company's products.

	Target 2022	Performance 2022
1. Product quality complaints decreased from 2021	> 20%	37%
2. Complaint resolution response within 24 hours	100%	100%
3. Satisfaction with the resolution of complaints	> 90%	91%

1.3 Distribution channels and customer relationship management

Customer Relationship Management

The customer relationship management is a key duty of the Company to respond the customer satisfaction as an integral part of the Company's long-term success. To this end, the Company takes action on the customer relationship management from the upstream activities to delivering its quality products that are safe and eco-friendly together with service differentiation. Which consists of following 2 aspects:

1. Engage with Business-to-Consumer Group (B2C)

- 1.1 Commit to producing high quality products and initiating new innovations to fulfil customers' satisfaction and needs
- 1.2 Record the customer information as a database in order to deliver customer service
- 1.3 Provide consulting services for both pre-sales and after sales services in using products properly through TOA Call Center Service System at 02-335-5777
- 1.4 Provide color-tone designing service by interior decorators through Ide@color service

1.5 Home Painting Service by professional painters

2. Engage with Business-to-Business Group (B2B)

2.1 Provide advice and on-site services by TOA specialist team

2.2 Marketing promotion is set to engage the B2B group through marketing activities, point of sales, and online activities, together with sharing knowledge about proper use of products through public relations media

2.3 Develop the service system to enhance the quality and standard of services (SLA: Service Level Agreement) to ensure the efficiency and ultimate satisfaction of B2B group

Performance

1. Business to Customers (B2C)

Mega Paint & Home Warehouse

The Company created its new business model “MEGA PAINT & HOME Warehouse”, a one-stop-service center offering light construction materials and services from TOA. This new business model supports the Company's core strategy and exemplifies its commitment to driving growth with total solution capability. This aims to synergize its other product lines even more efficiently. According to the end-user customer engagement strategy, it was created as another platform to inspire customers to see its products and solutions. Besides, this model can help the retailers sell out more products.

In 2022, Mega Paint & Home Warehouse has expanded to 8 more branches: (1) City Home Mart, Bang Bon, Bangkok, (2) Amornchai Home Mart, Huai Thalaeng, Nakhon Ratchasima, (3) Smart Paint, Taling Chan, Bangkok, (4) PA Aluminum, Klaeng, Rayong, (5) Sri Bunma, Home Care, Pathum Thani, (6) Kra Home, Prawet, Bangkok, (7) Rung Thavorn Timber, Lat Krabang, Bangkok, and (8) Ekthanapong Hardware 2007, Kamphaeng Saen, Nakhon Pathom.



Credibility of TOA Band

Thailand's Most Admired Company by BrandAge Magazine



The company received the 2022 Thailand's Most Admired Brand and Innovation Brand Award 2022 by Brand Age magazine in collaboration with leading university professors in the country. A survey of 1,575 people from all over the country found that the company is the manufacturer of building paints under the brand "TOA" that consumers trust and use the most in Thailand, ranked No. 1 in 2022, or an average of 34.60% in building materials, interior paints, and exterior paints (ranked first for 11 consecutive years from 2012-2022). It consists of 6 key metrics or factors that influence purchases:

- | | |
|-------------------------|-----------------------|
| 1. Innovation | 4. Management |
| 2. Business Performance | 5. Corporate CSR |
| 3. Corporate Image | 6. Excellence Service |

No.1 Brand Thailand by Marketeer Magazine

This award was conducted by surveying the brand perception that people loved the most in Thailand. The No.1 Brand Thailand 2021 – 2022 was run by Marketeer Magazine in association with Kadence International (Thailand) Co., Ltd., originally from England.

In 2022, the consumer survey to seek the popular brands in each product category was conducted by sampling group across the nation, the Company, a decorative paint and coating manufacturer under the brand "TOA", was recognized as No. 1 in decorative paint and coating category (No. 1 for 11 consecutive years since 2012).

2. Dealers

CRM Online Meeting

The Company's online monthly meeting was set up for the key accounts in each region to monitor plans, review follow-up performance, receive feedbacks, discuss problems and obstacles to figure out solutions and action plans, understand the market and how to stimulate sales.



TOA Next

The company organized communication activities for store dealers and realized that we offer customers more than just business with the following concepts and meanings.

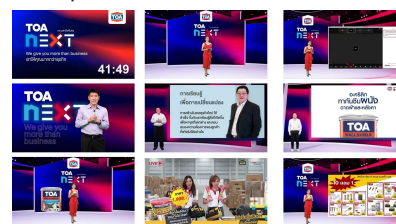
N (new business model): The company presents all 3 new business models, namely Mega paint & home, Incosource, and a waterproof solution shop to meet the needs of customers both products and services that are painted & beyond. It covers paint and coating products, construction chemicals, building materials, gypsum boards, tiles, and related equipment for construction or home use.



E (excellence): The company is committed to producing and offering the best products under national and international standards. It is for customers to use the best products and has the highest satisfaction.

X (extraordinary): TOA standard technical service is called WHO service. You can have 100% confident in the quality and can consult to make new things or solve problems and choose our products that meet the needs of customers in every way with simple, convenient, fast, and complete in one place.

T (technology): Using technology and innovation in managing both product production and digital transformation to increase convenience for customers and meet today's lifestyle. The company strives to be number 1 in offering new things to the market and giving the best things to customers.



Retail Customer Satisfaction

The Company surveyed the retail customer satisfaction to find out deficiencies and gather valuable feedback for better service improvement and product development to achieve customer satisfaction. In 2021, the customer satisfaction results are summarized as follows:

- (1) Overall services: average score was 89%.
- (2) Overall perspective towards marketing: average score was 87%.
- (3) PC rendering services: average score was 87%.

3. Project Customers

TOA has signed an MOU with PREECHA to use quality construction products for residential projects.

Mr. Jatuphat Tangkaravakoon, Chief Executive Officer, TOA Paint (Thailand) Public Company Limited or TOA and Mr. Thanonsorn Lertlitsirikul, Executive Director, Preecha Group Public Company Limited or PREECHA have signed a memorandum of agreement to build confidence with project customers of Preecha Group Public Company Limited. The purpose is to select the best for the customers of Preecha Ram 3 Rat Phatthana and Khao Yai-Pak Chong villa projects in selecting quality products and construction materials of the brand "TOA", which has been the number 1 popular paint brand among consumers for a long time.

The company has created innovations to meet the needs of consumers in terms of products and services in the form of Total Solution, e.g., building paints, construction chemicals, gypsum boards, woodworking paints, heavy industrial paints, and special decorative paints. Also, it has expanded its new product line to include ceramic and porcelain tile and wall cladding. However, it is to reinforce TOA's growing business that is beyond colors (Growing Beyond Colors). The company is ready to be a part of the development of residential projects with leading real estate developers.



TOA joined forces with partners to welcome Pride Month, sending a variety of shades. Create the first rainbow crosswalk in Thailand.

The Company joined in welcoming Pride Month for gender diversity to be a part of demonstrating our commitment to human rights promotion protection and advocacy between genders to achieve equality and fairness. The Company joined the Samyan Mitr Pride 100% Love campaign because love is diverse, organized by Samyan Mitr Town Shopping Center and the Property Management Office of Chulalongkorn University (PMCU). The Company has sponsored paint products variety of shades to create the first rainbow crosswalk in Thailand (Pride Crosswalk) at Soi Chula 42 between Samyan Mitrtown Shopping Center and the Faculty of Law Chulalongkorn University. This was to reflect the identity of people with gender diversity and to walk proudly transcend the difference for mutual acceptance. Pride Crosswalk was officially opened on June 1, 2022 to welcome the month of campaigning for equality in all social differences, with Mr. Chatchart Sitthiphan, Governor of Bangkok, Ms. Teeranun Kornsrutipha, Deputy Managing Director of Retail Business Development, Frasers Property Commercial (Thailand), Mr. Woraphong Suktheeranantachai, Director of the Property Management Office of Chulalongkorn University, and Mr. Nantapon Boonlua, Marketing Director, TOA Paint (Thailand) Public Company Limited.





1.4 Supply chain management and partner relationship management

The Company believes that driving business towards sustainability should not only focus on profitability. The Company should be responsible for stakeholders through social participation and economic value creation based on the good corporate governance.

In regard to creating economic value for stakeholders, beside the dividends paid to shareholders, the Company places emphasis on responding to basic needs and showing its responsibility to the stakeholders related to its business operations such as paying taxes or fees to the government or local authorities and supporting and developing surrounding communities. The main objective is to create economic strength to the communities and countries where the Company operates its businesses.

The economic distributions that the Company has taken into account are as follows:

Stakeholders	Economic Value Created
Supplier engagement	Operating Costs
Human capital investment	<ul style="list-style-type: none"> • Salary, wage, and welfare • Provident fund contribution • Employee development expense
Value created to shareholders	Dividends
Financial institution	Interest and financial cost
Government sector	Corporate income tax
Investment for community and society	Community development and CSR activities

Economic value creation for appropriate return and growth

Unit: Million Baht

Details	Consolidated Financial Statements		
	2022	2021	2020
Direct economic value generated			
Decorative paint and coating products	12,421.1	11,078.0	10,774.3
Non-decorative paint and coating products	7,400.2	5,938.3	5,185.2
Other business product ⁽¹⁾	828.1	554.2	336.5
Total revenue from sales	20,649.4	17,570.5	16,296.0
Profit before income tax	1,887.40	2,454.3	2,595.2
Profit for the year	1,434.80	1,926.3	2,024.7
Profit per share (Baht)	0.70	0.96	1.00
Economic value distributed			
Operating costs ⁽²⁾	15,021.4	12,121.1	10,790.5
Employee wages and benefit	2,955.5	2,602.2	2,448.9
Dividends paid to shareholders	907.5	1,161.2	1,095.7
Interest and financial cost made to providers of loans	38.2	34.8	38.8
Payments to government ⁽³⁾	452.6	528.0	570.5
Community expense for projects developing and supporting the society and communities	90.1	100.6	129.7

Remark: ⁽¹⁾ "Other business products" comprise sales of certain products to the divested companies and related companies, such as raw materials and semi-finished materials.

⁽²⁾ "Operating costs" comprise cost of sales, expenses for sales and distribution, and administration deducted from employee wages and benefit, and depreciation and amortization.

⁽³⁾ "Payments to government" includes only the corporate income tax.

Details of performance of the economic value creation for appropriate return and growth are disclosed in the 2022 Annual Registration Statements / Annual Report (56-1 One Report) in Part 3 on Financial statement.

1.4.1 Supplier Management

Raw material suppliers ("suppliers") are regarded as one of the Company's stakeholders in the value chain based on various products and services. Such suppliers provide adequate products and services as required to the Company. Therefore, the suppliers are considered as an important mechanism to achieve the Company's objectives and to operate its business in a stable and satisfactory manner providing the excellent satisfaction to customers.

Over 58 years old as being a paint and coating leader, the suppliers are very important to the Company's business in sharing and exchanging knowledge, technology, and innovation, which leads to mutual achievement and growth. In order to operate its business towards sustainable development, the Company emphasizes such relationship

management by means of developing its suppliers for further growth and business expansion along with the Company's growth and operating performance.

The Company has set measures to prevent the risk from the suppliers who may affect the continuity of the Company's operations in terms of governance, society, and environment as follows:

Risk Factors	Impact	Management Approach
Delayed delivery of products and services	Economy	<ul style="list-style-type: none"> ● Enter into contract or agreement clearly covering all significant issues ● Determine suppliers to take responsibility for expenses incurred from breach of contract, including expenses or damages caused by delayed delivery, products or services delivered that mismatch the purchase order
Reliability of suppliers	Economy, Society and Environment	<ul style="list-style-type: none"> ● Trade registration certificate, company affidavit, tax documents, product certificate, and environment certificate and standards ● Documents showing works of suppliers ● Verify the working background with former customers of suppliers ● Visit or observe their production process or plants
Transparent bidding	Economy and Good Governance	<ul style="list-style-type: none"> ● Supplier qualification evaluation form which they must disclose true information ● Verify the name list of management and directors of suppliers who participate in the bidding. ● Bid comparison in consideration of same specification, in case of construction project, there must include the technical assessment
Safety and Occupational Health	Society and Economy	<ul style="list-style-type: none"> ● Select suppliers who emphasize the safety and occupational health of employees, such as being certified of standards by various government agencies
Compliance with laws and regulations	Economy, Society and Environment	<ul style="list-style-type: none"> ● Agreement determines suppliers to comply with applicable laws, including other legal requirements pertaining to labor rights, human rights, intellectual property rights, and anti-corruption

1.4.2 Procurement

The Company emphasizes the quality of products, services, prices, and good relationship with the suppliers. The supplier management measures are in line with the standards. In addition, this includes fair and transparent standards for the supplier selection, evaluation, and verification according to applicable laws, business stability and trust of the suppliers. The Company shall only accept products and services that have legal copyright, patent, and trademark. The Company shall not support and accept any products or act violating the intellectual property rights. Furthermore, the suppliers can well respond the Company's needs for products and services. The Company also defines the vender list to select potential suppliers to do business with the Company, and monitors, evaluates the availability of products and services, transportation, industrial standard including occupational health, society, and

environment. The code of conduct for procurement and treatment to business partners/ raw material suppliers has been established, which must be followed strictly. Such code of conduct contains the following practices.

