



2018

SUSTAINABILITY DEVELOPMENT REPORT

• CREATING POSITIVE IMPACT •



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ABOUT THIS REPORT

Through the last few years, our vision and attitudes have been evolving alongside our actions and dialogues. We have now decided that our 5th annual report will be named “Positive Impact”. This is an evolution from our “Corporate Social Responsibility” and “Sustainability” reports of the past years. This signifies that we are looking forward to creating a change – a positive one – to the world, to the society, the environment, all living creatures and last-but-not-least, our future generations.

We have issued this 5th annual report as part of our commitment to all stakeholders in disclosing the company’s key activities throughout the past year.

Our Code of Conduct since 2007 stated that “COBRA will do business in a socially and globally responsible way. We will strive for standardized, clean and safe working environment, provide secure jobs for employees, and build products that promote happiness and enhance quality of life. We will develop products to be environmentally-friendly using natural resources in a sustainable manner. Apart from this, COBRA will organize further social activities that will create a happy society around us.”

This report covers information on various activities both internal and external during the period January 1, 2018 – December 31, 2018. All information refers to the COBRA group of companies.

REPORTING SCOPE

The scope of this report covers COBRA’s main business as follows:

- Watersport Board manufacturing business
- Watersport Accessory manufacturing business
- Automotive Part manufacturing business
- Composite Structure manufacturing business
- Service and Supporting units

 For an electronic version of 2018 Sustainability Development Report, please visit http://www.cobrainter.com/The_2018_Sustainability_Development_Report.pdf

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COBRA

BUSINESS BACKGROUND

In Bangkok on 6th March 1978, Mr. Vorapant Chotikapanich (the company's current chairman and majority shareholder) opened the doors to 'Windglider Thailand'. Having developed early on its own-brand Cobra, the company started its production with light-weight windsurf boards and changed its name to Cobra International in 1985.

In 1987, COBRA also offered OEM, serving the worldwide market for composite watersports equipment, and by 1999 had become the leading manufacturer of windsurf boards with over 50% world market share. During this time, COBRA also expanded its product range to incorporate the significant surfboard and rapidly growing kiteboard markets with the aim of expanding its product line.

In 2005, COBRA entered into the Marine manufacturing business via a joint venture. In 2006, on receiving an initial order from a top-class German Automotive brand, COBRA entered a completely new market as a manufacturer of carbon parts for premium cars. Whilst diversifying its product range into both Automotive and Marine markets, and further into Luxury Accessories and Composite Structures, COBRA has never lost focus on its core business of Watersports. In 2009, stand-up-paddle boards (SUP) were introduced to the market, and COBRA immediately took the opportunity to become the world's leading player in SUP manufacturing.

Today, with its state-of-the-art production facilities of approximately 100,000 m², experience in product design, and consistent manufacturing quality, COBRA is recognized as a key composites partner to the marine, automotive and other sectors, whilst retaining its reputation as the world's leading manufacturer of watersports.

CORPORATE PROFILE

Established	1978
Location	Amata City Chonburi Industrial Estate, (70 km South-East of Bangkok)
Employees	Over 2,600 dedicated employees
Production Area	100,000 m ²
Quality System	ISO 9001:2015 IATF 16949:2016 (Automotive)

COBRA International announces 40 years anniversary with celebrations being held at JEC World 2018



2018 will be a year of celebrations for COBRA International Co. Ltd. (COBRA). The leading manufacturer of composite Water Sports products, and a globally respected supplier of Strong, Light and Beautiful composites for the Automotive, Architectural, Transportation, Marine and Luxury markets, will celebrate its 40th Year anniversary throughout 2018.

The company will celebrate this major milestone at JEC World 2018. They will also host a series of internal and external initiatives throughout the year, including the Composites Asia 2018 Conference in June, and the publishing of an in-depth report covering its 40 Key Projects and 40 Key People that were integral to the company's tremendous growth.

At JEC World, COBRA (Stand E28, Hall 6) will highlight a 40-year timeline showing its key milestones, as well as displaying exhibits that demonstrate its full range of technologies and capabilities. These include an example of the latest technology in hydro foiling electric surfboards, a range of premium Automotive components and architectural composite panels with decorative finishes.

The COBRA story began in the garage of a house in central Bangkok in March 1978 when Vorapant Chotikapanich, one of the founders and current company chairman, began building windsurf boards for the Windglider brand. The COBRA brand appeared a few years later, with the legendary King Cobra board putting COBRA on the world map as a manufacturer of lightweight advanced composite windsurfing boards.

17 years later, the company had grown significantly and moved their focus to supplying large OEM's with composite sandwich water sports equipment and by 1999, COBRA had become the leading manufacturer of windsurf boards with an 80% world market share.

In 2006, with a growing reputation for the supply of high quality composite components and exceptional finishing craftsmanship, COBRA successfully launched its Automotive business, with COBRA Advanced Composites (CAC) beginning to supply lightweight serial carbon fibre parts to premium Automotive and Motorcycle brands.

Today, COBRA, with its ongoing investment in research and development and its state of the art 100,000m2 production facilities (including a multimillion baht finishing plant that is setting the standards for Automotive composites in both Europe and Asia) provides a One-Stop Shop for the serial production of Strong, Light and Beautiful composite products. As a result, the company is now recognized as the world's leading manufacturer of composite water sports products and a key global supplier of composites components into the Automotive, Architectural, Transportation, Marine and Luxury sectors.

Comment's Danu Chotikapanich, CEO, COBRA: 'This is an outstanding achievement of which we are very proud. From a small supplier of our own brand windsurf boards, we have grown to be the leading manufacturer of boards for all water sports markets and a globally respected supplier of Strong, Light and Beautiful composites. We are very much looking forward to the next 40 years and beyond!'



SUSTAINABILITY DEVELOPMENT

“COBRA will do business in a socially and globally responsible way. We will strive for standardized, clean and safe working environment, provide secure jobs for employees, and build products that promote happiness and enhance quality of life. We will develop products to be environmentally-friendly using natural resources in a sustainable manner.

Apart from this, COBRA will organize further social activities that will create a happy society around us.”

