

# **UN Global Compact Communication on Progress 2018**

## Statement of continuing support

Satys Electric has been a signatory of the United Nations Global Compact (UNGC) for 3 years since 2016.

We are pleased to confirm that Satys Electric Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to share and communicate this information to our stakeholders and the general public using our primary channels of communication.

Sincerely

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Mr. Jean-Philippe TAILLEDPIED

Plant Director

## HUMAN RIGHT

***Principle 1:*** Businesses should support and respect the protection of internationally proclaimed human rights;

***Principle 2:*** make sure that they are not complicit in human rights abuses

### Policy

Satys Electric Management is firmly committed to conducting business in an ethical and responsible manner, respecting the rights and dignity of all people.

Satys Electric respect and support international principles aimed at protecting and promoting human rights, as described in the United Nations Universal Declaration on Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Satys Electric is committed:

- ❖ To treat everyone fairly and without discrimination, harassment or retaliation. Our employees, agency staff and suppliers are entitled to work in an environment and under conditions that respect their rights and dignity.
- ❖ To respect freedom of association. Where our employees wish to be represented by trade unions or works councils, our employees are able to collectively choose to represent them within the appropriate national legal frameworks.
- ❖ To promote access to facilities for disabled persons
- ❖ To not hire people younger than 18 years.
- ❖ To fighting against forced labor and human trafficking
- ❖ To not make business with any companies who does not respect the human or children rights.

- ❖ To ensure the right to our employee to bring complaint to top management directly or through suggestions.
- ❖ To operate in compliance with all applicable laws.

Satys Electric company recognizes its responsibility to respect human rights in its operations.

In addition, we recognize that we have an opportunity to promote human rights where we can make a positive contribution. This includes, among other things, opposing human trafficking and the exploitation of children.

## Progress

### *Human right and Ethic policy communication & training*

**Strategy:** Equipping all employees with the capacity to apply Satys Electric Human Right and Ethic policy to every decision while carrying out operations via communication methods and public relations with a wider reach.

**Activity:** To heighten awareness and foster an understanding of Satys Electric Human Right and Ethic policy, the company organized as following activities.

- ❖ Once the policy has any update, e-mail communication will be sent out to all employee and had a meeting with operator to communicate the issue in daily SQDCP meeting.
- ❖ The Satys Electric Human Right and Ethic policy is included in orientation class for new employee
- ❖ E-chart for communicate the policy at drinking corner in production line.

Satys Electric is a company that honors human rights where we promote diversity and equal opportunity and practice nondiscrimination and we have a company policy of maintaining a harassment free workplace. As such the company does not condone disrespectful behavior, intimidation and harassment.

Our policy does not tolerate sexual harassment, verbal or physical conduct of sexual nature. In the history of the company, we have not come across any such behavior. We would take immediate action if we became aware of any harassments or misconducts.

We are committed in maintaining a safe, clean and healthy work environment for our employees. We are committed to continuously challenge our employees in order to promote their individual growth as persons. We support and sponsor local charity activities and encourage our staff to join in on these activities.

Satys Electric provides transparency in our practices and at the same time protects personal information of our employees and clients, where personal information used solely for business purposes. We encourage growth and development of our employees through bi-annual appraisal which helps both the management and employees to express any issues relating to work which also promotes improvement for employees. Each year, we support humans rights through financial contribution, where the employees raise funds and items to be donated for the under privileged kids in rural areas. We contribute a decent amount of money for charity runs, also encouraging our employees to be part of it.

## LABOR

***Principle 3:*** Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

***Principle 4:*** The elimination of all forms of forced and compulsory labor

***Principle 5:*** The effective abolition of child labor

***Principle 6:*** The elimination of discrimination in respect to employment and occupation

### Policy

As Human Right policy, plus human resources policies in countries of operation and Satys Electric rules and regulation and contracts that are also aligned with local regulation, laws and practice.