Topic	Supplier code of conduct
Human Rights & Labor	<ul style="list-style-type: none"> - Respect human rights and treat employees with fairness and comply with global standards and laws - Operate business by avoiding and preventing forced labor and not to force workers who are not willing to work - Operate business by avoiding and preventing child labor, and must comply with child labor laws - Operate business by avoiding and preventing discrimination such as nationality, skin color, gender, religion, age, disabilities, etc.
Safety, Occupational Health, and Environment	<ul style="list-style-type: none"> - Be responsible for and intent on resource efficiency - Strictly comply with laws on safety, occupational health, and environment - Ensure that the waste management system, emission control system, and wastewater treatment are carried out with safety and quality, monitor them on a regular basis - Manufacturers/ raw material, product, and service suppliers must provide workers with safe workplace including proper and adequate personal protective equipment
Ethics & Legal Compliance	<ul style="list-style-type: none"> - Operate business with morality, integrity, and legal compliance - Operate business without any form of bribery - Operate business with fair competition - Prepare and record corporate and financial information properly and completely in order for audit requirements - Protect corporate confidential information - Provide employees with safe and healthy workplace including personal protective equipment adequately and properly
Company's employees must be responsible for following ethics or profession	<ul style="list-style-type: none"> - Consider the need, worthiness, price, and quality. Proceed with transparency including information given to customers must be done with equality, accuracy, and unbiased practices. Treat suppliers equally and provide them with fair competition - A responsible person who contacts a supplier must keep and record negotiation, a contract draft, contractual proceeding, and terms and conditions as his/her evidence according to contractual period - Strictly comply with procurement regulations and procedures monitored by the responsible unit in accordance with the delegation of authority - Do not involve oneself in procurement with other party related with oneself such as family, close relatives, or in which one is the owner or partner - Do not take advantage of information for personal gain or others who are not involved with such matter - Juristic person should be firstly selected, avoiding the procurement with an individual except for special skills needed or for the benefit of the Company

1) Supplier Selection

To select raw material suppliers, the R&D division coordinates with the procurement division for the supply sourcing according to various procedures and mandates: supplier selection, supplier evaluation, quality,

occupational safety and environment, reliability, standard requirements, service availability, and delivery. The selected suppliers will be registered in the vendor list.

2) Critical Supplier Management

The Company identifies its supplier group by taking into account supplier criticality analysis. The critical suppliers refer to those with high expenditure or large-quantity ordering for production, critical or non-substitutable components/ raw materials, raw materials that are provided by limited number of suppliers or by a sole supplier. In the event of failures to source materials of the right quality in the right quantity as ordered; resulting in lower volumes and/or quality of products, it would potentially have a serious impact on the Company's business, financial position, operating performance, business opportunity. Therefore, the raw material procurement must be carried out properly and adequately.

3) Audit and Evaluation

The Company has standards for supplier audit put under surveillance by the procurement division, quality control division, and operations division or engineering and manufacturing division. The Company can also assign related divisions for more specific tasks such as SHE, maintenance, accounting, etc. The evaluation results and reports will be submitted to relevant parties for acknowledgment with indicating strengths and deficiencies to seek key point of failure, corrective action plan, and preventive measures.

4) Vendor List Review

The vendor list should be reviewed at least once a year to see if there are any suppliers with inactive transactions for more than 5 years, or disqualified suppliers, which the procurement division considers inactivating the vendor code in the system.

Performance

In 2022, the Company assessed and audited 226 suppliers out of 348 suppliers for their performance, which presented as 64.94% which achieved the target that was set at 50%. Those suppliers were informed about their results for greater improvement and enhancement by the Procurement Division. There were 7 new suppliers increasing from the previous year, and all of them passed pre-qualification of environment, or presented as 100%. Moreover, The Company is in the process of reviewing the supplier code of conduct in procurement and treatment of suppliers. To cover the law and the company's operational guidelines, including having the suppliers sign to acknowledge further.

Society Caring

The company aims to conduct business with ethics and social responsibility as well as to develop a good quality of life for employees, customers, partners, and stakeholders through concrete projects.

Highlighted Performance

2.1 Fair labor practices, incentives, personnel retention, and human capital building.

No significant labor disputes



The average training hours per person was 7.12 hours.

Employee engagement with the organization was 80%.



2.2 Human rights, occupational safety, and health care



No significant human rights complaints



Injury rate:
TRIR = 0.22
LTIR = 0.09

100% employment rate for people with disabilities or support



for people with disabilities as required by law

2.3 Supporting education and improving the quality of life for the community and society



Local communities that benefit from sustainable development and social contribution activities were 66.67%.



No significant community complaints



Satisfaction with community and social development projects was

87.46%

2.1 Fair labor practices, incentives, personnel retention, and human capital building

2.1.1 Fair labor practices

The Company values fair treatment of employees and has a policy that allows all employees to live together under a happy and accepting working environment. There are fair treatments to employees at all levels such as talent development, career growth, compensation, and benefits. Various and different employees can work together.

	Target	Performance				
	2022	2022	2021	2020	2019	2018
Significant labor disputes (times)	0	0	0	0	0	0

- **Labor relations awards**

On December 8, 2022, the company received the 2022 Outstanding Establishment Award on Labor Relations and Labor Welfare at the national level continuously for 6 years in a row. It is for Bangna factory and Samrong factory from the Department of Labor Protection and Welfare, Ministry of Labor.



Detail of Fair labor practices in 2022 are disclosed in the 2022 Annual Registration Statements / Annual Report (56-1 One Report) in section 7 "Corporate Governance Report", Heading "7.1 Summary of board performance in the previous year". And Section 6 "Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others", Heading "6.5 Employees".

2.1.2 Recruitment

The company focuses on taking care of personnel in every step. It starts with recruiting candidates who are interested in applying for a job with a competent company and at least 18 years of age through the creation of an appropriate employment and selection policy. The company recognizes the importance of career advancement and promotes the development of employees' potential for sustainable growth alongside the organization. It incorporates advanced and reliable tools and technologies in its strategy to optimize candidate data management. It is to respond to internal and external recruitment in a timely manner. It also has a test/measure selection process. Those who are selected will perform better than those who are not selected, which leads to the acquisition of qualified personnel, suitable qualifications and suitable for the field. It meets and supports the expansion of the company's business.

The company focuses on preparing its workforce for current missions and future changing contexts by defining approaches and planning proactive recruitment strategies in relation to database building. It is to continually increase the number of highly qualified candidates which are accommodated for key positions and replacement positions. It covers both strategic planning and public relations activities for proactive recruiting both domestically and internationally. The main goal is to attract the attention of the new generation of society to apply for jobs.

In addition, the Company monitors and evaluates recruitment and selection results in order to measure the efficiency of the recruitment and selection system in order to meet the set goals.

2.1.3 Human Resource Development

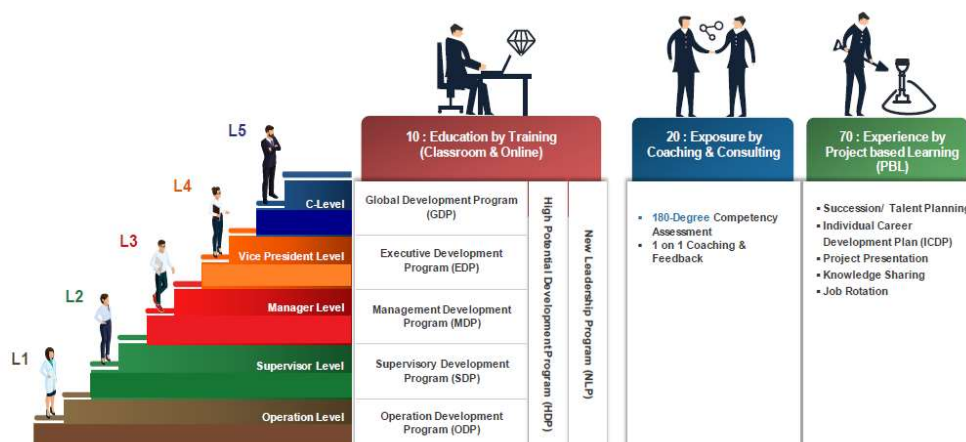
The Company has the individual career development plan or “ICDP” based on the 70:20:10 model for learning and development, which is closely linked to the career management system. Through this model, an employee will gain learning and development 70% from project assignment and on-the-job experience, 20% through exposure to sharing of knowledge and skills with others derived from coaching and feedback from supervisors or related mentors, and the remaining 10% of knowledge and skills from training and education.

The Career Management System is a system used for planning employee development in terms of building capabilities, technical skills, and career growth. At the employee level, this is managed by the Human Resource Development, while the management level is managed by the Executive Committee, advisors, and Human Resource Development that are jointly responsible for preparing the individual development plan to ensure employee growth and career advancement.

The Company analyzes the organizational demand within the period of 5 years, following which highly competent individuals will be selected. Those selected will be prepared through the individual development plan and their future position will be identified in order to strengthen their readiness prior to assuming a critical leadership role. Moreover, scholarships are granted to employees who are interested in pursuing higher studies in their fields that correlate with organizational strategy.

The Company prioritizes the potential development of employees at all levels by supporting leadership and employee development by providing core training courses that include the leadership competency development program for building leadership at all levels and developing the individual to gain a broad knowledge of the business. The employees also develop and enhance their professional skills and competencies through both training courses; functional programs and soft skill programs, to support the organization for the present and future. Besides, the ICDP is integrated with the competency model with the purpose of ongoing self-upskilling and self-development.

- Leadership Competency Development Program on 70:20:10 Learning Model



- **Performance Assessment**

The Company adheres to driving the approach of the Performance-based Management through the key performance indicator or KPIs was designed as a social innovation that encouraged employees to create and develop their working systems to step out of their comfort zones to generate new ideas and solutions. This was expected to be one of the organizational cultures to achieve operational excellence and organizational efficiency. It consists of 3 main indicators: (1) Corporate Performance, (2) BU Performance, and (3) Individual Performance, subject to the appropriate proportion for each position level. The employees are given an opportunity to set their plans, smart objectives, personal development, and performance indicators by closely discussing with their team as well as aligning their objectives with those of the Company. In 2021, the Chief Executive Officer communicated its corporate objectives and strategies including the performance assessment system to all employees to ensure greater understanding, focused goal orientation, and effective and efficient achievement.

- **Leveraging technology to maximize the efficiency of human capital management**

The Company's project to capitalize on the software program for people management (HR Cloud) was designated to maximize the efficiency of human capital management, consisting of 7 modules: 1) Employee Central, 2) Recruiting Management, 3) Recruiting Marketing, 4) Goal & Performance Management, 5) Compensation Management, 6) Succession & Career Development Planning, and 7) Learning Management. This program would help reduce redundancy, integrate the manpower information of the entire corporate group, and monitor key positions. Besides, the Company would be able to look into reports and execute the human capital analysis and action plan with more accurate and exact data. Upon keeping pace with technology, the Company would like to stay agile and resilient to overcome challenges, embrace organizational change and business expansion. More importantly, all management-level employees would become people managers. In order to ensure the efficiency of human capital management, the Human Capital Management Program Steering Committee has been appointed. The HR Cloud program was implemented on 1 March 2022 and had set up a Change Agent team to assist employees in using the program, including communicating and publicizing to all departments through HR Cloud Road Show activity.



2.1.4 Core Values and Corporate Culture

"TOA DNA" is designated for employees to understand, acknowledge, and engage in the core values, and achieve the shared corporate culture. The Company also consistently motivates employee participation in order to drive the proper behaviors in line with the core values, which is regarded as a standard to reach its vision and goals through the Management Approach as follows.

1) Policy and message from the top executive relating to core values and corporate culture "TOA DNA"

The Company aims to build TOA people by means of cultivating the awareness of shared behaviors under its core values and corporate culture called "TOA DNA" in the workplace to achieve the vision and goals. Mr. Jatuphat Tangkaravakoon, Chief Executive Officer, states that "TOA DNA is the way that the Company admires every employee to take it on board, and a core model to team up all people from every business unit to have the identical work behavior", which consists of following 5 principles:

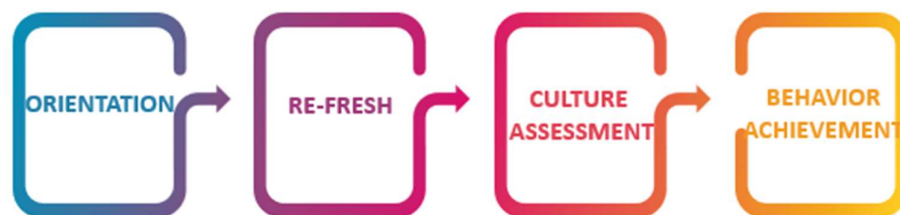


TOA DNA	Corporate Culture
<p>1) Customer First: Willing and motivated to understand expectations and respond to internal and external customer needs, willingly get feedback from customers for better product and service development, as well as build and maintain a good relationship with customers who earn trust and loyalty</p>	<ul style="list-style-type: none"> Show service mind properly, quickly, and timely Develop products and services according to customer feedback Handle with customers who need a wide range of products and services smoothly Listen and respond to customer feedback Improve and develop for greater customer service
<p>2) Change for tomorrow: Express creative ideas or initiatives and be able to show a linking process or brainstorm with a team to generate concrete solutions to further taking action, adding more values, and evaluating outcomes</p>	<ul style="list-style-type: none"> Communicate thoughts or ideas through words, pictures, or stories Define clearly what to do and deal with obstacles or uncertainties Dare to make an idea come true Utilize various information or sources to generate an idea Have a try and check a result
<p>3) Work with Passion: Have a passion for ongoing self-improvement and self-development through understanding changing situations and conditions, be</p>	<ul style="list-style-type: none"> Have intention and motivation for work to improve oneself and breakthrough limitations

TOA DNA	Corporate Culture
ready to enhance a wide range of extensive knowledge and skill together with using strengths at work and also improving weaknesses	<ul style="list-style-type: none"> ● Realize strengths and weaknesses or limitations ● Let feedback or recommendation improve oneself ● Self-motivation for more development and enhancement ● Embrace a career path with various growth opportunities
4) Deliver our Expertise: Possess knowledge, skills, and expertise for one’s responsibilities and achieving assignments	<ul style="list-style-type: none"> ● Balance between specific knowledge and others ● Pay attention and try to learn how to work like a professional ● Be motivated to learn more skills ● Manage time to learn new knowledge for work ● Share or exchange knowledge with others
5) Execution to Excellence: Achieve goals or perform beyond expectations at work, push oneself to peak performance, including good collaboration with others to reach the desired outcomes	<ul style="list-style-type: none"> ● Use various strategies and approaches for achievement ● Present outcomes with high standard and limited resources in a timely manner ● Focus on achievement ● Intend to successfully overcome obstacles ● Work well with others for team-oriented goals

2) Promote the awareness of core values and corporate culture “TOA DNA”

In order to implement the corporate culture “TOA DNA” in a concrete approach, the Company designs systematic plans: from the process of orientation, refreshing, to the assessment of alignment level between employee behavior and the corporate culture including the behavior achievement. In this regard, the management team and Human Resource Development Department drive “TOA DNA” through different activities. The core values and corporate culture are also translated into local languages for its overseas subsidiaries to ensure that all employees truly recognize “TOA DNA”.



