



CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

# CM CSR 2015





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## Corporate management policy

The Company realizes the importance of good corporate management which is the factor in enhancing the organization to operate the business with transparency, fairness, and treat the stakeholders equally. This includes the efficient management with the objective to enable the business to stably and sustainably grow. From this reason, the Company appoints the Corporate Management Committee to be responsible for supervising the operation to conform to the corporate management policy continually supplementary with the observation and evaluation on the performance in conformity with the policy. Such policy must be improved to be always appropriate as well as having the system to monitor and improve the codes of practice to comply with the good corporate management leading to the implementation with international standard.

## Organization's philosophy

Maximum satisfaction of customers  
is  
our maximum desire

## Vision

Be determined to develop to become the leader in frozen  
agricultural goods and processed agricultural goods.





## Corporate management policy

### *Mission*

- ❖ Be determined to develop and search for vegetables with quality, cleanness, and free from chemical substance as well as delivering the goods quickly as demanded by customers.
- ❖ Be determined to manage the operation to have the good investment turnover by holding the good corporate governance.

### *Ideology*

- ❖ Will treat the shareholders and the stakeholders equally and fairly.
- ❖ Will always be aware of risks and manage the risks appropriately.
- ❖ Will create the leadership in all levels and will encourage the good and happy working atmosphere including safety in working.





## Corporate management policy

- ❖ Will build the good relationship with the community and will be determined in conserving the environment.
- ❖ Will create the quality organization and will move forward to become the organization of learning.
- ❖ Will perform the anti-corruption in all kinds.
- ❖ Will not violate and encourage the operations violating the human rights.





## C S R in Process policy

- **Management in wages, returns, and welfares**

As the Company adheres to the principles of fair management on wage with the suitability to happy living, the Company specifies the rate of return to be not less than the minimum wage rate following the labor law. The salary is determined following the knowledge and competence. There is the employment on the disabled, loan benefits as well as other welfares such as annual health check-ups, reserve fund, cost of living, uniform of employees, medical insurance premiums, one free meal, etc.

- **Human rights and fair treat to laborers**

The Company pays attention to the protection of human dignity, rights, and freedom of the individuals. The operation of the Company is monitored not to involve in human rights violation and child labor abuse. All employees are treated equally. The employees are allowed to make some complaints / grievances against the supervisors or the executives of the Company by receiving the protection and being treated as confidential.

- **Development on the potential of employees**

The Company arranges the development process for all levels of employees. The superiors are developed in their potential to have thinking process, decision making, and working systematically as the prototype. There is also the process to develop the subordinates to become more efficient such as coaching and developing in work, mentoring, arranging the seminars, etc., to promote the Company as the learning organization.

- **Participation in the creation of society and community**

The Company encourages all employees to participate in the activities for society and environment by regulating the policy for all employees to participate in showing their power in making merits, responding, and giving their hands to the society and local community regularly. They help each other in dedicating themselves to make good deeds for public and make merits with the adhering on the Sufficiency Economy philosophy to live happily altogether.

### ***Message from Chairman of Executive Committee***

The Company operates the business from the past until present with the responsibilities to society and every group of stakeholders throughout the time. In the operation, we perform the continual development both in products and personnel. We pay attention to the work and activities with society in all respects. We arrange the activities in conserving the environment legally and not affecting the society in order to build the confidence among all groups of stakeholders forever.



**Mr. Prapas Pholpipattanaphong**

**Chairman of Executive Committee**



### *Message from Managing Director*

The Company is determined in operating the business with the continual development in all respects as well as paying attention to the employees under the concept, **“the Company’s employees are considered the valuable resources”**. As the sustainable development is from the participation of all employees, the Company emphasizes on developing the staffs to have knowledge and safety in working and to work happily as well as being far from drugs. The business operation focuses on arranging the activities to build the relationship, knowledge, and determination in working together in order to prevent the impact on the community and society. This is for living altogether stably and sustainably forever.