COBRA’s Code of Conduct, 2007

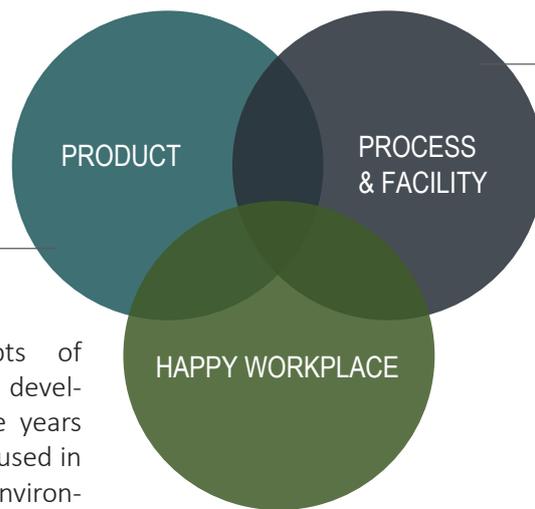
Throughout its 40 years, Cobra group of companies’ (“COBRA”) long term direction has been to move its Sustainability Development forward through Product, Process, and Happy Workplace perspectives. A significant move was in 2000 when COBRA moved its operation to Amata City Chonburi Industrial Estate (“Amata”), one of the leading industrial city development.

“Reliable utilities and a supportive infrastructure are the backbone of an industrial park. Without them companies within the estate will be unable to operate. Amata recognizes this reality and takes steps to

insure that what it provides goes beyond the basics so that its customers are insured of an operating environment that is safe, secure, reliable and a pleasant place in which to work” (source: www.Amata.com)

As part of its strategy, COBRA is putting R&D budget into innovating environmentally-friendly products and minimizing production pollution while developing its human capital not only in work-related competencies, but also in physical and spiritual health through Happy Workplace, a campaign launched in 2006 by the Thai Health Promotion Foundation to create delightful atmosphere in workplaces which is one of our fundamental business principles.

At COBRA, we categorize social responsibility in to 3 areas as follows:



Product

Believing in the concepts of “Cradle-to-Cradle”, COBRA is developing materials through the years with our key partners, to be used in making our products more environmental-friendly. Although we have identified and utilized several materials alongside the technical and biological cycle, we are unfortunately still many steps away from declaring a full C2C product.

Process & Facility

Throughout its various production lines, COBRA has been working on different types of “Process” built-into the production line. This ranges from implementing electricity savings, switching to alternative energy, providing opportunities for challenged employees, efficiently managing waste, to expanding its green area.

Happy Workplace

COBRA has adopted early on the Happy Workplace program promoted by Thai Health Promotion Foundation (ThaiHealth). The program covers 8 areas as follow:

- Happy Body : Enjoy good health in one’s body and in one’s mind
- Happy Heart : Show kindness and sympathy for oneself and for others, be generous
- Happy Relax : Know how to relieve stress from work and life
- Happy Brain : Improve one’s knowledge through learning
- Happy Soul : Have good sense of moral and faith
- Happy Money : Manage personal finances well
- Happy Family : Create understanding and stable environment in one’s family
- Happy Society : Support one’s community at work and at home. Promote social harmony and sustainable environment



MAINTAINING THE

(Source: www.Amata.com)



Oversight from the Industrial Estates Authority of Thailand (IEAT)

Amata's activities are reviewed and monitored by IEAT, a government enterprise operating under the Ministry of Industry charged with the development and management of industrial estates. IEAT's mission is to develop land, infrastructure and facilities for business activities that support industrial manufacturers and service providers while maintaining sustainable growth. Simultaneously IEAT is also responsible for environmental development and safety to ensure the least possible impact on communities from industrial estate activities.

ENVIRONMENT

Initiatives from Amata

Amata's management team and its employees are serious about minimizing the impact made by company's operations on the environment. This is demonstrated by the recent ISO 14001 accreditation the company received from TUV Rheinland for its two industrial estates in Thailand.

The company has long had a 'zero-discharge' waste management program for waste water. Each day the company treats and reuses 74,700 cubic meters of waste water: 40% is used to water green areas, including the company's Amata Spring Country Club golf course; 30% is used at on-site power generating facilities operated by the joint-venture Amata B. Grimm Power Company; and 30% is recycled to be used as part of the regular water supply.

Each day 85 tons of solid waste is collected at Amata's waste transfer station. Seventy percent of this is burned to produce 1.5 MW of power each day; 20% is used as sanitary land fill; and the remaining 10% is recycled to be used once again.

Amata, through joint-ventures, subsidiaries and companies in which it holds shares, has also embarked upon a program to use technology to monitor and control lighting, watering and other items that utilize precious resources. The company looks forward to the day when it can determine precisely what resources are being used by checking a display board at a single point on an industrial estate.

To achieve its goals for reducing environmental impact, a master plan was developed in 2010 with implementation targeted by 2019 to turn Thailand's industrial estates into 'eco industrial estates'. An integral part of this plan is a movement by IEAT to strengthen and broaden its regulations. IEAT's strategies focus on environmental and safety management and corporate social responsibility, including safety measure outlining and training. Public participation has been encouraged in order to ensure operational transparency.

PRODUCT

Composite manufacturing has become increasingly popular with product designers around the globe due to its design flexibility and advanced materials properties. However, the industry still has a way to go until its products and production can be considered sustainable.

COBRA's journey to sustainable products has started when its current CEO, Danu Chotikapanich, first visited Prof. Michael Braungart's office in Hamburg in 2004 to learn about C-2-C Manufacturing principles. As world leader in sustainable product and the Cradle to Cradle design process Prof. Braungart has since visited Cobra several times and building on this strong foundation in C-2-C principles Cobra's first major step towards sustainable product came in the incorporation of sustainability guidelines into the Cobra Code of Conduct back in 2007.