2.1.5 Annual training

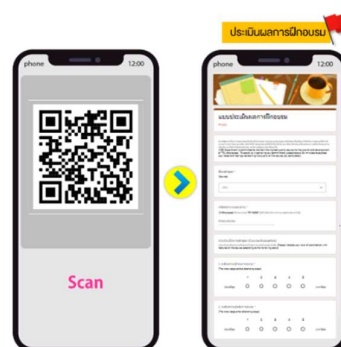
The Company conducts the training needs survey with the purpose of executing the annual employee training plan to seek essential training and individual development, analyze a gap between knowledge, skills, and working attitudes of the employees to be aligned with the Company's expectations to achieve the goal at work. There are 3 categories for employee training as follows:

- (1) Core Competency Courses: the essential training series for everybody required to perceive as per fundamental knowledge to ensure the vision-oriented achievement.
- (2) Leadership Competency Courses: the training series in terms of leadership management for employees at the managerial level.
- (3) Functional Competency Courses: the training series tailored for each specific role and responsibility for each position.

In 2022, the Company had provided a total of 30 in-house training courses for 76 batches and sent its employees to participate in public training courses totaling 67 courses for 67 batches, with a grand total of 143 batches covering the operation level, supervisor level, and management level. The average training hours per person was 7.12 hours.

1) Post-Training Satisfaction Evaluation with the target of 90%

The Company assessed the satisfaction and gathered suggestions of its employees after the training courses for further improvement and selecting training courses and contents. **In 2022, the post-training satisfaction evaluation was presented as 92.81%.**



2) Summary of Employee Training

Comparison of training hours for employees at each level: operation, supervisor, and management
from 2019 to 2021

Details	2019	2020	2021	2022
Total hours of employee training	19,570	24,331	19,968	22,658
Training hours for management level (M1-M9) / person / year	18.55	25.31	12.00	25.48
Training hours for supervisor level (S1-S2) / person / year	15.63	18.12	12.07	13.19
Training hours for operation level (O1-O4) / person / year	2.03	2.38	4.00	3.32

The company provides both e-learning and classroom training to continuously develop knowledge and skills for employees. The training is as follows:

The e-learning training according to the Personal Data Protection Act 2019 (PDPA) course is for employees at all levels in the organization.

The Company aims for all employees to be aware of the importance of personal data protection, which is a fundamental right to privacy that must be protected. In addition, the company also attaches great importance to the protection of personal data and compliance with the Personal Data Protection Act 2019



In House Training in Core Competency: Internal Auditor (ISO9001, ISO14001, ISO45001, ISO50001). The target groups are Internal Audit and Working Groups involved. Participants understand the interrelationship of each requirement from a process access point of view for preparing for the internal audit process.

In-House Training in Leadership Competency under the People Manager course. The target group is executives. Participants can apply the principles and concepts from the workshop to their fullest potential in accordance with the goals set by the organization.



In House Training in Functional Competency under the TOA Gypsum Product Knowledge course, the target audience is Project Sales and Retail Sales employees. Participants will be able to know the origin, importance and usage of TOA Gypsum products and advise customers properly.

2.1.6 Successor Planning

The Company has put importance on the succession for the Chief Executive Officer and management levels in which the Company identifies the organization's talents in all talent pools. The assessment of individual potential and performance is defined through the nomination process, together with planning the successor development and career growth to move up to the higher position. In this regard, the successors must possess the qualifications, capability, potential, and experience of their fields, including to receive the transferred knowledge and experience with the support of job rotation in both domestic and overseas companies. In addition, the successors need training courses relating to executive development for the readiness to serve a higher position in the future. Works and assignments are also delivered smoothly, resulting in continuity of business management. The Company has determined the criteria of the succession plan as follows:



1. The Board of Directors, Nomination and Remuneration Committee, and Human Resource Department collaboratively formulate the guidelines of the succession plan to be aligned with business direction and strategic management
2. Define the model of leadership competencies for all management positions; that is, necessary knowledge, skills, and capabilities. The individual development plan is also defined for the career advancement of successors
3. Test and assess individuals to analyze the competencies of successors (Development Center)
4. Develop the selected group of managers who are expected to be successors together with monitoring and assessment.

In 2022, the company has 6 important positions with a succession plan and the ratio of talent was equal to 22% or 63 employees out of 283 employees with moderate to high evaluation results.

2.1.7 Motivating, Retaining Personnel, and Building Human Capital

The company has a policy of motivating personnel in terms of compensation and career advancement. The company has set the vision and direction of the organization and conveyed that direction to departments within various lines. Performance is measured and tracked as KPIs based on goals and strategies in the form of Balanced Scorecards emphasizing Project Base to stimulate creative out-of-the-box thinking. It includes financial and non-financial measures such as stakeholder satisfaction, Internal Process, People Engagement, challenging the status quo, etc.

In achieving its objectives and goals with the support of high potential employees, the Company determines various policies to foster its employees' satisfaction and attraction by way of offering the opportunity to show their

capability, give reward comparable to the competitive job market, as well as the career paths under the following guidelines:

- Participate in benchmarking research of peer companies' remuneration and welfares to find out the results that are used for internal adjustment in relation to salary structure policy, and compensation reflecting the individual performance to stay competitive in the job market
- Determine the career path management that creates employee readiness for promotion and moving up in the organization to serve as a standard to seek its employees with high performance and development
- Set KPIs to be aligned with the Company's goals and strategies in order to drive the outstanding individual performance that is linked to the reward management system
- Career path management is well-prepared for its employees to hold higher positions by means of defining the individual development plan for employees who have high potential with outperformance and development to ensure effective promotion
- Welfare and other benefits offered by the Company are higher than legal requirements and appropriately tailored to ensure competitiveness

More details about the employees' remuneration and provident fund in 2022 are disclosed in Section 6 "Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others", Heading "6.5.2 Personnel Remuneration", and "6.5.3 Provident Fund" respectively.

- **Communicating the business directions through "Corporate Town Hall"**

"Corporate Town Hall" was rolled out for the entire organization and all business units to acknowledge the corporate strategies, business directions, corporate updates directly addressed by the Chief Executive Officer and top executives of each business unit. It aimed to make all employees understand the business directions, factors, and changes that might affect the business operation, trends, organizational drivers, to share their knowledge and experience, get inspiration, and build a long-lasting relationship between the executives and employees.



- **Recognition of long service**

In 2021, the Company granted long-service award certificates with rewards to 355 employees in order to express gratitude and encourage them who dedicate themselves to creating values for the Company. This made the employees proud of themselves and motivated to contribute to the Company in the future.

Service year	Amount
5	106
10	115
15	44
20	8
25	46
30	31
35	3
Total	355



2.1.8 Internal activities for sustainable results.

1) Taking care of employees during the Covid-19 outbreak

- Covid-19 vaccination for employees' families to build herd immunity.

The company recognizes the importance of the safety and health of employees. The company has encouraged employees to vaccinate by increasing Vaccination Leave, activities to encourage employees to vaccinate and distributing Sinofarm and Moderna vaccines to employees as soon as possible. It is to build confidence among all parties and together lead Thailand to overcome this crisis quickly. However, 93% of all employees have received such vaccination in 2021 and in 2022. The company has extended the right to free Covid-19 vaccination to families of employees who are interested. In addition, the company also provides free influenza vaccination rights to employees.



2) Helping and supporting employees with basic needs

The corporate group delivered life-saving bags to employees affected by the Covid-19 to help reduce the risk of daily shopping outside. A life-saving bag consisted of necessary supplies for their living such as rice, vegetable oil, eggs, instant noodles, canned fish, chili paste, drinking water, surgical mask, etc.

3) Wellness Program

The Wellness Program is formulated to modify the healthcare strategy of the employees for a more proactive or preventive standpoint, helping employees have a greater awareness of their health status and available methods

for care and prevention. In this regard, the employees are motivated to place greater focus on caring for their own health. The breakdown of the Wellness Program is as follows:

“Improve Your Health”: In addition to Covid-19 vaccination for employees and annual health check-ups, the Company also launched a health advisory program by inviting a medical professional from Rat Pracha Samasai Institute to provide proper and helpful advice about self-care and health concerns at a medical room. Moreover, necessary vaccines with special prices were offered to employees such as influenza vaccines.

“Value Your Health”: Health care communications were conducted through email with interesting content selected by a doctor.

“Prevention”: In order to prevent the spread of Covid-19, the Company puts such safety in place such as cleaning and disinfecting facilities in the workplace every 2 hours, putting hand sanitizer dispensers in prominent places around the workplace and temperature screening points, also marking out social distancing in canteens, queueing areas for recording work hours, and inside elevators. Moreover, the Company also closely monitors all drivers to clean shuttle buses along with alcohol-based sanitizer provided in all the buses.

4) Painting Happiness

The company pays attention to the mental health of employees as well. Employees must have appropriate mental support in their work and life. The company supports various relaxation activities on a monthly basis such as massage therapy, meditation activities through stone painting, etc. There will also be private talks with psychologists to address obstacles in personal and professional life.



2.1.9 Employee Engagement

The Company has consistently conducted its employee engagement in accordance with its vision and goals relating to employee development and retention. To this end, the Company can sustain the business leadership in Thailand and drive consistent growth in AEC. The Company also envisions its outlook that the employee engagement results shall increase more than 75% by 2022. In addition, such engagement is cultivated among the employees through the process called “Say-Stay-Strive” together with designating development plans and activities to enhance the relationship between the organization and its employees, resulting that they create greater support and initiatives for the organization.

In 2022, the Company has consistently conducted its employee engagement 2022 (EES). Throughout the project, it consists of kick-off, data collection and results reporting to create participation, awareness, and cooperation in improving the working environment in various fields including the development of the company. To be a better workplace and employees are more engaged with the company. Employee engagement rates was accounted for 80 percent.

After receiving the results of the employee engagement survey, all collective data had been analyzed to launch the follow-on project named “EES-Execution to Achieve the Targets” to make the action plan for further improvement, correction, and development with the aim of increasing employee engagement score as well as successfully executing the intended plan of each business unit.

2.2 Human rights and occupational safety and health care

2.2.1 Human Rights Policy

The Company places importance on respecting human rights, treating each other under rights and freedoms, aware of human rights, equality, equal treatment of all employees, and no discrimination of origin, race, gender, age, skin color, religion, any physical condition or status that is not related to Operations and Workforce Diversity. It embraces the importance of and respects the rights of LGBTQ employees, providing inclusion and inclusion both within and outside the organization. The company always checks. and to ensure that businesses are not involved directly or indirectly in violation of the rights and liberties of individuals, such as Forced Labor and Child Labor. The company promotes monitoring of human rights compliance within the company and encourages compliance with human rights principles in accordance with international standards. A business's responsibility for human rights extends to its affiliates, joint ventures and partners.

The Company believes that these employees are capable of showing their full potential in their work, confident and proud of who they are. The business ethics that focus on human rights are as follows:

- **Fair treatment based on rights and liberty:** personal rights and freedom must be protected from misuse of their personal data for disclosing or transferring such as profile, health record, work experience, or other personal data to a person who is not concerned.
- **Respect for humanity, equality, and workforce diversity:** the Company has formulated practices of fair treatment towards related parties. Employees should deserve equality without preferential treatment relating to similarity or difference such as physique or mentality, race, nationality, religion, gender, age, education, or others. Such practices cover all groups of stakeholders related to the organization. Notice shall be announced to employees in advance in case of organizational changes that affect them such as management structure, job rotation, change in the workplace, etc.

Moreover, the Company emphasizes, fosters, and opens the opportunity for women to hold leadership or senior management positions without gender discrimination to undertake career success. This is regarded as an advantage for the organization to have a wide range of selection for candidates or successors, resulting in hiring the right persons.