**Mr. Ankoon Pholpipattanaphong**

**Managing Director**







## About the Company

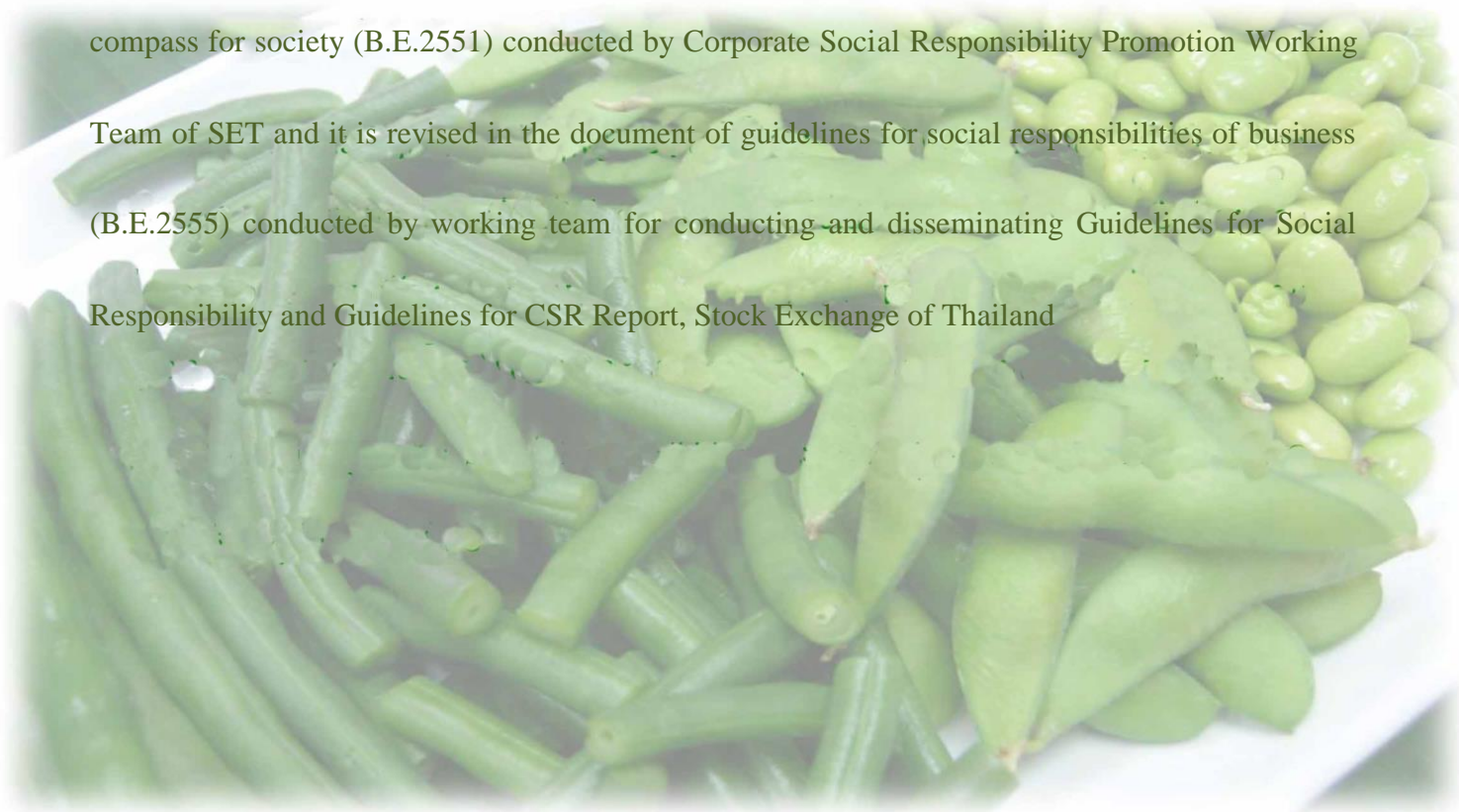
Chiangmai Frozen Foods Public Company Limited, Head Quarter, is located at No. 149/34 Soi Anglo Plaza, Surawongse Road, Bangrak, Bangkok 10500, Thailand. The Company was registered in 1988 with the registration capital of 50 million baht. In 1989, the first factory was constructed in Nong-jom Sub-district, San Sai District, Chiang Mai Province, and started by operating the business of manufacturing frozen vegetables and fruits for export. The main items at earlier stage were frozen pigeon peas, string beans, baby corns, mixed vegetables and fruits, etc. Until 1993, the Company was permitted by Stock Exchange of Thailand to register and start trading shares in the Stock Exchange of Thailand under the abbreviation of **CM**. In 1994, the Company transformed limited company to public limited company and the 2<sup>nd</sup> factory was constructed at Mae Fag Mai Sub-district in the same District to start the manufacturing in 1995. In 2004, the new cold room was constructed in the area next to the 2<sup>nd</sup> factory to serve the increasing productivity. The business operation from the past until now has the registration capital of 381 million baht. Nowadays, the Company manufactured more main products which are frozen sweet corns.



