



CORPORATE SOCIAL RESPONSIBILITY

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The Group commits itself to conducting its business with accountability to social communities, the environment and stakeholders by practising the principle of corporate social responsibility (CSR) as a guideline to doing business. In a bid to protect all stakeholders' interests, the Company's code of business conduct approved by the board of directors applies. This focuses on integrity, transparency, corporate governance and social ethics to maintain the Group's sustainable growth. The code of business conduct has been disseminated to the senior management and staff members of the Group so that they can use it as guidance on the performance of their duties.

1 Fair conduct

Fair competition

The Company recognises the importance of equal and fair treatment of its counterparties by taking the following actions:

- providing correct and adequate information and advise in a timely manner to ensure their proper knowledge of our products and services;
- clearly stating the terms and conditions of each sale and purchase transaction and strictly complying with those provisions;
- delivering good quality products that have fair prices and meet the customer's requirements; and
- appointing a procurement committee responsible for implementing the bidding procedure in relation to any transactions worth more than one million baht, so that all information in the proposals will be reviewed by the committee to promote fairness.

Respect of others' property

To recognise the importance of the property rights of others, the Company has established a policy applicable to the senior management and staff members. Under this policy, senior management must prevent the Company from violating any legal rights of stakeholders, including its employees, counterparties, social communities, business competitors and creditors, through any acts or decisions made. The Company also has an anti-piracy policy.

Supply chain management

To recognise the importance of supply chain management, the Company has drawn up guidance on the performance of duties by the senior management and staff members to ensure collaboration between the Company and various stakeholders in a bid to enhance the Company's sustainable wealth and growth.

2 Anti-corruption

The Company's board and senior management comply with the code of business conduct relating to anti-corruption by:

- dealing with a conflict of interest in a careful, honest, fair and independent manner to best benefit the Company; and
- establishing and maintaining the internal audit and control system relating to finance, operations and compliance. Given there is an emphasis on signaling an alert in relation to any irregularities, the internal audit and control system should be implemented along with risk management.

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3 Respect of human rights

According to the Company's code of business conduct, its board of directors and/or senior management are expected to ensure that the Company has not violated and will not violate any legal rights, including human rights, through any acts or decisions made. The key policy and procedure relating to human rights established as a part of the Company's standard operating procedures are as follows:

- The Company will not hire, be involved with or support the use of child labourers under 18 years of age. This requirement applies to employees and workers hired by any contractors providing services to the Company.
- The use or support of forced labour in all forms is prohibited. If an employee does not wish to voluntarily work for the Company any longer, he/she may resign by proceeding with the procedures stated in the Company's Work Rules.
- All male and female employees will be treated equally, except where the nature and conditions of work do not allow the Company to do so. All pregnant female employees will be provided with appropriate working conditions and a work environment that ensures their safety and the safety of their unborn babies. The Company has no policy to dismiss, demote, or reduce the fringe benefits, of female employees who become pregnant.
- The Company respects individual's right to form a group or participate in the activities of any group as he/she wishes, including any negotiation with such a group. However, if this freedom of association, including any negotiation, is limited by law, the members of such a group will be entitled to equal facilitation and treatment along with all other employees.
- No deduction or reduction of wages will be imposed on any employees as a disciplinary punishment in any circumstance. The Company will not take or support any action amounting to physical or mental punishment, coercion or harmful treatment against its employees.

4 Fair labour treatment

Employment and labour relations

The Company has a policy to employ legal labour, free of discrimination based on gender, race, religion or sexual orientation. Hiring forced labourers or child labourers (under the age of 18 years old) is prohibited. Disabled persons are given employment opportunities for any suitable positions to improve the quality of their lives. The employment conditions, working conditions and fringe benefits are well managed in compliance with labour law on the basis of fairness, social ethics and transparency. The nomination, selection and appointment procedure of Company personnel is of great importance. The Company's key considerations when hiring are a candidate's knowledge, ability, experience, and suitability for the relevant job position. These requirements will also be taken into account for determining the employee's wages and reviewing their job promotion. The Company provides various fringe benefits and facilities, including medical expenses, accident insurance, recreation facilities, internal and external training courses, to improve the quality of its employees' working conditions.