Employee Information (Data for TOA Paint (Thailand) PLC. only)	2019	2020	2021	2022
By Employment Contract				
• Permanent employees	2,613	3,069	3,249	3,340
• Temporary employees	20	23	8	22
By Gender				
• Male	1,739	2,078	2,138	2,244
• Female	894	1,014	1,119	1,118
By Level				
• Operational level	1,794	2,189	2,386	2,511
• Supervisor and Professional level	595	632	600	613
• Management level	244	271	271	238
Employees with Disabilities				
• Male	4	4	4	4
• Female	2	2	2	2

- **The establishment of a welfare committee.**



The company encourages elections to the welfare committee and allows employees to become members of the welfare committee. It is to take care of welfare, working conditions, complaints and to control inappropriate labor practices, and to determine guidelines for solving problems, including monitoring progress and results from corrective actions. The position will serve a term of 2 years each time. It ensures that the company treats all employees in terms of health, welfare, compensation, and benefits fairly and equally. The Company's Welfare Committee consists of 5 members who were elected in 2021 and will expire in 2023.

	Target	Performance				
	2022	2022	2021	2020	2019	2018
significant human rights complaints (times)	0	0	0	0	0	0

- **Opportunities for people with disabilities and marketplaces for people with disabilities**

The company has operated in compliance with the law on employment of persons with disabilities according to the Persons with Disabilities Empowerment Act B.E. 2550, Section 33 which requires employers or owners of establishments and government agencies to accept persons with disabilities to

work in accordance with the nature of work in an appropriate proportion at the rate of 100 persons per 1 disabled person and Section 35 which requires concessions to provide a place for the sale of goods or services, subcontracting work, apprenticeship or provision of equipment or facilities, and sign language interpreters or other assistance to persons with disabilities/caregivers. It will create opportunities and support careers for people with disabilities and the underprivileged to have a better quality of life and has also organized a market for people with disabilities at the canteen area.

In 2022, the company accepted people with disabilities to work according to the appropriate job description and facilitates work according to Section 33 in the amount of 6 people, including the Thai national team of disabled athletes under the company's employees 4 people, 1 employee in the production support unit and 1 masseuse in the Painting Happiness project and according to sections 35 to 33 people. The company also provided a flea market area for 25 handicapped shops and employment through the Social Innovation Foundation for 7 people and one employee's child. All were a total of 39 people.

Thai disabled swimmers under Khun Phuchit's company has broken the 50, 100 and 200 meter freestyle records at the World Para Swimming Championship Madeira 2022 and Ms. Wassana Sri-ngam, a disabled Thai national table tennis player, won 2 gold medals and 1 bronze medal from the ITTF SQY French Para Open 2022 and 3rd place from the Andalusia 2022 World Para Table Tennis Championships.



2.2.2 Occupational Safety and Health Policy

The Company has established policies that encourage employees to work safely and have good workplace hygiene. The company has prepared regulations and safety manuals and has announced that employees must strictly follow. The company focuses on preventing accidents that may arise from working at full capacity. In addition, it also

encourages employees to have a sense of safety. In addition, knowledge is provided through training and encourages employees to have good health and not do anything that is harmful to the health of customers or service users. The company always maintains a hygienic and safe workplace to reduce statistics on accidents, absenteeism rates and work-related illness rates. The company has operational procedures to determine the workplace safety that is divided into the 4 following principles.

Principle	Procedures
Site Safety	<ul style="list-style-type: none"> ▪ Fences installed surrounding the plant area to prevent unauthorized persons from entering the area. ▪ Attach the symbolic signs, warning signs, and compliance signs that are well-proportioned, clearly visible, and universal that everyone can easily understand. ▪ Floor markings are clearly defined on the routes for vehicles around the plant, and installed the convex safety mirrors at the intersections or road curves that barely see the road in the front. ▪ Floor markings are designated for forklift traffic and pedestrian walking zones. ▪ Workplace environment is measured relating to the level of noise, lighting, degree of hazardous substances in the atmosphere in the workplace. ▪ Firefighting and fire protection system is installed, and to ensure that such system is available, efficient, and safe. ▪ Emergency evacuation map, plan, and assembly points are clearly defined to ensure the safety in case of fire incident. ▪ Annual building inspection is implemented according to the Building Control Act. ▪ Annual electrical safety inspection is implemented in line with applicable laws.
Machine Safety	<ul style="list-style-type: none"> ▪ Ensure the availability of machines, equipment, and tools before use ▪ Machine safeguarding covers the point of dangerous operations. ▪ Robots are used to transfer products after the containing process. ▪ Vacuum lifters are used to lift products. ▪ Install the preventive maintenance system of machinery ▪ Manual to use machines and equipment is determined to ensure the safety workplace. ▪ Install the ground wires of machines ▪ Define the annual machine inspection as required by laws
Chemical Safety	<ul style="list-style-type: none"> ▪ Ensure that the employees comply with proper working procedures, and occupational health and safety manual ▪ Educate and train the employees on the chemical safety

Principle	Procedures
	<ul style="list-style-type: none"> ■ Determine the safety data sheets (SDS) that provide critical information about hazardous chemicals, and attach the information around chemical-related area ■ Determine the practical measures for the chemical emergency to relieve the incident, and provide emergency response training in case of chemical spills ■ Provide personal protective equipment in the hazardous chemical areas such as filter respirator masks, chemical resistant gloves, safety boots, safety glasses, etc. ■ Provide emergency equipment in case of chemical incidents such as emergency eyewash and safety shower stations ■ Provide the spill control kit such as sand, absorbent pads, etc. ■ Provide the chemical spill containment barriers to protect against the chemical spillage out of the chemical areas, and chemical spill trays to further safely collect and dispose
<p>Personal Safety</p>	<ul style="list-style-type: none"> ■ Provide the standard personal protective equipment suitable for the workplace conditions and duties, and ensure that the employees wear such equipment during working ■ Equip the employees with knowledge and training on regulations, disciplines, and rules to ensure the safety ■ Provide training and knowledge to main contractors or sub-contractors about safety rules in the workplace ■ Determine regulations and manual of workplace safety that include procedures and practices ■ Provide health checkup for employees who work with risk factors; 1) for annual health checkup for employment, and 2) for job rotation that differs from the former risk factors ■ Create activities to promote and instill awareness of safety, occupational health, and environment in the workplace among the employees such as Safety Talk, SHE Day

2.2.3 Promoting the occupational health, safety, and environment

1) Measures to prevent and avoid workplace accidents.

The Company upholds occupational safety in way of safety campaigns reaching employees and related parties, appropriate indicators taking account of occupational characteristics and the propensity of risks related to each work activity. Collective data shall be further analyzed for designating an effective safety improvement plan to prevent and mitigate workplace accidents, hazards, or workplace injuries.



2) Safety Training

The Company promotes safety training and understanding by providing appropriate training to the employees at all levels as required by the nature of each job and in accordance with laws. Such training is also provided to suppliers, contractors, and stakeholders in a systematic manner. Evaluations are also conducted to measure the effectiveness of the training and to ensure that attendees have received adequate SHE knowledge. Moreover, training sessions aim to reduce risk behaviors that may cause an accident with the concept of reducing, avoiding, stopping the risks, self-caring, and caring for their colleagues.

In 2022, there were 20 safety training courses divided into 2 core courses; **1) mandatory training courses** for all employees, e.g., basic fire drills, training courses for safety managers and supervisors, and job-specific safety training courses, e.g., electrical safety and first aid for victims of electrical hazards, safe use of pulleys and cranes, confined space safety, etc., and **2) non-mandatory training courses** to educate them about promoting awareness of the importance of safety and environment, e.g., zero accident program under the safety activities “CCCF” and KYT, Safety Standard Operating Procedure (SSOP), etc.

3) Controlling the safe and healthy work environment

The Company regularly checks and assesses the work environment at least once a year according to legal requirements such as light quality and intensity, air quality control in the workplace, measurement of the noise level. The latest assessment results aligned with the standards and regulations. Moreover, personal protective equipment, emergency equipment, and first aid kits are provided as required according to the nature of the work, in an adequate quantity, and with easy access.

4) Communication

The Safety, Occupational Health, and Environment Committee is appointed to be responsible for inspecting workplace safety and accident statistics at least once a month. The members are also assigned to consider SHE plans together with communicating to the employees and workers in an effort to reduce workplace accidents and injuries through a variety of communication channels, including:

- Email, as well as Line Official, containing safety, occupational health, and environment, new laws and regulations concerning management systems in each issue: environment, energy, and SHE
- Activities related to SHE, e.g., SHE Activity
- Communication boards, LCD screens in canteens, and Morning/Weekly Talk
- Giving safety handbooks

5) Promotion of Occupational Health

The Company provides health check-ups for new employees, annual medical check-ups for all employees according to their risk factors, including monitoring occupational health effects, e.g., pulmonary function tests and visual acuity tests, etc. In addition, the Company cares for the health of its employees by providing an up-to-date fitness with a wide range of exercise equipment together with a professional trainer, communicating health-related information through emails and notice boards in canteens, examining the microbiological safety for food and food containers, and other various activities for good health.

The Company has assessed potential safety and occupational health risks and has established a risk reduction plan. It is coupled with regular safety awareness activities, e.g., Safety Talk and Kiken Yochi Training “KYT”, Sub-Safety Committee), 5S activities, and Big Cleaning Day. It also includes grounding-bonding system improvements and availability checks to prevent fire risks, safety training and drills, e.g., firefighting and annual fire evacuation drills. In addition, there is a Lesson Learn in case of accidents at work to communicate to employees to prevent recurrence.

Accident Statistics

Performance Data	Target 2022	2020	2021	2022
1. Total number of employees injured by accidents: person(s) (no lost time + lost time)	0	6	11	6
2. Total number of lost time injuries for employees: person(s)	0	4	7	0
3. Total number of fire incident: case(s)	0	0	1	0
4. Total number of accidents that damaged assets: case(s)	0	6	3	0
5. Sickness absence for employees: person(s)	0	0	0	0
6. Fatal occupational injuries for employees: person(s)	0	0	0	0

Performance Data	Target 2022	2020	2021	2022
7. Sickness absence for contractors: person(s)	0	0	0	0
8. Total number of lost time injuries for contractors: person(s)	0	0	0	0

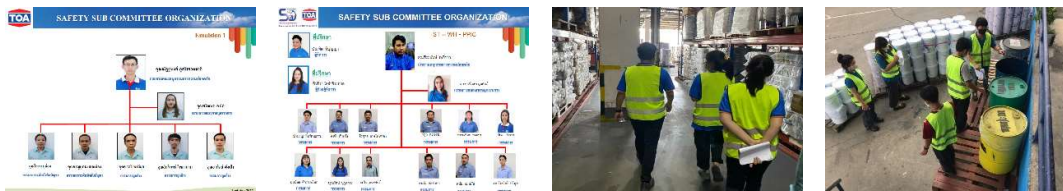
Frequency and Severity Rates

Performance Data	Target 2022	2020	2021	2022
1. Total Injury Frequency Rate per million hours worked (TIFR)	0.00	0.95	0.31	0.22
2. Lost Time Injury Frequency Rate per million hours worked (LTIFR)	0.00	0.63	0.20	0.09
3. Occupational Disease Frequency Rate per million hours worked (ODFR)	0.00	0	0	0.00

Examples of activities to promote safety in the workplace



Safety Morning Talk and Kiken Yochi Training (KYT)



Sub-Safety Committee



5S Activity and Big Cleaning Day



Improvements of grounding-bonding system improvements and availability checks to prevent fire risks



Safety training and drills such as firefighting and annual fire evacuation drills



Lesson Learn in case of accidents at work to communicate to employees to prevent recurrence

2.3 Supporting education and elevating the quality of life for communities and society

The Company places importance on community and social development. The company focuses on developing communities in a radius of 5 kilometers to have knowledge and skills that can be used for occupation and daily life. It must develop the social and environmental aspects of the community by considering the needs and needs of the people in the community. It also covers participation in local activities of the public interest to foster good relations. It shows the coexistence between the organization and the community and supports programs or projects in the community to develop the knowledge and potential of the organization.

2.3.1 Activities to develop skills and improve the quality of life with the community

There are 6 communities within a 5-kilometer radius of Bangna and Samrong factories. In 2022, the company aimed to organize activities to develop skills and improve the quality of life with more than 50% of the total community. Various activities and projects were organized, e.g., a safe vegetable garden activity without chemical pesticides, health promotion activities, exercise, a professional barber project to generate income, and a painting project to improve the landscape for the community. The company joined activities with 4 communities as follows:

Community	Project / activity
Sisa Chorakhe Yai Community (Moon 1 and Moo 2)	- Safe vegetables safe without chemical pesticides
Bang Sao Thong Klang Community (Moo 3)	- Promoting health and fitness
Bang Sao Thong Nok Community	- Improving the landscape for the community
Phuek Mit Community (Moo 1)	- Safe vegetables without chemical pesticides

Target to measure community satisfaction of activities in 2022, it was not less than 80%. The results of the project / activities are as follows:

Project / activity	Satisfaction Results
Safe vegetables without chemical pesticides	89.32%
Promote health and exercise at Bang Sao Thong Nok Community (Moo 4)	88.05%
Haircut for career and income project and painting project to improve the landscape of Puuk Mit Community (Moo 1)	89.05 %
Safe vegetables without chemical pesticides	83.41%

2.3.2 Volunteer projects for various skills in the community

Discussion and coordination with various communities of the company had 4 projects, namely:

1. Safe vegetables without chemical pesticides

- Objectives**
- To educate the community about the process of growing organic vegetables
 - To encourage the community to grow their own vegetables to reduce the cost of buying vegetables from the market to eat
 - To present and introduce how to grow vegetables without using soil in growing
- Actions**
- To educate and demonstrate methods of growing non-toxic vegetables both using soil and without soil, how to prepare soil for growing vegetables and equipment used in planting
 - To distribute seeds to people in the community for planting



2. Health and exercise promotion project

- Objectives**
1. To encourage people and youth in the community to exercise for good health without disease and drugs
 2. To provide knowledge of correct exercise
 3. To adjust the landscape of the exercise area to be beautiful by painting
- Actions**
1. Install 5 exercise machines
 2. Teach how to exercise
 3. Paint the exercise area and surrounding areas to look beautiful and attractive



3. Haircut for career and income project



- Objectives**
1. To provide knowledge and skills to people in the community who are interested in cutting hair
 2. To cut hair for bedridden patients or elderly people in the community who are inconvenient to go to a barber
- Actions**
1. The company's haircut club organizes volunteer activities to cut hair for the elderly, bedridden patients and demonstrate basic haircut methods for people in the community who are interested

4. Painting to improve the landscape for the community

- Objectives**
- Improve the landscape of Pho Pu Shrine, Village No. 4, Bang Sao Thong Community, which anchors the hearts of the community by cleaning and painting
- Actions**
- Clean and paint the Pho Pu Shrine, Village No. 4, Bang Sao Thong Community



TOA volunteer activities

The company has organized TOA activities with various clubs of employees in the organization, e.g., computer delivery activities to students, painting activities, home delivery activities to the poor, etc. It is a return to society and supports basic needs for those in need and encourages employees to participate in community activities.

