

# Corporate Social Responsibility

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.

### Guideline for Practices toward Suppliers

1. Conduct business, both in production, sales of products, and services, in a safe and environmental-friendly manner.
2. Safeguard customer confidentiality, and refrain from abusing it for personal interest or for the interest of other parties.

3. Strictly comply with the trading agreements. In the event that any particular condition cannot be met, notify the customers in advance, and jointly seek a resolution to prevent any possible damage.
4. Do not demand or agree to receive assets or any improper benefits that are not stipulated in the trading agreement.

### Policy on Selection of Suppliers

The Company places importance on product and service procurement process for the Company's interest in cost management and operational efficiency, and sets guideline for the selection of suppliers. The Company also implemented goods and service procurement process in a transparent and fair manner with the line authority of approval based on the nature and value of products as approved by the Board of Directors. Below is the Company's criteria for Selecting of suppliers

- Personnel, machineries, equipment, services, and storage, as well as credible financial status and company profile.
- Proof of satisfaction, both in product quality, services, on-time delivery, after services, and guarantees, or any other condition in the agreed transaction.
- Suppliers/ business partners with no conflict of interest against the Company's business nor blacklisting history on corruption or dereliction of duty. They must not be on the blacklist of the government and private sector.

### Guideline for Practices Toward Competitors

1. Treat competitors within a fair competition and international principle framework.
2. Do not fraudulently or inappropriately seek confidential information from or about the competitors.
3. Do not damage the competitors by groundless slander and accusation.
4. Do not demand, receive, or pay for any improper benefits in trading with the Company's competitors
5. Strictly comply with terms and conditions regarding the competitors.

## 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.

### Anti-Piracy Policy

To recognise the importance of the Anti-Piracy, the Company has established the following guidelines:

1. Operate business in accordance with laws, regulations, and obligations on intellectual property rights.
2. Protect the Company's intellectual properties ("IP") from being infringed, copied, and adapted. Do not use, or disclose the Company's intellectual properties to third party without proper authorization.
3. Respect intellectual properties of others. Do not infringe or use others' work for personal benefit unless receiving proper authorization or paying fees to IP rights holder(s).
4. Report the superiors if infringement of intellectual properties or any act that may lead to dispute against the Company's intellectual properties are found.

### 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 has established and adhered firmly and consistently to our business operation guidelines in accordance with good corporate governance in exercising corporate social responsibility (CSR) and giving importance to promoting anti-fraud and anti-corruption practices. The Board of Directors' Meeting no. 1/2017 on February 21, 2017, had approved the Company to join the Private Sector Collective Action Coalition Against Corruption.

The Company has established Anti-corruption Policy to promote anti-fraud and anti-corruption practices in order to enhance the efficiency, integrity, honesty and transparency of the anti-fraud and anti-corruption business practices, in accordance with the Company's objectives and to serve as clear guidelines for Directors, Executives and staff.

**Note :** The Anti-corruption Policy have been disclosed under the heading "Corporate Governance" in the Company's Form 56-1 and the Company's Annual Report.

## 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:

1. Treat each other with respect for the principle of human rights. Do not violate human rights nor related laws. Treat one another in an equal manner without discriminating against appearances, mind, ethnics, nationality, religion, gender, age, language, color, education, and social status.
2. Exercise caution in performing duties to prevent risks of human rights violation. Monitor, and report the superiors if any act against human rights is found.
3. Treat employees fairly in all employment processes, from selection, remuneration payment, work hours, holidays, work assignments, performance evaluation, training and development, to non-discriminatory career advancement planning.
4. Do not use forced labor, human trafficking labor, and illegal child labor.

## 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.

The Company has established the following guidelines for Practices toward Employees:

1. Treat each other with respect for the principle of human rights. Do not violate human rights nor related laws. Treat one another in an equal manner without discriminating against appearances, mind, ethnics, nationality, religion, gender, age, language, color, education, and social status.
2. Exercise caution in performing duties to prevent risks of human rights violation. Monitor, and report the superiors if any act against human rights is found.
3. Treat employees fairly in all employment processes, from selection, remuneration payment, work hours, holidays, work assignments, performance evaluation, training and development, to non-discriminatory career advancement planning.
4. Do not use forced labor, human trafficking labor, and illegal child labor.

### **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.

The Company has established the following guidelines on health and safety:

1. Comply with laws, standards, and regulations related to health and safety to prevent or mitigate any possible impact.
2. Immediately report the superiors if any abnormality is found with regard to machinery, equipment, and workplace which may affect health and safety.
3. Superiors have direct responsibility over work safety, and a duty to announce or publicize preventive approach and control measure to prevent accident. They are also expected to monitor employees' health according to level of risk arising from work activities.

4. Prepare for emergency situations by continually developing, drilling, and updating an emergency plan to prevent or reduce risk on loss of life and assets of the Company, employees, suppliers, and other concerned parties.
5. Cultivate consciousness on healthcare and safety among employees throughout the organization to ensure sustainable work safety.