The Company has set clear policies on the remuneration and welfare benefits which commensurate with market rates in the same industry and with the performance of the Company and the individual, as set out in the Code of Business Conduct which has been approved by the Board of Directors.

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Occupational health and safety

The Company promotes continuous training and development to develop its employees' skills, knowledge and ability, and to prepare them for their future careers. The training and development places particular emphasis on building team spirit, as well as promoting environmental and occupational health and safety. In relation to the latter, the Company provides training to its employees on environmental and occupational health and safety, ISO 9001:2008 quality management, personal healthcare, factory sanitation and the GMP certification standards. The purpose of such training is to enhance the employee's morale, stability, and quality of working conditions, as well as to improve their leadership and commitment to the Company as an organisation.

On account of the Company's continued campaign to minimise accidents in the workplace, the rate of work-related accidents has decreased. There have been no records of death or severe accidents in the Group's manufacturing factories. These factories joined with a government campaign for an award of excellence in environmental and occupational health and safety, launched by the Welfare and Labour Protection Department and Ministry of Labour. The objective of the campaign was to promote employee alertness on this issue, work discipline, compliance with safety measures, and cooperation in preventing work-related accidents.

With awareness of the significance of its employees' occupational health and safety, the Company has strictly complied with all applicable laws and has established the Environment, Occupational Health and Safety Committee (EOHSC) to oversee the proper implementation of the OHSAS 18001 and TIS 18001 standards, and to regularly review the objectives and goals in relation to the working environment and occupational health and safety. The Company's fulfilment of the OHSAS 18001 and TIS 18001 standards has been recognised and certified by the relevant organisations.

5 Responsibility to consumers

Consumer health and safety

All staff members are encouraged to recognise the importance of safety at all stages of the manufacturing procedure. The Company operates an efficient reverse examination system that can prove the manufacturing procedure through a scientific method using standard and advanced technology equipment. It aims to make food products using the food safety management system according to the HACCP and GMP standards, to control against any hazards and to comply with laws and regulations relating to food safety applicable in Thailand and other countries in which the counterparties operate. The Company's organisational procedure has been continuously improved to manage the clear disclosure of complete and correct information to all relevant parties.

The Company has a policy to produce good quality and high standard products using state-of-the-art technology, and maintains a quality control system covering all stages of its manufacturing procedure. The Company's products have won awards for the following international standard certifications: ISO 9001:2008, Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), KOSHER and Halal.

The Company has committed itself to maintaining and improving its quality management system across its organization in order to manufacture good quality products which are safe for its consumers. Currently, the Company has been awarded the following international certifications of manufacturing standards: GMP, HACCP, ISO 9001, and Halal. The Company has also recognised the importance of research and development to the development of quality products that meet customers' needs, and the Company carries out frequent calibrations on its laboratory equipment, as can be seen by the certification of its food lab standard: ISO/IEC 17025 granted by the Ministry of Public Health of Thailand.

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Labels of goods and services

With awareness of the importance of showing correct information relating to its products, the Company has ensured that the sachets, sacks, and/or labels for all its products show the correct information about nutrition, cooking instructions, and other information in accordance with applicable laws, rules, regulations and international standards. This is to ensure that consumers derive the best benefit possible from use of its products.

Marketing communications and customer's privacy

The Company commits itself to producing good quality, hygienically safe and timely delivery so as to satisfy consumer requirements. The Company continuously improves its manufacturing quality control system to ensure it meets international standards. The Company's performance is measured by customers' satisfaction which the Company can be used further for improving and developing its products and services.