Computer donation activity

TOA organized an activity to donate computers to students in remote schools.

- TOA Wittaya School (Tessaban 1, Wat Kham Sai Thong), Mukdahan Province
- Municipal School 2 (TOA Witthaya), Nang Rong District, Buriram Province
- Ban Pa-ung School, Sisaket Province



House donation activities for impoverished people in Pathum Thani and Ayutthaya



Young Leader Build

TOA collaborated with Habitat and King Mongkut's University of Technology Thonburi to organize activities at the Child Development Center, Bueng Ka Sam Nueng Subdistrict Administrative Organization (Wat Charoen Boon), Pathum Thani Province.



Homeless Children Foundation in Samut Prakan Province



2.4 Building good relationships with communities, society, and related agencies

The Company is aware that it will need a team effort to create a strong and sustainable society. Therefore, the company aims to create cooperation and support to agencies and organizations that play a role in helping society in order to increase the opportunity to carry out activities to achieve goals and create benefits widely. It also goes hand in hand with cultivating employees to have volunteer spirit and social responsibility. The Company allows its employees to have experiences in participating in CSR activities because they are the main force in driving the Company's CSR activities to progress and continually.

The company has set up a human capital development and social enterprise working group to act as representatives to discuss with the community starting from discussions and step-by-step analysis of issues. The purpose is to reach the real needs of the community and collect appropriate information from the community before undertaking development activities with the community.

Performance

	Goal	Results				
	2022	2022	2021	2020	2019	2018
Significant community complaints (times)	0	0	0	0	0	0
Significant social complaints	0	0	0	0	0	0
Survey results of community satisfaction towards CSR activities (%)	> 80%	87.45%	98.9%	98.5%	98.0%	98.01%
CSR-DIW Corporate Social Responsibility Certification (%)	100%	100%	100%	100%	100%	100%

Company-Community Dialogue

The Company has appointed the CSR working group relating to community engagement as a representative to discuss with communities in order to understand their true needs by starting with dialogue, well-organized materiality analysis, and properly gathering information prior to implementing community engagement activities. Amid the Covid-19 crisis, the working group helped the affected communities in collaboration with the local government officers. The Company has also established a systematic complaint-receiving process. The system administrator will forward complaints to responsible business units for investigation and reporting to the top management to monitor and consider solutions. The whistleblowing issues will be securely stored in the data system to ensure that each issue is appropriately handled and taken into account.



Promoting action plans/projects

The Company shall consider promoting action plans or projects for community engagement in consideration of the nearby communities that may be the first potentially affected by the Company in line with its business nature or capability, a collaboration between its employees and the communities to drive the sustainability. Moreover, the community-supporting scheme is extended to reach out further 5-kilometer radius of the Company for beyond benefit sharing.



CSR-DIW Award

The company received CSR-DIW Continuous Award 2022 for Bangna plant and Samrong plant, from the Director-General of the Department of Industrial Works at the Royal Jubilee Room, Challenger Hall, IMPACT Muang Thong Thani on 24 August 2022.



Environmental caring

The company operates its paint and coating products business on an environmentally responsible basis and is committed to mitigating the environmental impacts caused by its business operations as well as being aware of the impact of climate change by striving to have a mechanism to manage environmental issues to achieve the most efficient and beneficial use of resources.

Highlighted Performance

3.1 Energy Management



Reduce energy consumption by 2,722,782 kW-h/year



Install Solar Rooftop at 2.711 MW

3.2 Managing climate change and developing towards net zero emissions



Register the carbon footprint of the organization (CFO)



Register Carbon Footprint of Product (CFP) 182 items



Reduce the consumption of refrigerant (R410A) by 90.4 kg or 173.8 TonCO₂e

3.3 Water Management



Water consumption in the production process and utility systems decreased by 4,878 cubic meters.



Water consumption in the sanitation system decreased by 1,583 cubic meters.



Water consumption per production unit decreased by 0.003526 cubic meters per gallon.

3.4 Waste management



Reduce the amount of hazardous waste by 20.77 tons (1.68%)



Reduce the amount of non-hazardous waste by 12.631 tons (3.71%)

3.5 Innovation development for sustainability and promoting a good environment



Increase the proportion of Greenovation products in the portfolio to revenue by 22.4%



No operations that violate environmental laws and no complaints from local authorities

The Company operate the business in accordance with the following policy on Corporate Culture in relation to the Environment:

- (1) Assess the potential impact on the environment that covers all employees and stakeholders of the Company, and ensure the protective measures of significant impacts, including disclosing the environmental impact to the public
- (2) Promote and build a corporate culture in relation to the environment for the Company's employees and stakeholders covering the supply chain, and implement strategies for continuous and sustainable development
- (3) Promote environmental activities in order to educate employees and drive the employee and stakeholder engagement, and raise awareness of environmental values and ethics to be the environment-related corporate cultures
- (4) Strictly comply with the applicable laws and related regulations pertaining to the environment, including the adoption and application of global standards to reduce the environmental impact
- (5) Emphasize and respect the human rights of the Company's employees and stakeholders by providing whistleblowing channels relating to the environmental injustice
- (6) Monitor and assess the existence of the environment-related corporate culture on a regular basis for further development and improvement

3.1 Energy Management

Energy is vital to the industry sector that is facing the challenge in balancing supply and demand due to high energy consumption, resulting in the price fluctuation of production costs. In this regard, the Company realizes such importance and is aware of efficient energy use for the utmost benefit. Energy conservation is integrated in its operations and is the responsibility of its executives and employees of all levels. Development of energy consumption has been carried out to ensure ongoing efficiency and to fit the nature of business.

The Company recognizes the importance of energy management as an essential duty for all levels of management positions to promote and take responsibility for such matter, and for all employees to collaborate and contribute to the sustainable energy management approach. The Energy Management Working Group and the Energy Management System Review Committee have been appointed to ensure energy efficiency and maximum benefit. The energy policy is as follows:

- (1) Operate and develop the proper energy management system by determining the energy management as a part of the Company's business operations, and ensure the compliance with applicable laws and other related regulations
- (2) Improve the energy efficiency suitable for the Company's business model, available technology, and good practices

- (3) Designate the Company's annual action plan and goal for energy management and communication with all employees to ensure their understanding and accurate compliance
- (4) Energy conservation is the duty and responsibility of the management, and employees at all levels to comply with the energy conservation measures, to monitor and report the relevant issues to the Energy Management Committee.
- (5) Provide necessary support for the development of energy efficiency, including resources, staffing, information, budget, working time, training courses, and participation in expressing opinions
- (6) Assess and control the energy consumption to continuously improve energy efficiency and suit with the Company's energy consumption
- (7) Design and procure machinery, tools, production equipment, and other necessary services by taking account of the energy efficiency of each product and service
- (8) Management and Energy Management Committee shall review and amend (if necessary) the energy policy, goal, and plan on a yearly basis.

Target	Strategy
<ul style="list-style-type: none"> ● Reduce energy consumption by implementing energy-saving measures by technology by 12% per year or 2,466,720 kWh/year from 2021. It can be divided into electricity generation from solar energy at 2,358,720 kWh/year (kWh/year) ● Reduce electricity consumption per production unit by 10% from 2021 at 0.540 kWh/Gallon to 0.486 kWh/Gallon. 	<ul style="list-style-type: none"> ● Implement technology in storage and energy management to increase energy efficiency ● Raise awareness within the organization to realize energy efficiency through Small Group Activity (SGA) activities ● Carry out energy and environmental activities in accordance with international standards in order to continually assess and improve the organization and increase Specific Energy Consumption

3.1.1 Energy conservation measures and performance in 2022

Throughout the past period, the company has continuously implemented energy conservation measures every year and has activities for employees to participate in assessing the energy management of the organization in order to create and promote awareness of energy use and energy conservation. In addition, the company pays attention to renewable and alternative energy, especially solar energy. The Company has installed a 2.711 MW Solar Rooftop to achieve sustainable energy saving goals on the roof of the warehouse building at Bangna Factory to replace electricity consumption in the factory. In 2022, electricity consumption per production unit could be reduced by 0.489 kilowatt

hours per gallon (kWh/Gallon) or 9.45% compared to electricity consumption per production unit in 2021 (0.540 kWh /Gallon) The company has implemented 6 energy conservation projects as follows:

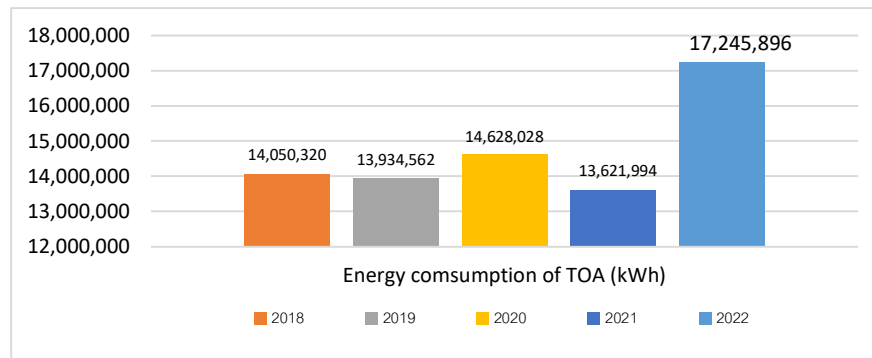
Project	Results			Investment (baht)	Payback period (year)
	kW	kilowatt- hour/year	baht/year		
1. Installation of PPA Solar Rooftop size 2.7 MW at warehouse building 2 and warehouse 2	2,440	4,800,000	5,166,810	PPA	-
2. VSD Air Compressor system installation project to increase compressed air efficiency	43	94,039	357,350	700,000	1.95
3. Improving the wastewater biological culture system and reducing the use of compressed air to increase efficiency	19.50	25,509	96,934	800,000	8.25
4. Cooling water from Cooling tower project to replace water from chillers in paint mills and oil paint factories	37	162,000	615,600	400,000	0.650
5. VSD system installation to control dust blowers and chillers at Samrong Plant	99	15,831	60,160	320,000	5.31
6. New Dust & Carbon installation project in VSD type at oil paint factory	13.6	79,617	318,470	1,000,000	3.14
Total	2,652.1	5,176,996	6,615,324	3,220,000	



Solar Rooftop at Warehouse 2 and Store 2

3.1.2 Electrical Energy Consumption in 2018 – 2022

Resulting from the above 6 projects, the Company could save the electrical energy 5,176,996 kWh/year, which achieved the intended target. The electrical energy consumption in 2022 was 17,245,896 kWh.



3.2 Managing Climate Change and Greenhouse Gas Zero (Net Zero Emission)

Climate change has resulted in natural disasters in many parts of the world that are of greater severity, such as droughts, flash floods, storms, and wildfires or Extreme Weather Events. Such physical risks may result in business interruption and production costs may increase, e.g., raw material prices rising, operating costs rising, etc. This affects profit margins and revenues that may change in the future.

From the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 26) in Glasgow, United Kingdom on 31 October to 12 November 2021, its agenda was to reduce the amount of greenhouse gas emissions into the world's atmosphere. Thailand has pledged its intention to contribute to addressing the issue by stipulating that Thailand will achieve carbon neutrality by 2050 and achieve Net Zero Greenhouse Gas Emissions by 2065.