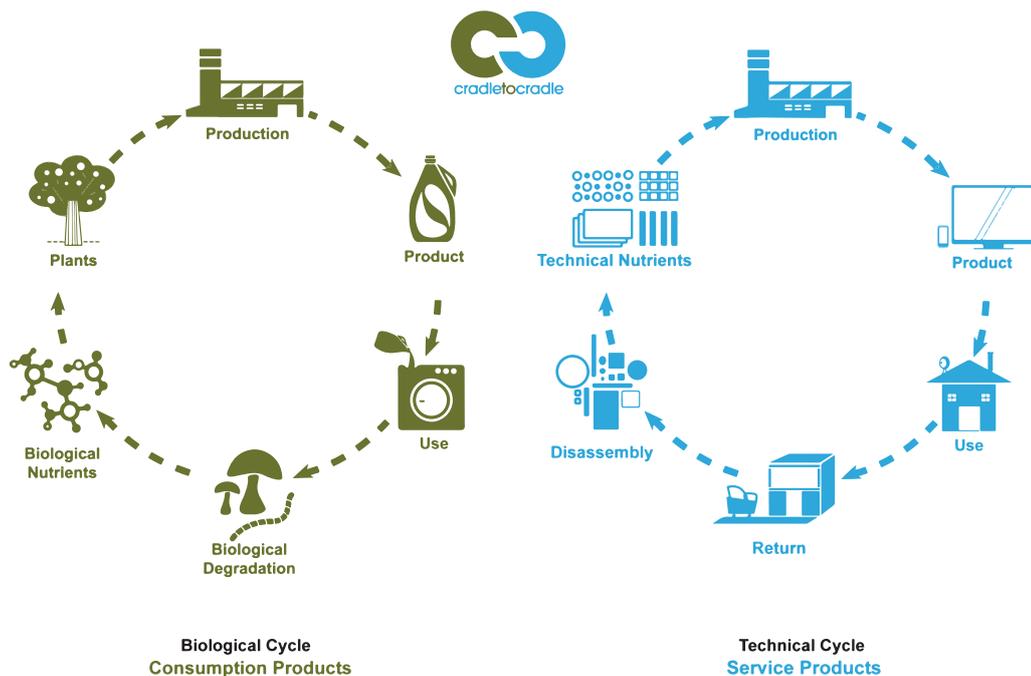
01

CRADLE TO CRADLE DIAGRAM

Believing in the concepts of “Cradle-to-Cradle”, COBRA works continuously with suppliers, customer and educational institutions to develop innovative materials and product solutions. While these steps have allowed us to progress towards a more sustainable product there are still hurdles Cobra and the composites industry must overcome if we would like to produce truly sustainable products with sustainable production processes. The separation of technical and biological nutrients within a composite product pose the greatest challenge in achieving our vision of creating truly C-2-C composite products.

The C-2-C criteria outline the design and production expectations to achieve Cradle to Cradle product certification. These guidelines include content of toxic or banned chemicals,

breakdown of chemicals during the product life cycle and overall resource use and efficiency. The product should where possible use sustainable, non-harmful, biological nutrients and where this is not possible it should strive to minimize the harm caused during production and use of technical nutrients. At the end of the products life cycle technical nutrients must be recycled back into the system and biological nutrients recycled or decomposed safely. Five levels of C-2-C certification are awarded based on a products level of compliance with the C-2-C criteria. The highest levels of C-2-C certification also require a substantial commitment to renewable energy and social responsibility throughout the production facility.



SUSTAINABLE PRODUCTS

TIMELINE

2009

Innovation Awards
Environment & Recycling

In 2009, COBRA has joined forces with the French technical textile specialist Porcher Industries to develop a surfboard using high-performance renewable cellulose reinforcement Greenlite™ as an alternative to glass fiber. These pure-cellulose based fibers are bio-based and bio-degradable.

With this development, COBRA and Porcher Industries have received the 2009 JEC Innovation Award.



2010

Coco Mat

In 2010, COBRA launched the Coco Mat technology for NSP surfboards which immediately become a market favorite. The natural Coco-fiber sandwich shell wraps the closed cell EPS core. It is then vacuum molded with clear epoxy resin and finished with a clear, fluid matt performance skin.

The Coco-fiber is very light compare to fiberglass and with its thickness, created a micro-sandwich skin each side of the board. This resulted in a surfboard that is lighter than any other technology used. Every Coco Mat board is unique, with a natural look and will perform like no other. To date, COBRA has made 10s of 1,000s of these Coco Mat boards.



2015

Bio-Based Surfboard

The journey continued and in 2015 COBRA excited the world with a selection of different surfboard concepts achieving 40% bio-based content by weight by using bio-based reinforcements and sandwich materials (i.e. cork, flax fabric, or banana fiber) together with 56% bio-based epoxy, water-based paint and bio-based PLA/Wood Composite inserts.



Banana Fiber board
"Biodegradable material"

Banana fiber is a natural bast fiber. It has individual physical and chemical characteristics that make it a fine quality fiber. Appearance of banana fiber is like bamboo or ramie fiber, but its fineness and spinnability are significantly better. A highly strong fiber with low elongation and low weight make this material suitable for composite application. It's sustainable production, plentiful supply and biodegradability give Banana huge potential as an eco-friendly fiber of the future.



Cork core sandwich board
100% Environmentally Friendly

100% natural, sustainable and recyclable, the harvesting of cork bark even increases the amount of CO₂ the Cork tree can absorb from the atmosphere, up to 14 million tons of CO₂ per year. Corks buoyancy, elasticity, light weight and durability make it a unique performance choice in composite applications and a great choice for watersports.



Flax fabrics board
"Ideal composites reinforcement material, not only green but also high-tech"

Flax fiber is significantly lighter than glass fiber, has better fatigue properties and is safer and healthier to work with. The drapability and mechanical performance of these fabrics can also be tailored to fit modern composites manufacturing. Flax cultivation has a positive environmental impact and flax fiber production also consumes just 1/10 of the energy that glass fiber production does.



The Greenpoxy resin system is made from a high content of bio-origin carbon independently tested using carbon 14 measurements. The system can achieve 56% of the molecular structure from plant origin. Additionally, Greenpoxy can maintain superb colour, clarity and consistency in their resin, making it the perfect choice for high performance composite finishes.

2017 Innovation Awards Sports & Leisure

At JEC Asia 2017, the international textile group CHOMARAT received a JEC Innovation Award in the Sports & Leisure category for its C-PLY™ Hexagonal with visual & structural stitching.

“CHOMARAT provided NEILPRYDE and COBRA with its C-PLY™ Non-Crimp Fabric (NCF) technology to help them manufacture an innovative windfoil board, and we are very proud to be rewarded, along with our partners”, says Pascal JOUBERT DES OUCHES, Sports Equipment Market Director at CHOMARAT.