## 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.

The Company has set the guideline for Practices toward Customers in the Code of Business Conduct as follows:

1. Conduct business, both in production, sales of products, and services, in a safe and environmental-friendly manner.
2. Conduct business with an aim to continuously develop products and services, create new innovations to add more values to the products, and respond to the customers' needs.
3. Conduct business with integrity, honesty, and fairness, and do not take any action that would violate customer rights. Safeguard customer confidentiality, and refrain from abusing it for personal interest or for the interest of other parties. Do not directly and indirectly demand or agree to receive assets or any improper benefits from customers.
4. Strictly comply with the trading agreements. In the event that any particular condition cannot be met, notify the customers in advance, and jointly seek a resolution to prevent any possible damage.
5. Set up communication channels where customers can file for complaints to the Company. Follow up, investigate, and respond to customers' complaints in a fair manner.

### 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

The Company strives for environmental care and conservation, and encourages environmental management awareness amongst its employees. The following guidelines for practices toward environment has been set in the Code of Business Conduct:

1. Operate in accordance with environment-related laws, standards, and regulations, taking into consideration resource and environmental impact.
2. Promote environmental management system. Improve production and operational system to save resources and energy, ensure efficient use, and reduce environmental impact. Promote systematic management with regular evaluation, review, and improvement.
3. Support development and dissemination of environmental friendly technologies.
4. Provide training and knowledge on environmental care and conservation to employees of all levels in order to promote cooperation and responsibility in environmental management, as well as efficient and sustainable use of resources.

### 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 14001: 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:

- **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

The Company and its subsidiaries have always recognised the importance of improving the quality of life of local communities. The following guidelines have been established for social and community:

1. Do not violate the rights of others in the community and society.
2. Cooperate with other agencies in community development. Support community's activities for public benefits.
3. Promote good relationship between the Company and community/society on the basis of integrity, transparency, and fairness.

In the year 2017, the Company participated in social and community development for sustainable growth as follows :



### Improved Water Supply Project

The Company sent a team of mechanical technicians to improve the efficiency of water drainage system at Ban Wang Hin Moo 18, Pimai district, Nakhon Ratchasima. In addition, the Company also constructed and installed the sun shade net at the area to prevent sunlight directing towards the pond and reduce Protococcus.

### E-money Card Project

The queuing system had been established for the registering of the farmers to sell tapioca roots to the Company. This was done to increase the farmers' confidence in tapioca cultivation and that there was a definite market for them with price guarantee. With the queuing system for selling and the payment of tapioca roots via E-money card and allows the farmers to use the E-money card for withdrawing the cash from ATM. This has enabled the Company to purchase tapioca roots continuously base on the work plan.





### Farmers Training Project

The Company conducted training and seminars for farmers who were members of the Thakanto factory, in order to promote their knowledge and understanding on the planting techniques and increase the productivity of tapioca and also driving the E-tan car safely.

### Distributing Tapioca Stem to Farmers

The Company distributed tapioca stem to the tapioca farmer's members for propagation and cultivating. This can reduce the cost for the farmers and have good quality tapioca stems for cultivation, as certified by the government, for a better yield.



### Promoting Cultural Activities

The Company participated in cultural activities every year, such as the Pimai traditional boat race in Nakhon Ratchasima in order to continue preserving and inherit the beautiful culture in those areas.



### Dredging Canal for the Kaem Ling Project

The Company participated in the Kaem Ling project by removing weeds from the public reservoirs at Thakanto district, Kalasin province. The purpose was to reduce the drought problem that continued to get worst each year due to the climate change. The Company also received recognition for using water within the community.







### The Construction of Check Dam Project

The Company supported the construction of Huay Luang check dam project for agricultural purposes at Ban Champa, Chiang Yuen, Udon Thani province.

### Volunteering in Pracharath Project

The Company volunteered in the Pracharath project for developing the water resources by dredging the canal, eliminating water hyacinth, weed and other wastes from the water resource at Water obstacle Klong Lad area, Tha Kham, Bang Pakong, Chachoengsao.



### 70 years Thai Wah Protect the Forest Project

The Company aimed at creating environmental awareness amongst its employees by participating in the 70 years Thai Wah protects the Forest Project where the employees plant the mangrove at Wat Klong Mud, Samut Songkhram Province in order to preserve the forest and the environment.

### Granting Scholarships to Employees' Children

The Company supports the development of young people's potential who are important factors in laying the foundations of an educated society. The Company has granted scholarships to employee's children who have shown excellent academic performance and the right learning attitude but lack the appropriate funding.







### English Learning Via Internet

The Company conducted English learning via a tablet application for elementary students, along with course to improve 4 skills namely listening, speaking, reading and writing, 4 hours a week. The designed technology allowed students and teachers (native speaker) to communicate with each other.

### Continuing Projects

#### Project of Converting a Large Civil State for Modern farming

“The project of converting a large civil state for modern farming for cassava roots”, Nikhom Sang Ton Eng sub-district, Pimai district, Nakhorn Ratchsima province. It is a big modern farming project where farmers can reduce their costs and increase productivity for the plantation by using the drip irrigation system and by natural process (the rain) through the knowledge and technological know-how that they received from this cassava plantation prototype project and spread the success to other communities.

In the year 2017, the farmers joining the project increased from 1,700 rai to 2,800 rai in Pimai District, Nakhon Ratchasima Province. The Company also joined the project in Udon Thani for approximately 2,000 rais. For the year 2016-2017, the output per rai was higher than the set target.



### School within Factory Project

The Company’s “School within the factory” project co-operated with the Udon Thani Provincial Office of the Non-formal and Informal Education, in order to encourage employees who wished to enhance their knowledge and qualification. This would inturn improve their personal skills. This was a continuous project from the year 2016.