The company recognizes the importance of managing climate change, we set a goal of Net Zero Greenhouse Gas emission by 2050. Its purpose is to show a strong commitment and commitment to sustainable development and to play a part in reducing the impact of environmental damage. It is to comply with the framework of the National Energy Plan and Thailand's policies. There are guidelines for managing climate change as follows:

- (1) To reduce greenhouse gas emissions and focus on improving operational efficiency and transformation by developing innovations and technologies for efficient resource management, designing products and services for sustainability and environmental friendliness as well as reducing waste by recycling resources or materials to reuse
- (2) To bring environmentally friendly technology by launching new products that can reduce the use of chemicals with natural ingredients and technology from the United States from plants to replace raw materials from petroleum
- (3) To install Solar rooftop of Bangna Factory and in the process of installing Solar Cell for the subsidiary's factory as well. However, it is to invest in energy-efficient and alternative energy technologies to reduce greenhouse gas emissions to meet the set targets.
- (4) To appoint a committee and a working group to create the carbon footprint of the organization and receive Carbon Footprint for Organization certification from Thailand Greenhouse Gas Management Organization (Public Organization), both Bangna plant and Samrong plant
- (5) To focus on efficient water resource management that covers all production processes. It has developed innovative production processes that reduce water consumption, maintain efficient water supply systems, and install wastewater treatment systems to treat water before releasing it into the public drainage system and circulating water.
- (6) To encourage and encourage employees to separate waste before disposal in order to reuse recyclable waste and to reduce the amount of waste that damages the environment and other creatures
- (7) To absorb greenhouse gases or increase carbon credits, e.g., plantation activities

Key Risk Indicator are as follows:

- Solar rooftop electricity bills to compare monthly electricity consumption
- Set targets for efficient water use for sanitation systems and continuously reduce water use
- The rate of reduction of water consumption in production and sanitation processes from the use of post-treatment water

3.2.1 Management for Greenhouse Gas

The company has appointed a committee and a working group to prepare the carbon footprint of the organization and has been certified Carbon Footprint for Organization by the Greenhouse Gas Management Organization (Public Organization), including the Bangna and Samrong factory. In addition, the company has registered Carbon Footprint for Organization and Carbon Footprint of Product in 2022.

Target: The company aims to reduce greenhouse gas emissions in its internal operations as follows:

1. Reduce greenhouse gas emissions by at least 20% by 2025 compared to the base year 2021
2. Net zero greenhouse gas emissions by 2050

Strategy: Determine energy conservation measures plan for 2022-2025 (details in “Energy Management”)

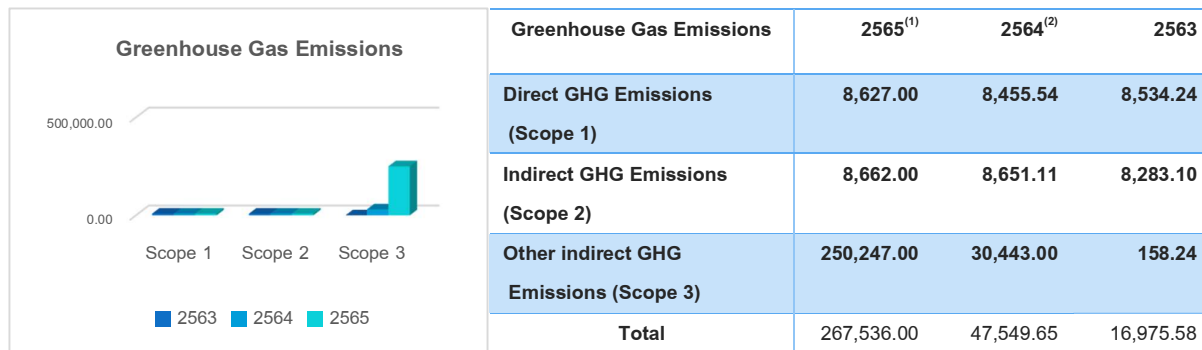
Sources of greenhouse gas emissions from the Company's business operations include:

Scope	Source	Solution
Direct GHG emissions (Scope 1)	Gasoline, diesel fuel, fuel oil, LPG, as well as the leakage of various substances used in corporate activities, e.g., refrigerants, fire extinguishing agents, methane gas from wastewater treatment systems	The company has taken measures to use electric forklifts instead of forklifts to reduce greenhouse gas emissions.
Indirect GHG emissions (Scope 2)	Electricity consumption by the company	Topic: “Energy Management”
Other Indirect GHG emissions (Scope 3)	Indirect greenhouse gas emissions from purchased goods and services, paper consumption, and water supply	Topics: “Building an Environmental Corporate Culture,” “Water Resources Management,” and “Waste Management”

Performance

Greenhouse Gas Emissions Intensity

The Company assessed the organizational carbon footprint. Greenhouse gas emissions used in the calculation method of Thailand Greenhouse Gas Management Organization (Public Organization) comprised carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbon group (HFCs), perfluorocarbon (PFCs), sulfur hexafluoride (SF₆) and nitro fluoride (NF₃) as follows:



Remark: (1) The data in 2022 includes the Bangna plant and Samrong plant and uses the assessment method according to the new regulations of the Thailand Greenhouse Gas Management Organization that consider Scope 3 more than before.
 (2) Data for the year 2021 included Bangna plant and Samrong plant (Bangna plant only in 2020) and used a new assessment method according to the regulations of the Thailand Greenhouse Gas Management Organization to consider Scope 3 more than before.

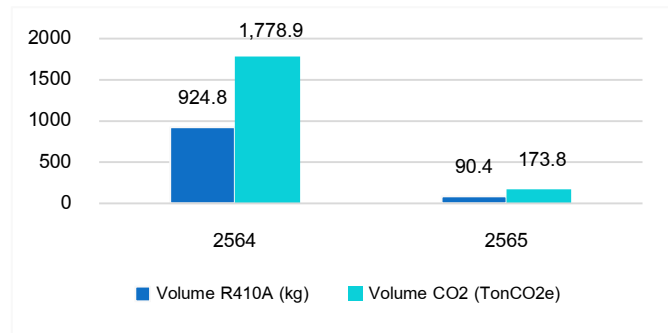
Carbon Footprint for Organization



The company was certified for the carbon footprint of the organization from Thailand Greenhouse Gas Management Organization (Public Organization) on August 23, 2022.

Refrigerant Consumption Control

In 2022, the target was to reduce the consumption of refrigerant (R410A) within the factory by 10% from the consumption in 2021. It could be reduced the consumption by 90.4 kg or 9.78%.



TOA Volunteer for Reforestation Project

The company recognizes the importance of reducing problems and absorbing greenhouse gases. It also includes the maintenance of community biodiversity. In 2022, the company initiated the TOA project for volunteers to plant forests in cooperation with Wang Tha Di Sub-District Administrative Organization, Nong Phai District, Phetchabun Province to plant flowers, ornamental plants and perennials. It was to create a green area for Khlong Lam Kong Reservoir in the project "Conserving Water, Conserving Forests, Conserving the Land" in honor of Her Majesty Queen Sirikit on the auspicious occasion of her 90th birthday, which is an important water source on an area of over 70 rai.



The reforestation project to increase green space for communities and forests is another project that the Company gives great importance to. The company still aims to continue in 2023 on an area of 1,000 rai or 1,600,000 square meters. The company will join forces with the Forestry Department, the Department of National Parks, the Wildlife and Plant Conservation Department and other relevant agencies to jointly be the driving force to restore the environment for nature to return to abundance again. It will be able to create new lungs for the community and tourists and also help prevent natural disasters. It will create good air quality and absorb greenhouse gases as well as reduce global warming for our planet. It also contributes to job creation and income for the community.



3.3 Water Management

The Company places importance on efficient water resource management. Covering all production processes with the development of innovative production processes that reduce water consumption (piggling system). The company pays attention to the maintenance of the water supply system to ensure that it is always in good working condition and to install a wastewater treatment system. The purpose is to allow process water to be treated before being discharged into the public drainage system and can be recirculated with the following strategies:

- Organize a systematic water management team and monitor it on a weekly basis
- Improve the efficiency of the wastewater treatment system to be able to use more water after treatment
- Improve the bathroom sanitary ware in the office to be a water-saving sanitary ware

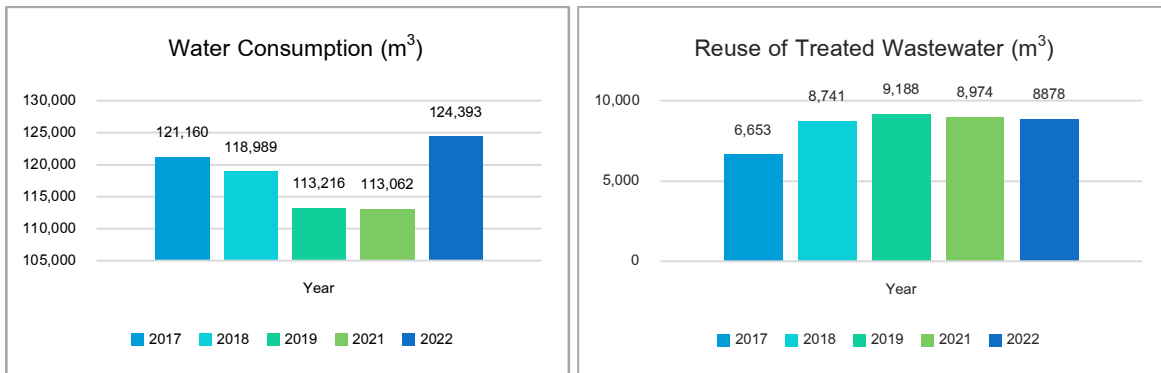
Target		Performance
 Reduce water consumption in production processes and utility systems by reusing after-treatment water	Reduce 5% or 4,931 cubic meters per year (m ³ /year) from the base in 2021	2022: Water consumption in the production process and utility systems decreased by 4,878 cubic meters.
 Reduce water consumption in the sanitation system by managing water in the office along with the use of monitoring technology	Reduce 10% or 2,629 cubic meters per year (m ³ /year) from the base in 2021 by 2025	Year 2022: Water consumption in the sanitation system decreased by 1,583 cubic meters.

Year 2022, water consumption per production unit was reduced to 0.003526 cubic meters per gallon or 6% from the water consumption in 2021 at 0.00375 cubic meters per gallon. Water consumption was slightly higher than last year (Year 2022: 124,398 m³/ Year 2021: 113,062 m³) since the production capacity is higher. The water after treatment is used close to the original (Year 2022: 8,878 m³/ Year 2021: 8,974 m³). A maintenance team has been set up and additional meters have been installed to monitor usage and find control measures which will begin to see the savings in the following year.

Water Consumption in Each Resource

Unit: m³

Water Resources	2561	2562	2563	2564	2565
1. Tap water	121,160	118,989	113,216	113,062	124,398
2. Reuse of treated wastewater	6,653	8,741	9,188	8,974	8,878



3.4 Waste Management

The Company is committed to maintaining a sustainable coexistence with its community and society, creating, and promoting an environment-centric business as well as corporate social responsibility. In this regard, the Company has determined the waste management policy as the good practices in managing waste generated from the production process, with the 3Rs (Reuse/ Reduce/ Recycle) waste management approach by setting the target to increase the proportion of waste utilization from production process up to 98% by 2025 from 2021 base year.

3.4.1 Waste Management Policy

- (1) Reduce the amount of waste released to the environment causing environmental degradation by means of promoting the waste recycling practices
- (2) Reduce the amount of disposed waste through the 3Rs (Reuse/ Reduce/ Recycle) waste management approach that will enhance the Company's systematic waste disposal

Reduce

is to reduce resource consumption only for the necessity or maximize usage of resources, especially to reduce the single-use resources.

Reuse

is to consume resources at maximum worthiness by reusing before recycling as well as repairing.

Recycle

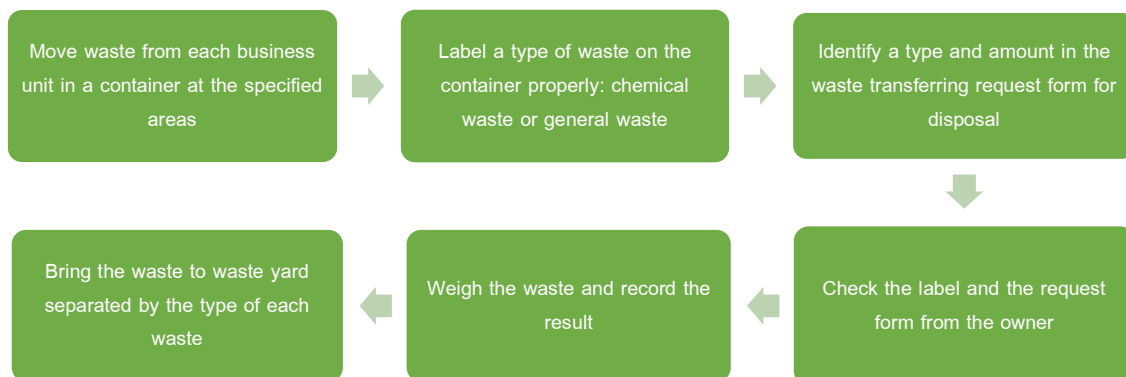
is to convert the materials unable to be utilized in the primary form through various processes into new objects and use them again.

- (3) Determine working standards and encourage all departments to analyze and seek the appropriate waste reduction and waste disposal approaches, as well as monitor such compliance with the waste management standards on a regular basis

- (4) Ensure the company-wide communication to enlighten on the waste disposal, including exchanging knowledge and experience on such matter of each department in order to establish the corporate culture that values environmental conservation, and extend such awareness among the Company's employees
- (5) Determine the periodical waste management assessment in accordance with the intended indicators and regularly develop and improve waste management activities
- (6) Appoint designated persons to take responsibility for the waste management in the organization

3.4.2 Management of Waste and Non-Used Materials

The Company has determined the regulation for managing and controlling waste from the production process or other activities to ensure appropriateness, conformance to applicable laws, and safe storage, transportation, and disposal as guidelines for preventing the disposal of waste and non-used materials negatively affecting the environment. The Company classifies its waste by establishing working procedures for waste management. The waste can be classified into 3 types: community waste, general waste, and chemical waste, and the Company stores such waste to be disposed of by a licensed company. The waste management is as follows:



Performance

The Company places great importance on maximizing the use of resources effectively and efficiently in accordance with the environmental policy and waste management policy, selecting the quality raw materials that produce less waste, checking and storing the materials properly, and monitoring quality control and safety.