SUSTAINABLE FUTURE

Each of Cobra's key product segments face its own unique challenges in achieving a Cradle to Cradle Production. Cobra continues to work closely with all stakeholders to achieve light, strong, beautiful and sustainable options for the future.

Sustainable projects in 2019:

- The new NSP CocoFlax is a prime example of current application of these technologies combining performance Flax and Cocomat fibers with bio-based resin to achieve a strong, beautiful, high performance surfboard.
- On the cutting edge of modern design FLITE's Electric Foilboard feature a high-quality, sustainable Balsa laminate.
- Board bags from recycled PET Fabric and tail pads grown from nature will be part of our 2019 accessories production.
- In the Automotive sector our R&D team is working on design re-enforcement using Flax fiber. Offering a lighter alternative to traditional glass fiber re-enforcement used in automotive applications.
- In other industry segments including high end furniture there is an emerging demand for advanced composite design with a sustainable approach. Furniture design offers significant opportunities to apply sustainable natural materials like Balsa or Flax in combination with advanced composite technologies to achieve unique results for our customers.



In the last few years Cobra put comprehensive systems in place to meet the requirements of the Ecoboard Project. Our sector-leading processes and procedures ensure boards are made to the ECOBOARD specification, appropriate protections are in place for staff regarding occupational health and safety risks, and broader environmental impacts are considered and managed.

Some key observations from the latest Sustainable Surf Audit:

- Cobra's comprehensive specification process follows each board through the production line ensuring only qualifying materials and processes are used on Ecoboard labelled products.
- Cobra's size and support for the Ecoboard concept has seen a dramatic increase in the number of brands choosing to work towards Ecoboard certification for their products.
- The Amata Industrial Facility holds ISO 14001 certification to ensure environmental management systems are in place to support all industry within the complex including Cobra International.
- Cobra maintains a high standard of worker wellness and safety across all facilities. Numerous programs are in place to support both workers and the wider community including activities that utilize the water-sport products they produce.
- COBRA is actively pursuing an extensive range of environmental initiatives outlined in the company's yearly Sustainability Report.



Sustainable Surf is an organisation founded to meet the desires of a growing market for sustainable product and care for our environment within the watersports industry. Sustainable surf aims to drive surf culture to be a catalyst for global ocean protection and sustainability awareness. To engage, educate and entertain participants while producing multiple benefits (environmental, social, and economic) at both the local level as well as at the global level.

Sustainable surf works in partnership with both individuals and businesses to create innovative programs and campaigns to tackle issues like pollution, climate change and water quality issues effecting our oceans today. Cobra is a company rooted in watersports, our founders, workers and customers all share a connection to the ocean and we are proud to be part of the Ecoboard Project.

“We harness the power of water-sports to tell a new, powerful story, connecting our passion for play – into the urge to protect the oceans... AND live a ‘DEEP BLUE LIFE”



PROCESS & FACILITY

COBRA has a business operation policy relating to responsibilities for community, society, and environment regarding safety, quality of life, and environmental concern. COBRA runs its operation in compliance with government rules and regulations focusing especially on the environment standard. Throughout its production facilities, COBRA, with the commitment to build awareness of social responsibility amongst its staff, has been working on various types of “Process” built-into the production line. The key ones are shown below.

02

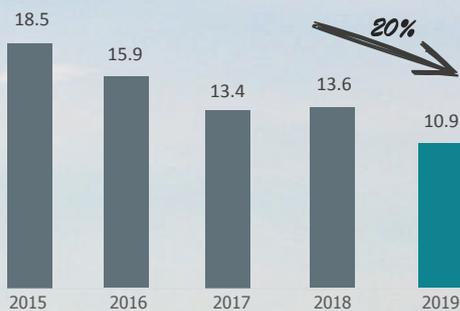
ENERGY REDUCTION PROGRAM

ELECTRICITY

COBRA encourages its employees to use energy efficiently. The company set up a cost control committee, consisting of maintenance and other key functions, to oversee all cost-related activities throughout the Cobra group of companies. The monthly electricity cost during 2015 – 2018 is shown below:



Electricity Consumption
(Millions KWh)



Electricity Savings Program

	2018	2019	Unit
Install Heat pump	23	1	Machine
Install Air Condition	40	1	Set
Install Ultra MDB	1	1	Set
Install MESS	132	15	Set
Install Power C MDB	14	13	Set
Install Motor Blower	20	3	Set
Install Vacuum Motor	31	23	Set
Install Digital Meter		28	Set
Install Online Monitoring System		12	Point
Install Static Var Generator (SVG)		1	Set
Install Electrical Timer Switch		12	Point
Install Motion Sensor Switch		12	Point

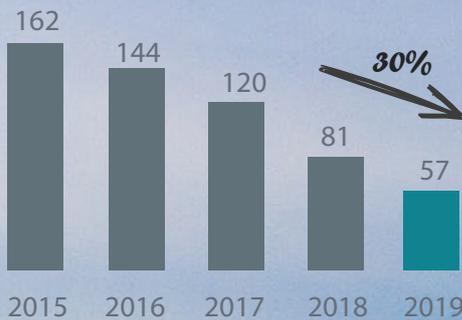
WATER

Water plays an important role in our manufacturing process specifically as the dust control mechanism. Additionally, we use water for a variety of purposes such as the heating system and cleaning our facilities to ensure the high level of product quality.

Currently not only reducing the water usage is one of our top priorities, we also aim for improving the quality of waste water before it is released back to the Amata City Chonburi Industrial Estate's system.