### Progress

*Welfare committee under the Labour Protection Act B.E.1998*

**Strategy:** Developing a healthy workplace is needed, both to safeguard the investment in employees.

**Activity:** Satys electric welfare committee has 6 persons by elected official every 2 years according to section 96 of the Labor Protection Act B.E. 1998. The power of duties of the Welfare Committee are as following.

- ❖ To jointly consult with the Employer for the purpose of providing welfare to the employees.
- ❖ To give advice and recommendations to the Employer regarding the provision of welfare for the Employees.
- ❖ To inspect, control and supervise the welfare arrangements provided for the employees

- ❖ To make comments and propose guidelines on the welfare arrangements for the benefit of the Employees to the Labor Welfare Committee.

The welfare committees and Production supervisors have a meeting with top management every 4 months. The result of last 2017, the company has developed working environment

### *Complaint / Suggestion investigation*

**Strategy:** Satys Electric allows its employees and external parties to file complaints and submit information about potential offenses, which may arise from non-compliance with laws, corporate governance, anti-corruption practices, Satys Electric policy. Complaints/Suggestion submitted are investigated.

**Result:** In 2017, 0 complaints was filed by external parties, 12 suggestions from its employee. All suggestions have been considered with reasonable by welfare committees and top management.

**Activity:** The highlight suggestion what have been implemented are as following.

- ❖ A new canteen building: Satys Electric has expanded manufacturing. The canteen was not enough to support the higher number of employees. The new canteen project has been launched. Estimate time to finish the new building is at the end of January 2019.
- ❖ New drinking corner with E-chart communication: The old drinking corner was on the walk way. It was not safety when has emergency. So, the drinking corner has been re-located to the safe area. In additional, E-chart has been installed to communicate special information to our employee.

### *Employment of People with Disabilities*

**Management Approach:** Compliance with labor laws, promoting and advancing the quality of life of people with disabilities. Satys Electric has supported the employment and livelihood of people with disabilities.

**Result:** In 2018, Satys Electric employed and supported the livelihood of 1 person with disabilities, from 0 in the previous year.

### *Empowering employees to act safely*

Satys Electric is required to report on three health and safety key indicators every month:

- ❖ The incident frequency rate (IFR)
- ❖ The number of major / minor accidents (including all cases of medical treatment and first aid)

Satys Electric has reached an injury frequency rate (IFR) 0.30 cases per 200,000 working hours —38.7% lower than 2017.

#### Key figures

		2015	2016	2017	2018	Change in +/-%
<b>Injury Frequency Rate (IFR)</b>	Case per 200,000 working hours	0.82	0.38	0.49	0.30	-38.7
<b>The number of major /minor accidents</b>	Case	4	3	4	3	-25.0

### *Reducing Accidents Relating to Working with Machines*

**Challenge:** In most cases, accidents from working with machines were injured in fingers.

**Action:** Review and set standards of all key tasks, safety standard of machinery, install safety guard.

**Result:** Completed machine improvement for safety guard 61 machines out of a total of 64, or 95% completion.



## Environment

- **Principle 7:** *Business should support a precautionary approach to environmental challenges*
- **Principle 8:** *Undertake initiatives to promote greater environmental responsibility*
- **Principle 9:** *Encourage the development and diffusion of environmentally friendly technologies*

### Policy

Satys Electric Management is firmly committed to a policy enabling all work activities to be carried out safely, and with all possible measures taken to remove (or at least reduce) risks to the health, safety and welfare of workers, contractors, authorized visitors, customers and anyone else who may be affected by our operations.

Strive for continuous improvement in our environmental, health and safety management systems and in the environmental quality of our products and processes.

Guiding principles:

- ❖ Meet or exceed all applicable environmental, health and safety requirements. We will evaluate our EHS performance by monitoring ongoing performance results and through periodic management reviews.
- ❖ Where laws and regulations do not provide adequate controls, we will adopt our own standards to protect human health and the environment.
- ❖ Advocate the adoption of prudent environmental, health and safety principles and practices by our contractors, vendors, and suppliers.
- ❖ Communicate environmental, health, and safety policy to our employees and stakeholders & ensure that all employees are aware of their role and responsibility to fulfill and sustain & environmental, health and safety management systems and policy.