Performance	Target: to increase the proportion of waste utilization from production process up to 98% by 2025 from 2021 base year.			
	2022	2021	2020	2019
Proportion of hazardous waste reused and recycled	98.11%	97.72%	96.06%	97.00%
Proportion of non-hazardous waste reused and recycled	30.27%	31.59%	49.06%	50.73%

Production-related waste management	Type of waste	Volume (tons)	Percentage	Management approach
1. Sorting and recycling	Plastics, paper, metals	643.142	20.16	Sorting for resale to proceed with the recycling process
2. Solvent reclamation	Solvent	489.52	15.34	Recovering solvents through distillation systems
3. Cleaning and recycling	Contaminated packaging	1361.548	42.67	Reuse by cleaning and treating used water for further reusing
4. Fuel blending	Contaminated materials and damaged products	1014.629	21.83	Fuel blending with calorific value for generating renewable energy or alternative fuel

3.4.3 Air Quality

The company has followed the air pollution management standard to prevent the impact of dust and pollution in the air emitted from the company. We give importance to the selection of machinery and equipment throughout the production process by selecting clean technologies to prevent environmental impacts as well as maintaining the equipment in perfect condition. The company has installed air quality measurement tools in the general atmosphere within industrial areas and air quality measurement tools in the Stack Emission area as follows:

Strategies	Management Approach	Performance
1. Proactive prevention and control action plan	Appointing a working group for monitoring and assessing air pollutants through both physical methods and measuring devices	There was no complaint from surrounding communities and factories filed in terms of air pollution, and air quality results were in accordance with the requirements of laws.
2. Prevention at the source	Designating responsible persons for monitoring wet scrubber systems and executing a weekly PM plan to ensure operational efficiency	Wet scrubber systems effectively removed and controlled air pollutants.

- The air quality monitoring stations have been installed within the Company's operating areas to detect and measure the total suspended particles (TSP), carbon monoxide, sulfur dioxide, and nitrogen dioxide. The anemometer has been also set up to measure the wind speed and direction and analyze the air pollution movement and where air pollutants originate from.



- The emission monitoring system measures the air pollutants released into the atmosphere from the stacks. The results shall be evaluated to further monitor air toxics or potential risks impacting the wellbeing of the employees and nearby communities and take appropriate corrective actions in due time as well. Including checking the air quality from the stacks by an external measurement company at least twice a year.

Air Pollution	3-year Goals (2022 – 2025)	2021	2022
Xylene (only Bangna Plant)	Below standard	2.93 ppm	9.30 ppm
Total VOCs (only Bangna Plant)	Below standard	16.5 ppm	167.14 ppm
Number of complaints from surrounding communities	0	0	0
Number of violations against air quality standards	0	0	0

- Air Quality Measurement (Bangna Plant)**

Air Quality Measurement	Number of violations against air quality standards				
	2022	2021	2020	2019	2018
Air emissions	0	0	0	0	0
Stack emissions	0	0	0	0	0

Air Emissions	Unit	Average Results					Emission Standards
		2022	2021	2020	2019	2018	
Carbon monoxide	ppm	0.16	0.3	0.35	1.65	0.5	30
Nitrogen dioxide	ppm	0.0144	0.003	0.0125	0.0077	0.0275	0.17
Sulfur dioxide	ppm	0.0063	0.0015	0.003	0.0018	0.0265	0.30
Total suspended particles (TSP)	mg/m ³	0.141	0.0665	0.1385	0.0735	0.0795	0.33

Stack Emissions	Unit	Average Results					Emission Standards
		2022	2021	2020	2019	2018	
Total VOC as propane	ppm	167.14	16.5	31.78	84.6	88.27	-
Total suspended particles (TSP)	mg/m ³	8.3	0.52	0.93	1.38	1.93	400
Xylene	ppm	9.30	2.93	1.2	25.71	32.43	200

- Air Quality Measurement (Samrong Plant)

Air Quality Measurement	Number of violations against air quality standards				
	2022	2021	2020	2019	2018
Air emissions	0	0	0	0	0
Stack emissions	0	0	0	0	0

Air Emissions	Unit	Average Results					Emission Standards
		2022	2021	2020	2019	2018	
Carbon monoxide	ppm	0.14	1.6	0.4	1.659	0.3	30
Nitrogen dioxide	ppm	0.0131	0.002	0.027	0.018	0.019	0.17
Sulfur dioxide	ppm	0.0061	0.011	0.003	0.003	0.003	0.30
Total suspended particles (TSP)	mg/m ³	0.192	0.215	0.066	0.047	0.054	0.33

Stack Emissions	Unit	Average Results					Emission Standards
		2022	2021	2020	2019	2018	
Total VOC as propane	ppm	190.15	212.09	19.88	31.64	49.6	-
Total suspended particles (TSP)	mg/m ³	4.59	3.45	2.35	6.05	1.69	400
Xylene	ppm	4.35	7.94	0.53	1.35	0.3	200
Copper	mg/m ³	0.01	0.01	0.04	0.005	0.11	30
Lead	mg/m ³	0.01	0.01	-	0.03	0.10	-

3.4.4 Quality of water from the treatment system

The company has installed an activated sludge process wastewater treatment system to treat wastewater generated from the production process. The company also monitors the water quality after treatment on a monthly basis to ensure that the water quality meets the standards required by law.

Parameter	standard	Water quality measurement results after treatment in 2022											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
TDS (mg/l)	<3,000	310	334	426	310	312	348	276	156	328	392	562	388
BOD (mg/l)	<20	4	5	15	11	<2	15	3	2	5	11	15	19
COD (mg/l)	<120	38	94	70	38	<20	83	25	26	70	70	89	83

3.5 Innovation development and environmental promotion for sustainability

The company is committed to driving the organization that creates an environmental corporate culture and implements it effectively. It encompasses the principles of corporate social responsibility and is developed to enhance the thinking and actions of employees to create results that minimize the impact on the environment as much as possible. It can create engagement and awareness of individual environmental responsibility towards a green culture.

The engagement-oriented procedure has been set up for all employees to perceive and take the environmental conservation on board as follows:

- Provide employees with environmental knowledge both required by laws and in accordance with the nature of work
- Committees/ working groups appointed to enhance the work efficiency in many environmental aspects, e.g., environment, 3Rs, energy, CSR, Carbon Footprint for Organization, etc.
- Launch a meeting for reviewing implementation, raising issues, sharing ideas, and action plans
- Set a key performance indicator for the environment-related units
- Communication through Morning Talk, notice board, and SHE Day activities

3.5.1 Environmental Compliance

The Company recognizes the importance of regularly improving and developing its operations concerning the environment with efficiency development in compliance with the environmental laws, regulations, and standards, in avoidance of the violations. Moreover, the Company perceives that new regulations and laws may negatively affect its businesses unless it prioritizes the environmental conservation.

Environmental compliance is a major responsibility and top business priority for the Company. It has announced the environmental policy emphasizing environmental compliance and regulations, as well as adapting the

global guidelines to fit for the organization to ensure environmental mitigation. The management also monitors and evaluates the implementation on a regular basis for further development and improvement.

The Company has focused on a continued target of no significant cases concerning non-compliance with environment-related regulations, which it aims to achieve through effective environmental compliance management.

Performance

The Company has received the quality and environment certificates as follows:

Thailand	Overseas
<ul style="list-style-type: none"> ○ Environmental management system: ISO 14001: 2015 ○ Quality management system: ISO 9001: 2015 ○ Green Label Singapore by Singapore Environment Council (for products distributed to Indonesia and Malaysia) ○ Green Industry Level 4 (Green Culture), Department of Industrial Works ○ Green Label Certification, and Lead and Mercury Free Certification ○ Energy Saving Label No.5 for paint and coating products, Ministry of Energy ○ Other certificates from Thai Industrial Standards Institute (TISI) 	<ul style="list-style-type: none"> ○ Environmental management system: ISO 14001: 2015 for TOA Paint (Vietnam) Co., Ltd., PT TOA Coating Indonesia, and TOA Paint Products Sdn. Bhd. ○ Quality management system: ISO 9001: 2015 for TOA Paint (Vietnam) Co., Ltd., PT TOA Coating Indonesia, and TOA Paint Products Sdn. Bhd. ○ Green Label Singapore by Singapore Environment Council for TOA Paint (Vietnam) Co., Ltd., and TOA Paint Products Sdn. Bhd. ○ Product Certification License by SIRIM QAS International Sdn. Bhd. for TOA Paint Products Sdn. Bhd.

Only for data in Thailand

	Target 2022	Performance				
		2022	2021	2020	2019	2018
Number of significant environmental incidents	0	0	0	0	0	0
Number of significant fines	0	0	0	0	0	0

3.5.2 Environmentally responsible innovation and dissemination.

The Company has applied the concept of environmental responsibility and created business innovations that benefit the competitiveness of business and the environment. Business processes that may pose a risk or have a negative impact on the environment are examined. The Company is also looking for solutions to reduce such impacts

by thoroughly considering and analyzing work processes covering all aspects. It is to create development opportunities to discover business innovations to invent new products that can meet the needs and keep pace with social and environmental changes for sustainable business growth.

1) Automated production process integrated by ABB software and closed slurry system to help reduce a negative impact on the environment by 50%

- **Production process run by the closed slurry system and automatic control system (ABB software):** main powdered and liquid raw materials are stored in SILO and storage tanks by uploading such raw materials into the closed production process system in order to save time, reduce wastewater, and negative impact on the environment by 50%. The Company also optimizes robotic automation to transfer products during the packaging process for the safety of its employees and energy efficiency.

2) Green culture project

The company is aware of the importance of the environment and has developed itself into a green industry according to the project of the Ministry of Industry. It can promote continuous improvement as well as demonstrate social and environmental responsibility both inside and outside the organization along the supply chain for sustainable development. Our Bangna factory is at **Level 4 Green Culture**. We aim for everyone in the organization to cooperate in an environmentally friendly manner in all aspects of our business operations and become part of the corporate culture. In 2022, the company filed for a renewal of certification and is in the process of being inspected by relevant agencies for certification.



3) Reducing paper usage and use efficiently

The Company primarily focused **reducing the use of paper and encouraged employees to use resources wisely through operations as follows:**

- **Using E-forms instead of paper forms:** using e-forms in lieu of paper forms by capitalizing on technological systems for data storing, filing, reference, and approval, e.g., Microsoft SharePoint, HR Cloud, E-Slip, E-Catalog, E-Registration, E-Bill Payment, Power App, Power BI, etc.
- **Reuse of used double-sided papers:** for promoting resource efficiency, employees were asked for their cooperation to collect their used double-sided papers for Technical Support Division's color testing.

4) ‘Say No to Plastic Bags’ Campaign

Campaign for avoiding using plastic bags and foam food containers has been carried out alongside the Line Official Account for receiving environmental information. The Company aims to have its employees participate in reducing the environmental impacts together with raising awareness of plastic pollution. Besides, cookshops in the Company’s canteen joined the campaign by not giving plastic bags, and its employees should use fabric bags and deny plastic bags for reducing plastic pollution.



5) Product and service innovation development

The company has developed products and services with Greenovation. The company also reduces energy consumption and responds to consumers responsibly under the concept of safe and environmentally friendly paint innovation and various product certification standards both nationally and internationally.

TOA Greenovation			
	Clean	Green	Save
	No Lead & Heavy Metal	Good for Health & Environment	Worth Spending & Energy Saving
Raw Material	<ul style="list-style-type: none"> - Zero Heavy Metal - Non-Isocyanate - Transform Solvent base to Water base 	<ul style="list-style-type: none"> - APEO Free, Ammonia Free - Formaldehyde Free - Near “0” VOCs - Bio base material - Low Oder, Low Emission - Less Solvent - Anti Bacteria/Virus 	<ul style="list-style-type: none"> - Energy Saving (Heat Insulator, IR Reflective) - Super Durable - Single Component - Reuse/Reduce/Recycle - Easy to use - Reduce Application Time

TOA Greenovation			
	Clean No Lead & Heavy Metal	Green Good for Health & Environment	Save Worth Spending & Energy Saving
Process	- Zero Heavy Metal	- Reduce Emission - Reduce Dust - Waste Management	- Automation - Reuse/Reduce/Recycle - Increase efficiency

In 2022, the company has set the following goals for the development of environmentally friendly products.

Target	Results
1. The ratio of greenovation products in the portfolio to revenue is not less than 20%, considering products that have been certified by LEED V.4.	- There are 38 LEED V.4 certified products. - Sales revenue in 2022 was 3,796 MB or 22.4% of total sales.
2. The ratio of innovation value is not less than 1% compared to sales by considering all sales of NPD products (calculated from product announcements in a 3-year period) combined with the amount resulting from all related process improvement cost reductions.	- From the sales of NPD products that have been marketed from 2020 - 2022 (3 calendar years), was equal to 98,346,634 baht. - 10 activities to reduce expenses in 2022 was 6,924,768.32 baht. - The total amount was 105,271,402 million baht or 0.62% of total sales.