Water Consumption
(Thousands M³)



Water Savings Program

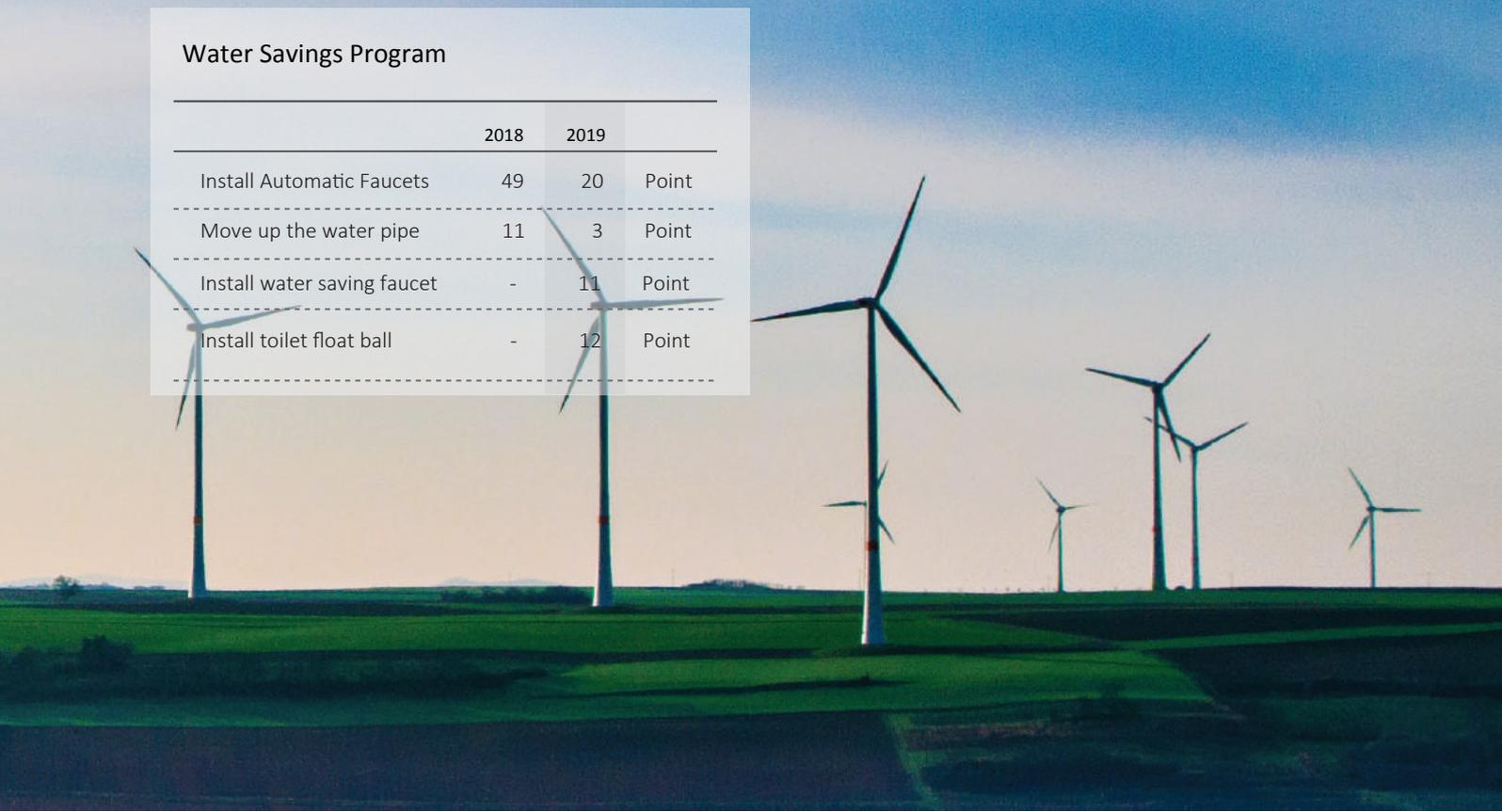
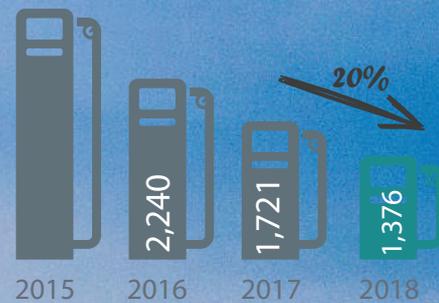
	2018	2019	
Install Automatic Faucets	49	20	Point
Move up the water pipe	11	3	Point
Install water saving faucet	-	11	Point
Install toilet float ball	-	12	Point

GASOLINE

Gasoline, as a part of our Energy Reduction Program, is used for transportation between operational facilities. The usage is reduced by the size of transportation vehicles because the smaller ones serve the same purpose with very much less gasoline.



Gasoline Consumption
(Liter)



EFFICIENT WASTE MANAGEMENT

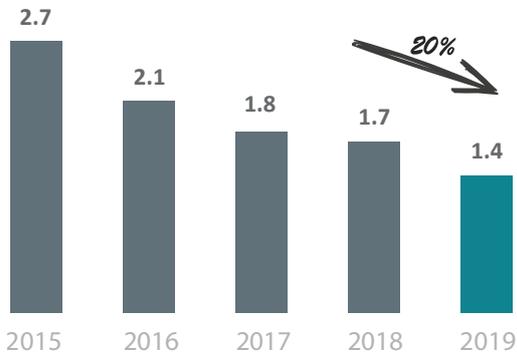
Waste management is one of the topics COBRA has been focusing heavily on over the past few years. In the first quarter of 2015 we improved the waste area by building a completely new 2,400 m2 waste station. The objective was to be able to manage the waste and pollution from it in an organized area in order to lessen existing pollution, create an organized waste management system and create a better atmosphere inside the company as well as to have an environmentally-friendly workplace for our staff.



NON-TOXIC WASTE



(Thousands of Ton)



From above, through various program in 2018, we have reduced waste by 5.6%.

RECYCLE WASTE



Recyclable Waste

	2017	2018	
Paper	29,825	19,170	kg.
Paper Core	10,540	4,720	kg.
Iron Scrap	112	72	ton
Foam Scrap	144	107	ton
Plastic	6,851	2,292	kg.
Tank	3,583	4,687	unit

To effectively manage waste separation, we built 2,400 m2. waste station. The new waste station consists of 7 separate sections with each section storing specific types of waste ranging from EPS foam, paper cartons, different kinds of plastic material to aluminum foil. The floor of the new waste station was lifted up to avoid flooding which could cause more pollution.

In summary to effectively manage waste, we clearly separate them into 3 groups as follows:

1. Toxic waste to be managed by 3rd party waste specialists.
2. Recyclable waste to be recycled for either re-use within the company, or sell to 3rd parties.
3. Non-toxic waste to be sent to related party for a proper landfill.



In replacing fuel oil, we are using Biomass which is more environment-friendly.

Wood-fuelled heating systems, also called biomass systems, burn wood pellets, chips or logs to provide warmth in a single room or to power central heating and hot water boilers.