- ❖ Ensure that policy will deploy to yearly objectives and targets. We will conduct periodical management review to ensure effectiveness of implementation and maintain of this policy.

Management responsibility is to provide and maintain as far as possible:

- ❖ A safe working environment.
- ❖ Safe systems of work.
- ❖ Plant and substances in safe condition.
- ❖ Facilities for the welfare of workers.
- ❖ Information, instruction, training and supervision that is reasonably necessary to ensure that each worker is safe from injury and risks to health.
- ❖ A commitment to consult and co-operate with workers in all matters relating to health and safety in the workplace.
- ❖ A commitment to continually improve our performance through effective safety management.

Workers responsibilities & obligation are to:

- ❖ Comply with safe work practices, with the intent of avoiding injury to themselves and others and damage to plant and equipment.
- ❖ Take reasonable care of the health and safety of themselves and others.
- ❖ Wear personal protective equipment and clothing where necessary.
- ❖ Comply with any direction given by management for health and safety.
- ❖ Not misuse or interfere with anything provided for health and safety.
- ❖ Report all accidents and incidents on the job immediately, no matter how trivial.
- ❖ Report all known or observed hazards to their supervisor or manager.

Satys Electric seeks the co-operation of all workers, customers and other persons. We encourage suggestions for realizing our health and safety objectives to create a safe working environment with a zero accident rate.

This policy applies to all business operations and functions, including those situations where workers are required to work off-site.

## Progress

Satys Electric is committed to follow a sustainable business practice into the company's operations according to our existing Environmental policy. We recognize our responsibility to our employees, customers and suppliers to operate in environmentally conscious and responsible manner. Satys Electric supports various certification and principle such as ISO14001 and ECOVADIS. We ensure that all our suppliers are environmentally conscious and responsible. If a supplier fails to adhere to this policy, we will not continue our cooperation with them. We conduct regular performance audits and training for our employees and suppliers to ensure that environmental commitments have been met.

### *Decrease of water consumption*

Satys Electric collects data on the water consumption and discharge of its operations. The company focuses primarily on reducing water consumption. Overall, water consumption decreased by 24% in 2018. So, the year-on-year rolling target to maintain or reduce the water consumption per 1,000 working hours was met.

#### Key Figure

Year	Total Consumption (m <sup>3</sup> )	Consumption/working hour (m <sup>3</sup> /1000Whr)	Charge +/- (%) From previous year	Limited (m <sup>3</sup> /1000Whr)	Charge +/- (%) From Target
2016	8,165	6.7	-4%	7.0	-4.3%
2017	8,704	5.3	-21%	6.5	-18.4%
2018	8,005	4.0	-24%	6.0	-33.3%

### *Maintain of electricity Consumption*

Overall, electricity consumption increased by 9.4% in 2018 because of company growth. Satys Electric control electricity consumption per 1,000 working hour to lower than 650 MWh/1,000Whr in 2018. It is under limit by 5.7%. So, the year-on-year rolling target to maintain or reduce the water consumption per 1,000 working hours was met.

#### Key figure

Year	Total Consumption (MWh)	Consumption /Working hour (MWh/1000Whr)	Charge +/- (%) from 2015	Limit (MWh/1000 Whr)	Charge +/- (%) from limit
2016	785,000	646	+2.1%	700	-7.7%
2017	914,000	560	-13.2%	675	-17.0%
2018	1,220,000	613	+9.4%	650	-5.7%

### *Avoiding, reusing, and recycling waste*

All employees in the office practice the 3R (Reduce, Reuse and Recycle) as encouraged by company management to support waste reduction.

Total waste produced is stable in 2018. Satys Electric control total waste produced per 1,000 working hour to lower than 0.3 container/1,000Whr in 2018. It is under limit by 71%. So, the year-on-year rolling target to maintain or lower than 0.3 container/1,000Whr, the company has met this target.