Carbon Footprint of Products has been certified by Thailand Greenhouse Gas Management Organization (Public Organization) on August 23, 2022 for 182 items from 21 brands as follows:

- | | | |
|----------------------|--------------------------------------|-----------------------|
| 1. 4 SEASONS | 8. SUPERSHIELD | 15. TOA ORGANIC CARE |
| 2. 4 SEASONS 5IN1 | 9. SUPERSHIELD AQUA GLOSS | 16. TOA PRO PRIMER |
| 3. 7IN1 | 10. TOA FLEX EXPERT | 17. TOA PRO EXPERT |
| 4. DURACLEAN | 11. TOA HYDRO QUICK | 18. TOA SHIELD EXPERT |
| 5. DURACLEAN A PLUS | 12. TOA INDUSTRIAL LACQUER GLOSS WB | 19. TOA SHIELD-1 NANO |
| 6. SUPER MATEX | 13. TOA INDUSTRIAL LACQUER PRIMER WB | 20. TOA ULTIMATE |
| 7. SUPERMATEX EXPERT | 14. TOA LOFT | 21. TOA WALLTEX |

To Shareholders

The 12 members of the Corporate Governance and Sustainability Committee in 2022 consist of Mr. Jatuphat Tangkaravakoon (Chairman), Mr. Winai Chaiburanont, Mr. Attapol Watjarapairoj, Ms. Nipaporn Jongjatuporn (Vice Chairman), Ms. Taweeporn Patanakitraung, Mr. Chatchawat Rungthong, Mr. Nantapon Boonlua, Mr. Suppakarn Suklert, Mr. Panuphong Pootawang, Mr. Anuchit Yungprempree, Mr. Natthaphong Phusrisawettachart, Ms. Srikanlaya Pensri (Committees). They have performed their duties fully according to the roles and responsibilities of the Corporate Governance and Sustainability Committee and as assigned by the Board. In 2022, 2 meetings were held, which can be summarized as follows:

1. Determine the vision and structure of sustainability operations

2. Review the business value chain and stakeholder groups

3. Review material issues related to sustainability and Materiality Matrix

4. Supervise business operations with good governance and compliance with the law

- 1) Supervise business operations in accordance with the principles of good governance to comply with relevant laws, including risk management and Anti-Corruption to strengthen the business foundation. It must meet international standards and domestic regulators to be an organization that can grow in the long run.
- 2) Determine policies, strategies, goals, success indicators, and corporate governance development plans to integrate with the Company's business operations sustainably.
- 3) Review policies and practices on good corporate governance and business ethics of the company to be up to date. It must conform to the standard and be suitable for implementation across the organization.
- 4) Consider opinions and suggestions on good corporate governance and business ethics of the company, including approving the operational plan in 2022 for clarity.
- 5) Encourage communication for directors, executives, employees at all levels, and related persons to realize and comply with policies and practices on corporate governance, business ethics and related policies.
- 6) Encourage sub-working groups in various departments to be able to operate with full efficiency.

5. Supervise the operation of business development towards sustainability

- 1) Define and review policies, strategies, goals, success indicators, and plans for sustainable business development. It must integrate with the company's Sustainability Framework. It must be up-to-date and relevant to new and challenging situations for the company's operations in the short and long term.
- 2) Follow up on operations and give opinions on plans and practices on sustainable business development. It provides quality product and service development operations as well as the ability to fully meet the needs of customers and Product Stewardship.
- 3) Determine directions, policies, strategies, goals, and plans including consideration of expectations and ways to meet stakeholder expectations. It is to develop products and reduce the environmental impact that may be caused by the company's business operations. It is also a leader in product innovation that is environmentally friendly (Greenovation).
- 4) Consider opinions and suggestions including approval of product development action plans, supply chain management, and customer and partner relationship management to be responsible and mutually reciprocal in 2022.

6. Supervise human capital development and social enterprise

- 1) Establish and review policies, strategies, targets, success indicators and programs for human capital development and social enterprise, e.g., fair labor treatment, incentives, personnel retention, and human capital building. It encompasses human rights and occupational safety and health care, building good relationships with communities, societies, and relevant agencies to jointly develop and drive society towards sustainability.
- 2) Consider opinions and suggestions, including approval of stakeholder expectation survey plans to determine guidelines and engagement with communities to meet stakeholder expectations.
- 3) Supervise, follow up, and approve human capital development plans for Talent Attraction and Retention. As well as the welfare of employees, basic rights, and treatment of workers to operate in accordance with the law and good practices.
- 4) Promote the importance of caring for the community, society, and the environment which is the basis of the Company's production through various projects of the Company. It is to solve problems and meet community expectations as well as to provide advice and follow up on the progress of the projects on a regular basis.
- 5) Consider opinions, suggestions, and approve the action plan on human capital development and social enterprise in 2022.

7. Supervise the environment

- 1) Establish and regularly review policies, strategies, targets, success indicators, and action plans for environmental management. It encompasses the development and improvement of the company's operating processes to continuously reduce environmental impact, e.g., energy management, water resource management, air quality, and waste and solid waste management, aiming towards building a circular economy as well as managing climate change and developing towards zero greenhouse gas emissions efficiently and sustainably.
 - 2) Consider opinions, suggestions for operational guidelines, and approval of environmental plans to drive relevant operations to be sustainable and reduce potential impacts.
 - 3) Supervise, monitor, and support environmental management operations in accordance with established policies and plans to ensure compliance with the law in order to create a good and sustainable environment.
 - 4) Encourage and support employees for taking care of the environment in the factories and communities nearby the company through various projects. It is to create a positive environment and meet the expectations of the community as well as provide advice and follow up on the results of various projects regularly.
- 8. Follow up on the progress of the implementation of the work plans from sub-committees in order to comply with the policies and plans**
- 9. Review and approve the information for the preparation of the 2022 Sustainability Report for disclosure to the public and to report the results to the Board of Directors**

On behalf of the Corporate Governance and
Sustainability Committee,



(Mr. Jatuphat Tangkaravakoon)
Chairman of the Corporate Governance and
Sustainability Committee

GRI Content Index

Statement of use	TOA Paint (Thailand) Public Company Limited has reported the information for the period 1 Jan 2022 to 31 Dec 2022 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

Disclosure	Description	Page	Detail / Omission	External Assurance
GRI 2: General Disclosures (2021)				
1. The organization and its reporting practices				
2-1	Organizational details	3		-
2-2	Entities included in the organization's sustainability reporting	36		-
2-3	Reporting period, frequency and contact point	3,97		-
2-4	Restatements of information	3		-
2-5	External assurance		Not available	-
2. Activities and workers				
2-6	Activities, value chain and other business relationships	6-12,31-34		-
2-7	Employees	55		-
2-8	Workers who are not employees	55		-
3. Governance				
2-9	Governance structure and composition	17-18		-
2-10	Nomination and selection of the highest governance body	17-18		-
2-11	Chair of the highest governance body	1		-
2-12	Role of the highest governance body in overseeing the management of impacts	5		-
2-13	Delegation of responsibility for managing impacts	5		-
2-14	Role of the highest governance body in sustainability reporting	1, 5		-
2-15	Conflicts of interest	38-41		-
2-16	Communication of critical concerns	24-25		-
2-17	Collective knowledge of the highest governance body	18		-
2-18	Evaluation of the performance of the highest governance body	18		-
2-19	Remuneration policies	18, 50-51		-
2-20	Process to determine remuneration	18, 50-51		-
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	1, 4		-
2-23	Policy commitments	4-13		-
2-24	Embedding policy commitments	5, 88-90		-
2-25	Processes to remediate negative impacts	7-13		-
2-26	Mechanisms for seeking advice and raising concerns	20-23		-
2-27	Compliance with laws and regulations	18-19		-
2-28	Membership associations	18		-

Disclosure	Description	Page	Detail / Omission	External Assurance
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	7-13		
2-30	Collective bargaining agreements	55		-
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	13		-
3-2	List of material topics	13-14		-
3-3	Management of material topics	14-15		-
Economic				
GRI 201: Economic Performance (2016)				
201-1	Direct economic value generated and distributed	16,38		-
201-2	Financial implications and other risks and opportunities due to climate change	24-25		-
201-3	Defined benefit plan obligations and other retirement plans	50-52		-
201-4	Financial assistance received from government	38		
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	53		-
202-2	Proportion of senior management hired from the local community	53		-
GRI 203: Indirect Economic Impacts (2016)				
203-1	Infrastructure investments and services supported	37-38		-
203-2	Significant indirect economic impacts	37-38		-
GRI 204: Procurement Practices (2016)				
204-1	Proportion of spending on local suppliers	Not Available		-
GRI 205: Anti-corruption (2016)				
205-1	Operations assessed for risks related to corruption	24		
205-2	Communication and training about anti-corruption policies and procedures	16, 19		-
205-3	Confirmed incidents of corruption and actions taken	15		-
GRI 206: Anti-Competitive Behavior (2016)				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	20-23		-
GRI 207: Tax 2019				
207-1	Approach to tax	18-19		-
207-2	Tax governance, control, and risk management	18-19		-
207-3	Stakeholder engagement and management of concerns related to tax	18-19		-
207-4	Country-by-country reporting	Not Available		-
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	Not Available		-
301-2	Recycled input materials used	Not Available		-
301-3	Reclaimed products and their packaging materials	Not Available		-

Disclosure	Description	Page	Detail / Omission	External Assurance
GRI 302: Energy (2016)				
302-1	Energy consumption within the organization	68-69		-
302-2	Energy consumption outside of the organization	68-69		-
302-3	Energy intensity	69		-
302-4	Reduction of energy consumption	68		-
302-5	Reductions in energy requirements of products and services	66-67		-
GRI 303: Water and Effluents (2018)				
303-1	Interactions with water as a shared resource	73-74		-
303-2	Management of water discharge-related impacts	74		-
303-3	Water withdrawal	Not Available		-
303-4	Water discharge	Not Available		-
303-5	Water consumption	74		-
304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	76		-
304-2	Significant impacts of activities, products and services on biodiversity	76		-
304-3	Habitats protected or restored	76		-
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Available		-
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	74-75		Yes
305-2	Energy indirect (Scope 2) GHG emissions	74-75		Yes
305-3	Other indirect (Scope 3) GHG emissions	74-75		Yes
305-4	GHG emissions intensity	74-75		-
305-5	Reduction of GHG emissions	76		-
305-6	Emissions of ozone-depleting substances (ODS)	78-79		-
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	78-79		Yes
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	75		
306-2	Management of significant waste-related impacts	75-76		
306-3	Waste generated	76-77		
306-4	Waste diverted from disposal	76-77		-
306-5	Waste directed to disposal	76-77		-
GRI 308: Supplier Environmental Assessment (2016)				
308-1	New suppliers that were screened using environmental criteria	41		
308-2	Negative environmental impacts in the supply chain and actions taken	40-41		

Disclosure	Description	Page	Detail / Omission	External Assurance
Social				
GRI 401: Employment (2016)				
401-1	New employee hires and employee turnover	51		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51		
401-3	Parental leave	51		
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	42-43, 55		-
GRI 403: Occupational Health and Safety (2018)				
403-1	Occupational health and safety management system	56-58		-
403-2	Hazard identification, risk assessment, and incident investigation	58-59		-
403-3	Occupational health services	60		-
403-4	Worker participation, consultation, and communication on occupational health and safety	59-60		-
403-5	Worker training on occupational health and safety	59		-
403-6	Promotion of worker health	60		-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60		-
403-8	Workers covered by an occupational health and safety management system	57-58		-
403-9	Work-related injuries	60-61		-
403-10	Work-related ill health	60-61		-
GRI 404: Training and Education (2016)				
404-1	Average hours of training per year per employee	46		-
404-2	Programs for upgrading employee skills and transition assistance programs	46		-
404-3	Percentage of employees receiving regular performance and career development reviews	46		-
GRI 405: Diversity and Equal Opportunity (2016)				
405-1	Diversity of governance bodies and employees	34-35, 51-52		-
405-2	Ratio of basic salary and remuneration of women to men	52		-
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	Not Available		-
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	16		-
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	54		-
GRI 409: Forced or Compulsory Labor 2016				

Disclosure	Description	Page	Detail / Omission	External Assurance
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	54		-
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	59-60		-
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	54		-
GRI 413: Local Communities (2016)				
413-1	Operations with local community engagement, impact assessments, and development programs	62-67		-
413-2	Operations with significant actual and potential negative impacts on local communities	66		-
GRI 414: Supplier Social Assessment (2016)				
414-1	New suppliers that were screened using social criteria	41		-
414-2	Negative social impacts in the supply chain and actions taken	41		-
GRI 415: Public Policy 2016				
415-1	Political contributions	54		-
GRI 416: Customer Health and Safety (2016)				
416-1	Assessment of the health and safety impacts of product and service categories	24-30		-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	15,30		-
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	15, 33		-
417-2	Incidents of non-compliance concerning product and service information and labeling	15, 33		-
417-3	Incidents of non-compliance concerning marketing communications	15,33		-
GRI 418: Customer Privacy (2016)				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	29-30		-

The Survey of Sustainability Report 2022

1. Which is your group?

- Shareholder/ Investor
- Mass media
- Customer
- Government agency/ department
- Government
- Partner
- Customer
- Student/ Educational Institution/ Academic
- Nearby community
- Others (please specify.....)

2. Your information

- Gender Female Male
- Age Less than 30 years old 30 – 50 years old More than 50 years old

3. What is your purpose of reading this report?

- to invest
- to understand TOA business
- to research and education
- to prepare the company's sustainability report
- Others (please specify.....)

4. Level of satisfaction with the sustainability report

- Information sufficiency High Moderate Low
- Use of language High Moderate Low
- Overall satisfaction High Moderate Low

5. What issues do you think are important to the sustainability?

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6. Do you have any suggestion for this report?

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Would you have any questions for the report, please contact for more information as below;

Corporate Governance and Sustainability Committee

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