6 Environmental care

Sustainable use of resources

In the present day, energy use is one of the key factors in economic improvement. With the rising demand for energy due to economic growth, the Company has been alerted to the importance of sustainable energy use. The Company therefore implemented energy preservation and alternative energy sources into action by installing a system to generate biogas from waste water released from its factories. Biogas is used as a fuel in generating thermal energy, which substitutes for furnace oil in the manufacturing procedure of cassava starch. In addition to the direct benefit that the Company and its subsidiaries obtain from cost reductions, the biogas system also brings about a decrease in greenhouse gas emissions. Furthermore, the products of the Company and its subsidiaries also received Carbon Footprint certificate issued by Thailand Greenhouse Gas Management Organization (TGO) including subsidiary companies are also certified with ISO 140001: 2004 standard which represents the Environmental Management System with the purpose of making the organization aware of the importance of environmental management and developing the environment along with business development by focusing on preventing the pollutions released and continuous development.



Prevention and mitigation of pollution

The construction of the biogas project was to replace the furnace oil with biogas, for which the Group uses the Covered Lagoon Bio Reactor (CLBR) technology, which incorporates in itself the advancements, high capacity and stability and carries the low cost of quality control. The CLBR technology has dual function both in biogas generation and waste water treatment. In addition to producing benefits in the form of cost reductions, the biogas project efficiently assists in environmental management. The benefits in respect of mitigating environmental effects are as follows:

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- **Quality of discharged water:** After the waste water passes the CLBR system, the concentration value of organic compounds will reduce to 95-97 percent for both the Company and its subsidiaries. Subsequently, the waste water enters the open treatment system, which is the original system used by the factory that meets applicable standards of the Department of Industrial Works.
- **Reduction in greenhouse gas emissions:** Methane is a type of greenhouse gas that produces 21 times harsher effects than carbon dioxide. Reducing methane emissions into the atmosphere by reusing it as a source of energy can also reduce the emission of carbon dioxide.
- **Smell:** The CLBR system assists in eliminating the unpalatable smell of waste water discharged from the manufacturing procedure by using a close-covering system.
- **Sanitary condition of the Company's employees and local communities:** The cause of the problem will be solved in the manner that the unpalatable smell and waste discharged from the manufacturing procedure will be eliminated.

Furthermore the Company recognizes the importance of environmental conservation and has implemented an environmental management system, evaluated and reviewed the system regularly to achieve sustainable development. As a result, the Company has obtained certification of its environmental management system under ISO 14001:2004 and has also been awarded a green industrial certification at level 3 (the green system) from the Ministry of Industry of Thailand, which is the system that reflects environmental friendliness. In addition, the Company has installed manufacturing waste treatment systems to tackle pollution in accordance with the Ministry of Industry's standards. Installed systems include: (i) natural ponds for wastewater treatment located on an area of approximately 50 rai; and (ii) an air pollution treatment system using both a wet scrubber and a cyclone scrubber to catch dust and fumes from the combustion process before they are discharged from the factory. These systems are subject to regular inspection, modification and improvement by a team of engineers and specialists.

7 Social and community development

Role in the market and job creation

The Company and its subsidiaries have always recognised the importance of improving the quality of life of local communities by participating in social and community development for sustainable growth as follows:

- **Mushroom farming in local schools:** Soil remnants and cassava peels left from the manufacturing procedure are used in mushroom farming at local schools. This encourages students, whose parents are employed by the Company, to gain knowledge for potential future careers. The practice of farming also generates income to benefit local communities. Field trip budgets, raw materials procurement, and the establishment of farming facilities are sponsored by the Company. Each school may use the mushrooms to prepare lunches for the students, or sell them to local customers at a cheaper price throughout the year. In addition, not only does this programme implants a hard-working spirit in the local students but also imparts knowledge to them that can be applied to support their families in the future by teaching the students of Ban Khok Saat Sri Burapa school, Udonthani province to grow mushrooms from tapioca peels. This project received a golden award from the "Caltex Fuel your school" project.