## About this report

This CM CSR report is conducted following the Integrated CSR Reporting Framework Version 2 conducted by Thaipat Institute. As the academic bureau responsible for helping and promoting the social responsibilities of business sector, this can be considered as the guideline in conducting CSR report following the Notification of Capital Market Supervisory Board as well as being in accordance with the Sustainability Reporting Framework of the Global Reporting Initiative (GRI) and Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).

Regarding the topic in social responsibilities, it is referred from the document of business compass for society (B.E.2551) conducted by Corporate Social Responsibility Promotion Working Team of SET and it is revised in the document of guidelines for social responsibilities of business (B.E.2555) conducted by working team for conducting and disseminating Guidelines for Social Responsibility and Guidelines for CSR Report, Stock Exchange of Thailand







## Our stakeholders

Our stakeholders	Relations	Expectation
Contract farmers of the Company	Grow agricultural produce supplied to the factory following the Company's conditions.	The conditions of sale and purchase are clear without being taken advantage. The payment is done in full amount and punctual to the schedule.
Employees	Perform the operation in manufacturing and providing services related to the Company.	The benefits and welfares are suitable. There are participations, respect to human rights, safety in working. The employees can work happily.
Trading partners	Sells produces and provide services related to the Company.	The payment is done in full amount and punctual to the schedule. The business is transparently operated with the fairness, reasonable price, and stability.
Competitors	Operate the business similar or as same as the Company's business.	The intellectual property is not infringed. The competition is fair.
Customers	Purchase the products manufactured by the Company.	The customers receive the good quality product. The delivery is punctual to the schedule with fair price and transparency.
Shareholders	Hold the Company's shares.	The shareholders will receive the true and transparent information as well as receiving the good returns from the investment.
Government agencies	Help coordinating in relation with the Company's business operation.	The legal practice without any complaint.
Community / Society	Be the persons related and closed to the Company's location who may receive both direct and indirect impact.	Being supported in any respect. Receiving the environmental safety as well as cooperating in the development.