A stove burns logs or pellets to heat a single room- and may be fitted with a back boiler to provide water heating as well. A boiler burns logs, pellets or chips, and is connected to a central heating and hot water system. A wood-fuelled biomass boiler could save you up to THB 4 million a year compared to fuel oil.

Advantages of Biomass Energy

1. It's a renewable form of energy

Biomass energy is considered a renewable form of energy because the organic materials used to produce it are never-ending. The organic materials including wood, crop waste, garbage, sewage sludge, and manure are continually produced by society. In a nutshell, regrowth of these organic materials supports the fact that biomass is renewable.

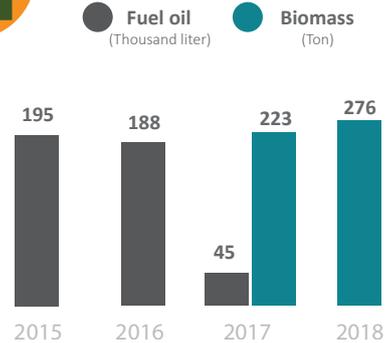
2. It's carbon neutral

Biomass energy takes care of this since it is a natural part of the carbon cycle as opposed to fossil-based sources of fuel such as oil, natural gas, and coal.

BIOMASS



Fuel Oil and Biomass Consumption



Biomass Savings Program

	Plan for 2019
Sourcing Material (Price & Heat)	✓
Upgrade Boiler Parts	✓
Heat Recovery System	
• Form Foam Injection	✓
• From EPS	✓

3. Widely available

Just like sun and wind energy, biomass energy sources are bountiful in supply. You can find them virtually in every nook and cranny of the world. The fact that it's bountiful in supply means that we may never encounter problems that we are presently experiencing with fossil-based sources of fuel. Nonetheless, it's vital that we maintain the abundance of this natural resource by being responsible in its use.

4. It's cheaper compared to fossil fuels

Producing biomass energy does not involve heavy capital outlay. Fossil fuels production, on the other hand, involves high upfront capital costs such as drilling to reach oil wells, constructing gas pipelines and collection of biomass fuel.

GREEN AREA



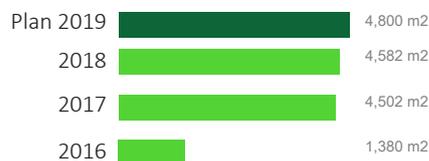
Since 2015, COBRA has encouraged its employees to build and maintain green spaces in the designated areas throughout the company. The participation of the employees was very well received.

OBJECTIVE

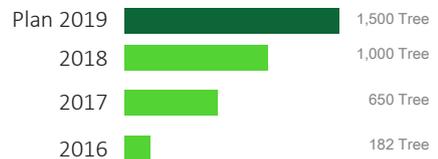
- Create better atmosphere for employee in the factory.
- Reduce carbon footprint of factory.
- Reduce overall heat in the factory.
- Reduce electricity cost related to air condition, fan-utilize natural light.
- Utilize rain water, manage waste water.
- Utilize waste to generate fertilizer, etc.
- Manage solid waste.
- Create a biosphere also including animals.



GREEN AREA



PERENIAL PLANT



OPPORTUNITIES

FOR PEOPLE WITH DISABILITIES

At COBRA, we consider human capital to be one of our core assets. We are committed to developing career path for all our employees, including providing opportunities for those with disabilities.

Today, we integrate 19 people with disabilities in various areas throughout the facilities from supporting units, warehouse, to main production lines.



Mrs. Ratree Fakfai
 General staff, HR Department
 Movement disability
 Has been with COBRA since 2012

- **Mobility**
 Serious difficulty walking or movement
- **Hearing**
 Serious difficulty hearing
- **Cognitive**
 Serious difficulty concentrating, remembering or making decisions
- **Vision**
 Serious difficulty seeing



Mr. Danu Chotikapanich, our group CEO and staff planted the 1,000th tree



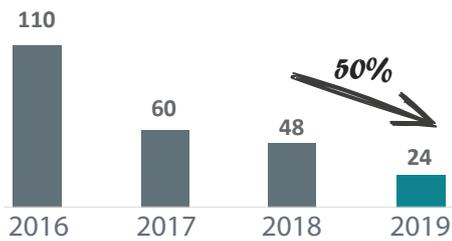
SAFETY

NUMBER OF ACCIDENT

With the efforts to make Cobra a safe place to work, we have heavily implemented many safety activities.



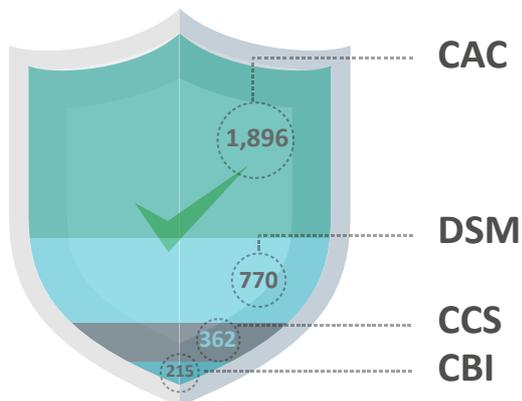
Number of Total Accident
(Times)



From above, as a result, the number of total accident came down by 9.4% in 2018.



ZERO-ACCIDENT COMPETITION



COBRA organizes a zero-accident competition for its factory-based subsidiaries of Watersports, Automotive, Marine, and Accessories business units. In 2018, the reward went to CAC, the Automotive business unit, for a straight 1,896 days without any single accident with lost time. This high-level of commitment regarding safety has been one on the key focuses among the companies of COBRA.

SAFETY ACTIVITIES



SAFETY WEEK

Cobra has organized annual Safety week for 14 consecutive years to promote safety awareness through various safety-related activities and contests among departments. This is in line with the Safety policy to promote safety in our work place.

In 2018, there are 10 booths and 1,500 participants joining this 1-week event



FIRE FIGHTING TEAM

It has been COBRA's tradition to organize a safety week to provide knowledge about safety in particular to workplaces. The highlight of the event was the accomplishment of the 8th generation of COBRA's fire fighter. By the end of 2018, COBRA had 48 professional fire fighters trained up working 24/7 to safeguard the company against any fire-related accident.