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- The cassava farmers suffered a decline in cassava output per rai, affecting the volume of fresh cassava roots - a key raw material of the Company's manufacturing activities. This problem was caused by poor crop rotation practices where farmers failed to use proper methods of improving deteriorated soil in the plantations of cassava and sugarcane for long periods of time. In response, the Company continuously promoted the project of "growing varieties of beans to serve as green manure to improve deteriorated soil". The objective was to encourage the farmers to use natural fertilisers (as opposed to chemical fertilisers) to improve soil quality. In collaboration with government authorities and local community leaders, the Company has campaigned to educate farmers by organising tutorial sessions, distributing fact sheets, and distributing leaflets to farmers who comes to sell their cassava roots at the factories. This programme is expected to resolve the problem relating to soil deterioration, which will in turn reduce manufacturing costs and help increase the crop volume for the farmers.



Participation in local community

The Group emphasises cooperating with local communities and other organisations in economic and social development activities. The objective is to promote strong and sustainable development of local communities. The Group has played its role in tackling social issues and joining social improvement activities.

- Encouraging the farmers to use the waste water released from the factories for their agricultural use instead of fertilizers and chemical substances which will in turn reduce the manufacturing cost and increase the farmers' income, while the factories can benefit from the reduced cost of waste water treatment.

The Company and its subsidiaries donated money, labour, and general necessities to the local communities, corporate entities, government bodies and organisations to improve the well-being of local communities, as following:

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Building a culvert project

Building a culvert at Muang Pia Sub-District, Udonthani. Due to the blockage of the old culvert which led to fequent flooding in the area. The Company solved the issue permanently for the local community by replacing a bigger culvert of 100 cm to the original of 30 cm.



Supporting good-being of elderly project

Work together with Tambol Khok Saat Sanitarium in supporting the well-being including food for health check project of the elderlies in Khok Saat sub-district, Udonthani.



Setting up the LED warning lights

Setting up of LED warning lights “Beware of trucks entering and existing” in order to notify and increase the visibility on the roads of Udon-Huai Luang which in turn can reduce the risk of car accidents.

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Supporting the Lak Lam Huai Luang project

“Lak Lam Huai Luang” Project with Ban E-Lung community, Tambol Chiang yuen, Udonthani. In order to help raise awareness and understanding among the community regarding water utility from the Huai Luang canal for consumption and treating the cleasiness of canal for future benefits. And also releasing of fishes into the canal for a natural environment.



Career Academy project

Career Academy Project by cooperating with Udonthani Provincial Office of the Non-Formal and Informal Education in order to promote education, knowledge and improving the personal skills among the workers.



Supporting the development of the water supply system project

Supporting the development of the water supply system at the Wan Hin Village, Pimai district, Nakhorn Ratchasima by participating in develop and promoting public utility of the local community.



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Destroying the weeds in reservoir at Thakanto municipality project

Destroying of the weeds in reservoir at Thakanto municipality, Kalasin by cooperating with Kalasin province in destroying the weeds and cleaning the reservoir so that the community can have better quality water.



Mangrove plantation project

Assisting in a campaign to plant mangrove forest and gather garbage by working with the youth and the elderly at Koh Nok, Thakham sub-district, Bangpakong district, Chachoengsao.



Enhance the industrial factories' potential for CSR project

Assisting continuously in a campaign run by the Department of Industrial Works to enhance the industrial factories' potential for corporate social development (CSR-DIW) and received the CSR-DIW Award of Outstanding Economic for Community Project for "Turning Thainam Tapioca Peel into Straw Mushroom for the Community".



"Takraw" for health

Building a "Sepak Takraw" field for employees, visitors and especially for the delivery, drivers while waiting during the loading of goods, to have a place for exercising. Having good physical and mental health are good for employees as it would enable them to work more efficiently.