



Message from the Board of Directors

Disclosure (2-22)

The world faces a volatile situation with uncertainty and complexity. The global economy remained stagnant, and several countries entered a recession in 2022, while global geopolitical risks increased as a result of the devastating Russia-Ukraine conflict. This is owing to the ongoing energy crises and supply chain issues, which influence the whole industrial supply chain, as well as the rising global inflation rate. Furthermore, climate change is intensifying, as seen by rising global temperatures and higher sea levels. Droughts, floods, wildfires, and earthquakes are becoming more severe and widespread in many countries.

As the Board of Directors, we are aware of the ongoing changes and regularly monitor the global situation to set goals, strategies, and plans to drive business growth by being a leader in technology and innovation in polymer and plastic products and implementing growth strategies to expand business globally. The company has formed a sustainable growth mission of “Creating A World in Harmony with Technology and Innovation” and is committed to achieving business growth while adding value to society and the environment. In fiscal year 2022/2023, the company focuses on sustainability through three key strategies:

1. Take a lead in Creating Innovation Products and Service

The company continually increases its business using technology and the development of New S-Curve products in all businesses. In fiscal year 2022/2023, the company received 7 new patents and minor patents, 1 innovative products were introduced to the market, and 23 additional innovations, as shown below.

- The thermal insulation business – Aeroflex products are energy-saving insulators, so they fulfill customer needs, and the company is dedicated to creating new products to reach new consumers, such as Ultra Low Temperature Insulation and Air Ducting System Insulation, etc.
- The automotive parts and accessories business - Aeroklas is committed to manufacturing polymer products that are lightweight, durable, and meet safety standards to lower vehicle weight and, as a result, energy consumption. Aeroklas has applied the technology and innovation to re-model the canopy and side steps of new pick-up trucks, which are lighter than previous models and designed to fulfill the demands of new vehicles that are progressively entering the market. Aeroklas also collaborates closely with several automotive companies to develop products for the electric vehicle (EV) market.
- The plastic and packaging business – EPP has improved its manufacturing process to increase efficiency, and it recently introduced Styrofoam replacement food box packaging that uses fewer plastic resins but is highly flexible, low in cost, and, most importantly, recyclable.

2. Strive For innovative Organization

The company established an innovative governance structure and work processes to achieve its aim of becoming an innovative organization. This includes fostering team

collaboration, enabling open and direct communication with all internal units, allowing managerial authorities to be decentralized, and encouraging lesson learnt sessions. In the fiscal year 2022/2023, the company appointed the Innovation Sustainability Working Group with its main mission of supporting the company's transformation into an innovative organization, encourage employees to be creative, assertive, and providing opportunities for employees to demonstrate their potential by submitting innovative ideas in the "Circular Economy Kaizen XBU Contest 2022". A total of 23 groups of employees proposed innovative ideas, with a total of 10 groups selected, which can be further developed to meet the needs of consumers in the future.

Furthermore, the company supports equitable access to education. As a result, 897 scholarships are offered at all levels, both in science and other fields, to employees and their children, as well as general students, to promote and support various projects and activities, enhancing concentration, mindfulness, morality, ethics, knowledge, and personal development for employees to create potential human resources.

3. Enhance Partnership to Establish Co-Value Creation for Sustainable Business

Stakeholder engagement is a critical issue that contributes to corporate sustainability. It focuses on building and enhancing relationships with business partners and suppliers to create shared value and benefit all sectors for long-term business growth. In addition, the company has launched various contractor development projects to encourage suppliers to conduct business with social and environmental responsibility in line with our business practice. In addition, the company also supports promotional activities for customers in the air-conditioning industry who choose Aeroflex insulation, and other innovative

products that help save energy and are environmentally friendly, as well as establish cooperation with partners to promote sustainable development in accordance with the circular economy concept. In this fiscal year, Aeroflex Co., Ltd. has been chosen by the Program Management Unit for Competitiveness Enhancement (PMU-C) and Kasetsart University to participate in the Circular Economy Management System Standard Project for the organization.

In addition to the company's commitment to develop and expand its business for continuous growth, the company has set a five-year environmental, social, and corporate governance (ESG) goal that supports its growth and aligns with the United Nations Sustainable Development Goals (SDGs), focusing on Goal 8: Decent Work and Economic Growth, Goal 9: Industry, Innovation and Infrastructure, Goal 12: Responsible Consumption and Production, Goal 13: Climate Action, and Goal 16: Peace, Justice, and Strong Institutions. In the fiscal year 2022/2023, the company met its ESG performance target with no violations of laws and regulations or stakeholder complaints about governance, social or environmental concerns. The company's long-term goal is to achieve "Net Zero" greenhouse gas emissions by 2042. The subsidiary has completed the installation of solar rooftops with a total power capacity of approximately 18 MW and is expected to save approximately 70 million baht per year on electricity bills. It also promotes diversity, gender equality, and respect for employees' rights and freedoms, including equality and non-discrimination in employment, regardless of race, color, sex, religion, nationality, background of persons, or disability.

On behalf of the Board of Directors, we would like to thank all stakeholders for their trust and support in the company's operations. The company is committed to conducting its business to grow steadily and sustainably under the principles of good corporate governance along with creating fair and balanced value for stakeholders, society, and the environment in the long run.



Mr. Vachara Tuntariyanond
Chairman of the Board Officer



Mr. Pawat Vitoorapakorn
Vice Chairman and Chief Executive Officer