- The objective to setup our fire fighting team is to:
- (1) recruit and regularly train our own fire fighting team
 - (2) be able to handle emergency case according to standard procedures
 - (3) limit the damage from fire
 - (4) be the coordinator with external fire agencies
 - (5) promote safety awareness among employee



9th Generation of Cobra's fire
60 Professional fire fighters for plan 2019
52 Times of Training

HAPPY WORKPLACE

The happy workplace is a process designed for developing its human capital strategically according to the company's vision in order for the company to be able to cope with changes, both internal and external, which will lead to sustainable business growth. COBRA considers its human capital as the most important asset and, therefore, has created various programs for developing its human capital using activities.

03





HAPPY BODY

Good health leads to happy life both physically and mentally which result in better coping with problems we face. COBRA has continuously supported many activities relating to better health and sportsmanship as showed below:

WATERSPORT CHAMPIONSHIP

Being the manufacturer of Watersport boards for Windsurf, Surf, Stand-up-paddle (SUP) and Kite, COBRA encourages its employees to participate in these sports at the annual Watersport Championship. One of the key objectives is to improve employees' quality of life through sports and get-together events.

Mr. Danu Chotikapanich, our group CEO and local administration gave an opening remark at the 2018 Watersport Championship.





TYPE OF COMPETITION

INTERNAL

STAND UP PADDLE

- Men's singles
- Women's singles
- Team

KAYAK

- Men's singles
- Team

EXTERNAL

STAND UP PADDLE

- SUP sprint open

WINDSURF

- Windsurf class A
- Windsurf class B



AMATA SPORTS DAY

As part of the Amata Nakorn Industrial Estate (“Amata”) sports day, COBRA has been supporting and participating in this event since its inaugural event.

Football (Men): 1 Team, 22 players

Table tennis men’s singles: 2 players

Sepak Takraw (Men): 2 Teams, 10 players



COBRA'S CUP

In promoting a better work-life environment, COBRA has organized a futsal competition with an objective to create awareness of good health, cooperation, and sportsmanship through sports.

20 Futsal teams

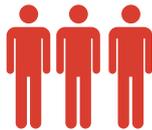
144 players

HAPPY HEART

Social sharing makes a better living society. We believe sharing is the meaning of true happiness. By giving back to society, COBRA organizes many programs as shown below:

BLOOD DONATION

It has been a long tradition for Cobra to organize a “Donating Blood Saves Lives” event on a quarterly basis. 2018, as always, was another successful year with warm participation from Cobra staff.

 **270**
Donators

220
Pints of blood collected
Saves **660 lives**
(1 pint save 3 lives)
Source: The Thai Red Cross Society



CHILD SCHOLARSHIP

The Company is committed to pursuing sustainable business practice while working to realize a better future for Youth. The Company also undertakes community engagement activities in fields where it is best able to do so to help address the needs of our children. Besides the education scholarships the company has regularly given to employees' children, COBRA also provides education sponsorship for disadvantaged children in Chonburi and also remote areas.

As with other CSR programs, we are committed to creating a better society by offering those disadvantaged children the opportunities as well as financial support to pursue their higher education.

Today, we provide 9 child sponsorships to the YWCA organization and 3 child sponsorships to the World Vision organization.



CALENDAR DONATION

Every year, COBRA collected old calendars, snacks and toys and donated to local schools with the intention to use as teaching material for blind children.



☺ ☺ ☺ = THANK YOU

FAREWELL PARTY

COBRA has been throwing a farewell party, as part of our culture, for our staff for their commitment and long years of service. On December 19, 2018, a total of 9 retiring employees were invited to the farewell party to be thanked by the company.



PERFORMANCE AWARD EMPLOYEE WITH EXCELLENT

Cobra awarded its staff as the recognition of their long and valuable service (excellent performance). In 2018, a total of 369 staff were awarded.



HAPPY RELAX

Our employees are the most important resources. The company is always aware that employees' relaxation both physically and mentally is necessary not only for themselves but also for their working performance. Consequently, we organize "Thank you" party and other events and invite our employees to join these celebrations.

THANK YOU PARTY

Thank You Party is held annually around year-end to flourish the corporate relationship amongst the staff and management team. In 2018, 1,400 people joined the Thank You party event with various shows and lucky draws given out to staff.



HAPPY BRAIN

Knowledge is one key attribute to self-improvement which leads to becoming a professional in our field and as a result, a secure career path into the future. To be a professional, we all need to go through learning processes. We at COBRA are committed to providing knowledge as much to our staff as to the society with the following programs:

STUDENT FORMULA SPONSORSHIP



Since 2010, COBRA has been sponsoring the Student Formula projects from many leading Thai universities (e.g., Chulalongkorn University, King Mongkut's University of Technology Thonburi, Thai-Nichi Institute of Technology, etc.).

The main purpose of this project is to build a mini-formula car for the TSAE Auto Challenge organized by the Society of Automotive Engineering Thailand (TSAE).

COBRA provides assistance to the students participating in this project in terms of location for production and testing, raw material for making various parts of the car, tools and equipment as well as technical support from our experienced engineers and technicians.



A group of students together with COBRA staff preparing the Formula car

FACTORY VISITS

The Company proudly welcomes selected visitors to observe production activities in our facilities at Amata Nakorn Industrial Estates, Chonburi, Thailand. Most of our visitors are university professors and students both domestic and international who are interested in composites manufacturing. The main objective is to provide opportunities for students to gain real-life knowledge. With the knowledge gained from these visits, we strongly hope to give them insights into composites manufacturing in order for them to apply in their further education and careers.



Khun Danai, our CFO, explaining the product design process to a group of student.

124 Visitors

came to visit COBRA in 2018

2 Universities

1 Organizations

HAPPY SOUL

40TH-YEAR MERIT-MAKING CEREMONY

Every year, the company organizes a traditional merit-making ceremony to promote Buddhist ethics among company staff. It is an important event for Buddhist and serves as a blessing ceremony for the whole company and its staff.

In 2018, it was organized on September 3, 2018, and 300 people joined the ceremony.



Upper left: Annual merit-making ceremony, the celebration of this special day started with Khun Danu, our group CEO, presiding over a traditional Thai blessing ceremony.

Lower left: Khun Vorapant Chotikapanich, our chairman, give the offering dedicated to the monks.