### *Maintain Gas Emission Quality*

Air quality from Satys Electric exhaust fume hood has been monitored 2 times per year to study trends and to monitor the environmental impact. In order to the practices set forth in the series of environment system ISO14001

From analyzed results for the emission air quality monitoring from stack were compared with the regulation standard of the notification of Ministry of Industry B.E. 2549 (2006) under the topic of “The Polluted Air Emission from Factory”

- ❖ Total Suspended Particulate (TSP) monitoring from stack. Found that has a value are within the criterion standard define.
- ❖ Tin (Sn) and Isopropyl alcohol (IPA) monitoring from stack. Found that cannot compared to standard announced by the Ministry of Industry because there is not a standard but the value is very small.

### **Key Figure**

Result of Emission air quality monitoring from stack

Parameter	Results <sup>(3)</sup>		Standard	Unit	Comparison with standard
	2017	2018			
<b>Total Suspended Particulate (TSP)</b>	4.37	4.68	400 <sup>(1)</sup>	mg/m <sup>3</sup>	Pass
<b>Tin (Sn)</b>	0.004	3.016	- <sup>(2)</sup>	mg/m <sup>3</sup>	Pass
<b>Isopropyl alcohol (IPA)</b>	<0.050	<0.050	- <sup>(2)</sup>	mg/m <sup>3</sup>	Pass

## ANTI-CORRUPTION

**Principle 10:** *Business should work against corruption in all its forms including extortion and bribery*

### Policy

#### *RELATIONS WITH OUR PARTNERS*

Satys Electric's relationships are based on the principles of neutrality, fairness and loyalty and Satys Electric respects the independence and unique identity of our partners. Satys Electric does not take advantage of its position in the market to obtain preferential treatment and commits to treating its partners with respect.

#### *COMPETITION, CONFLICTS OF INTEREST AND CORRUPTION*

Satys Electric commits:

- ❖ To disclose any situations that may involve inappropriate or improper conflicts of interests
- ❖ To ensure anticorruption in our businesses practices.
- ❖ To prevent fraud, misappropriations, and other irregularities
- ❖ To ensure that Satys Electric products do not contain conflict minerals

#### *CONFIDENTIALITY AND PROTECTION OF INFORMATION*

- ❖ Satys Electric attaches great importance to the protection of data and the confidentiality of internal and external communication. Satys Electric places the same importance on information communicated by our partners as on our internal information. Aware of the value of the information in our possession, we are doing our best to protect it.
- ❖ Satys Electric ensures that information is protected. Accordingly, we are committed to using information only for its original purpose and with respect to property rights in force.

#### *MONEY LAUNDERING AND FINANCIAL TRANSPARENCY*

- ❖ The economic and fiscal policies of the Satys Electric and its partners must be transparent and compliant with the legal and regulatory requirements of the authorities.
- ❖ Satys Electric ensures that our activities are not used to launder money from criminal activities.
- ❖ Satys Electric respects all local fiscal regulation and pays all its debts and taxes. Satys Electric make it a point of honor to maintain impeccable and transparent accounts with respect to the law.

## Progress

### *Ethic & Anti-corruption e-test*

**Strategy:** We are committed to working against corruption in all forms, including bribery and extortion. Satys Electric is transparent in all of its business and ensures that our employees adhere to this code of ethics in any form of dealings or communications. Utilizing an ethics & anti-corruption test as part of a preventive measure to assess, examine, and create an understanding of ethics & anti-corruption in employees. The target is achieving 100% of for the test in 2020 and refresh training will be plan in 2022.

**Activity:** Since Satys Electric developed classroom training with e-training system in last 2018. The Ethic & Anti-corruption e-test has been added to the system.

### **Action plan:**

- ❖ All employees are required to take an ethics test on a yearly basis and answer every item correctly. Ethic & Anti-corruption e-test for employees in was planned to achieve the target with in 2020.
- ❖ The e-testing administration will review, and case studies will add to deepen employees' understanding upon taking the Ethics e-testing. Then training and workshop for employees in the factories will be planned in 2022 to refresh their knowledge and encourage exchange of opinions.