SONGKRAN FESTIVAL

COBRA organizes a Songkran festival celebration, the Thai New Year’s festival, for its employees every year. The event provides opportunities for employees to perform water pouring on Buddha statues in the belief that it will wash away the sins and bad luck. The event also provides opportunities for young employees to show respect to the elders by pouring water over the palms of elders’ hands in return for good advice and life lessons.

The company organized a “Rod Nam Dam Hua”, a traditional event where the staff pouring water on the hands of elders and asking for a blessing.



BUDDHIST FESTIVAL

In Thailand, there are many holy days of Buddhist events held throughout the year by the Thai people in order to celebrate the important dates in the Buddhist calendar. It has been COBRA’s long tradition to organize Buddhist events right in its factory by inviting the monks to deliver principles of Buddhism to the employees as well as providing opportunities for COBRA’s employees to give alms to the monks.



HAPPY FAMILY

Strong family relationships are the foundation of a good society. Our policy is to support building a strong family through various programs shown below:

EDUCATION SCHOLARSHIPS PROGRAM

COBRA realized the importance of education as being the foundation of a strong family institution, and hence, has been providing an education scholarship to employees' children.

The program started in 2012, and has been around since then, to provide opportunities as well as financial support to our employees and their children.



137

education scholarships given
to our employees' children in 2018

HAPPY SOCIETY

Social sharing makes a better living society. We believe well-being leads to a strong foundation for unity, love, cooperation, and harmony. By giving back to the society and help developing the communities, COBRA organizes many programs including humanitarian relief efforts during a natural disaster, safety training via safety week event, and many more.

SCHOOLS IMPROVEMENT

In 2018, COBRA organized a volunteer program which 300 employees participated in, helping improve the classrooms, re-paint the building, fixing playground, and improve the surroundings of the school as well as giving various educational material to the school.



BUILDING DAMS

COBRA organized “Water creates Life” program to build dams for the purpose of slowing down the water as a conservation method for soil and water. This program supports the Royal Initiative by the King Rama IX. The concept is to slow down water flow in order to improve moisture and the eco-system and as a result, having a sustaining water supply.



HUMANITARIAN RELIEF PROGRAM

On June 22, 2018, COBRA organized a humanitarian program to provide lunch to homeless children at this center. There are total of 350 homeless children here.



Khun Supon, our CSO, and team provided the benches, food and snack to the homeless children care



GREEN INITIATIVES

ABOUT SUSTAINABLE SURF

“ We harness the power of water-sports to tell a new, powerful story, connecting our passion for play – into the urge to protect the oceans... AND live a ‘DEEP BLUE LIFE’

Sustainable Surf is a California-based 501(c)(3) non-profit charity organization founded by social entrepreneurs Michael Stewart and Kevin Whilden. We have offices in Los Angeles (heart of the Southern CA surfing industry), and in San Francisco (nexus of sustainable business and innovation in Northern CA).

Our Mission: Be the catalyst that transforms surf culture into a powerful force for protecting the ocean playground.

Our Strategy: We take an integrated “systems thinking” approach with our innovative programs and campaigns, which engage both individuals and businesses together in partnership to solve the most pressing environmental issues facing our oceans. Specifically, we focus on addressing environmental impacts such as climate change related impacts (ocean acidification, sea level rise and coastal erosion), marine plastic pollution, and water quality issues that threaten our shared “surfing habitat.”

How we engage Individuals – Provide engaging on-ramps for individuals to make lifestyle choices that can lower their negative impacts on the ocean and coastal environment, while boosting their positive impact on their local communities.

How we engage the Industry – Consult with surf related businesses and organizations to improve their environmental performance, and help communicate their efforts in an authentic and effective way.



Program Goals: Our programs are designed as onramps to engage, educate and entertain participants, while producing multiple benefits (environmental, social, and economic) at the local level in the communities in which they operate, as well as at the global level.

To that end, our programs focus on: 1. developing the rise and availability of dramatically more sustainable surfboards; 2. operating a unique recycling program that helps turn waste styrofoam packaging into new recycled-content surfboard cores; 3. turning professional surfing contests into a living showcase of engaging sustainable lifestyle choices; 4. Inspiring individuals to adopt an ocean-friendly lifestyle as their own. ”

04



RESULTS:

Conformance with all Reporting Areas

The audit confirmed, and further reinforced, that COBRA International has comprehensive systems in place to ensure that boards 'carrying' the ECOBOARD logo meet the ECOBOARD Project requirements. The organization has sector-leading processes and procedures that ensure boards are made to the ECOBOARD specification, appropriate protections are in place for staff regarding occupational health and safety risks, and broader environmental impacts are considered and managed.

KEY OBSERVATIONS

The following are some of the key observations noted during the audit:

1. By only producing molded boards with qualifying Sicomin bio-resin, and having a comprehensive specification process that follows each board through the production line, the opportunity for a non-qualifying board to be laminated with the ECOBOARD logo is significantly minimized, if not negated. Resin barrels, dispensing stations and relevant equipment are also all clearly marked and maintain.
2. There has been a dramatic expansion of the number of brands and board types making ECOBOARDS through COBRA's facility since the initial audit in 2016. Sustainable Surf would like to commend COBRA and its brand customers for the key role that they are playing in increasing the number of ECOBOARDS made each year. NSP, Starboard SUP and Windsurf, Surftech, Airush and The Surfboard Agency (Stacey, McCoy, Vampire, LSD) are all making some or all of their ECOBOARDS at COBRA.
3. Reinforcing point '1', the Cobra site holds ISO 9001 certification. The management systems, policies processes and procedures that underpin this, further limit opportunities for non-qualifying boards to 'carry' the ECOBOARD logo.
4. Worker health and safety (WHS) and health and wellness programs are at a very high standard. COBRA has implemented many key activities and programs to promote the improvement of safety and support its workers and the broader community.
5. COBRA is actively pursuing an extensive range of environmental initiatives to improve energy inputs, waste and water management, shipping and packaging, and supply chain sustainability. These are documented and publicly reported via the company's Sustainability Report.
6. Understanding that employees are integral to the success of the organization, COBRA provides a range of programs to encourage participation in activities that utilize the water-sport products they produce. Cobra supports an employee Windsurfing Club, where employees can participate in Windsurfing, Kitesurfing, Kayaking and Stand-up-paddle boarding.