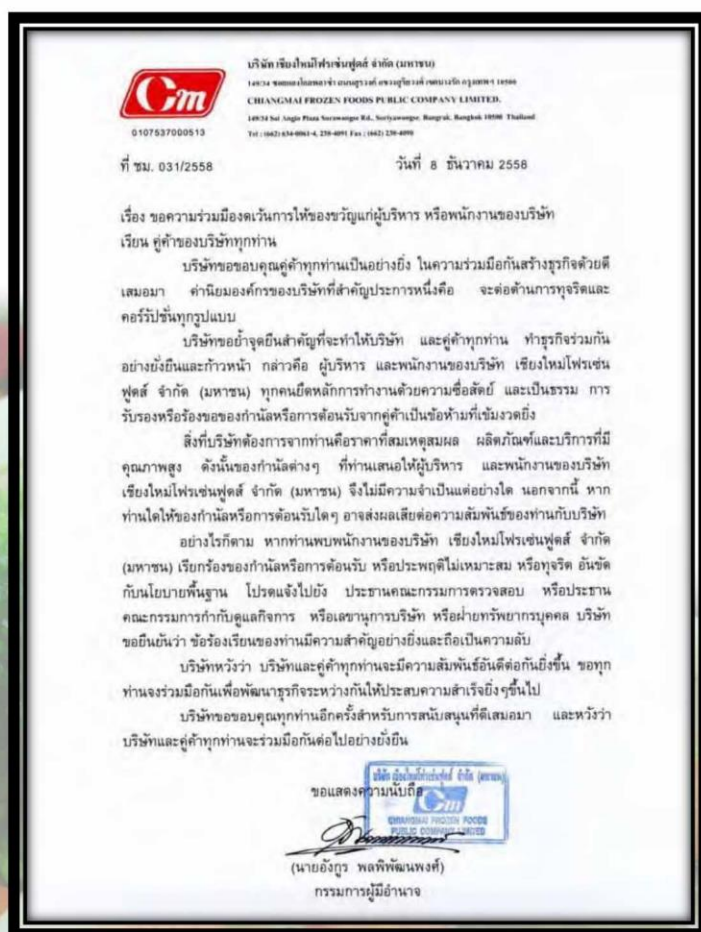


## Company's Projects and activities

### Fair business operation

**CM** is aware of the importance of management under the principal of business ethics and good corporate management which are the significant factors in enhancing the Company's business operation to be transparent and fair as well as treating all groups of stakeholders equally.

- Regarding the activity to purchase the products from trading partners, there are some criteria in selecting the trading partners and the presence of mutual determination in perform the operation correctly according to the law and requirements of MorRorThor. 8001-2553 as well as notifying for the cooperation in not giving the presents according to the document No.ChorMor.031/2558. The focused important standpoint is to make the Company and all trading partners able to mutually operate the business sustainably and prosperously. The executives and all employees of the Company adhere to the principle of working with honesty and equity. Receiving or asking for special gifts is the extremely strict prohibition. What the Company wants from all trading partners are the reasonable price and high-quality products and services.





- Regarding the purchase of agricultural raw materials which are the main raw materials used in the Company's business operation, the Company operates with the Contract Farmers who are the stakeholders of the Company. The meeting is arranged to explain the conditions of methods of purchase. There is the advance price guarantee to ensure the farmers in growing and supplying plants to the factories with exact schedule of payment. Moreover, there is the support in the manufacturing factors to the farmers. In each year, the Company has **more than 15,000 households** of contract farmers to enter the project in Northern provinces which can encourage the farmers to have the occupation with stable income well.



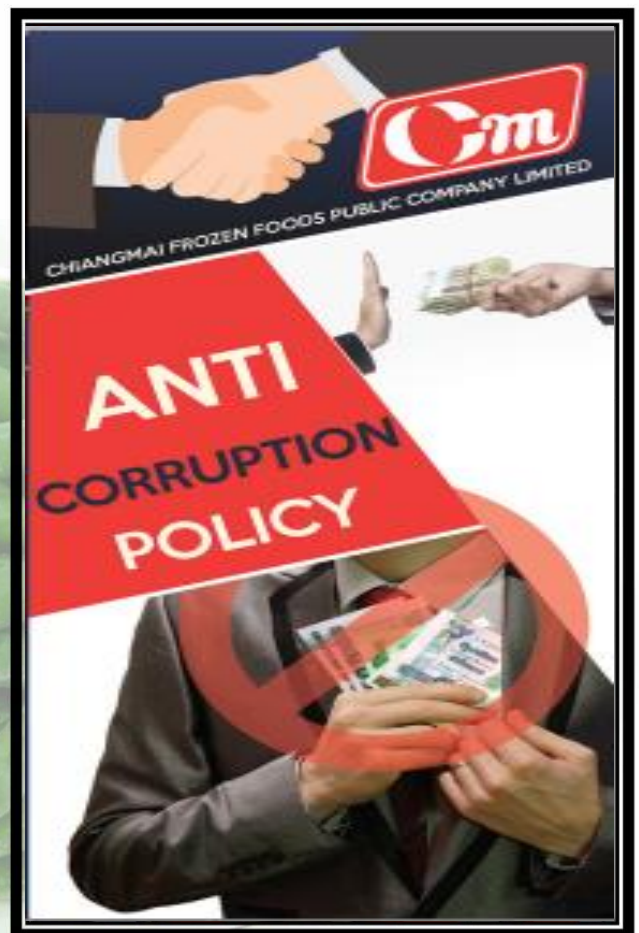
In order to supply the raw materials with quality to the factory, the Company provides the officials of agricultural promotion with the expertise in planting and caring the Company's produce in every area which the Company has promoted planting in order to take care and give some advices to the contract farmers quickly. In the last manufacturing season, the Company arranged the activities to call for the meetings and encourage the manufacturing factors which are the chemical sprayer and pesticide sprayer in special case for the farmers who can prepare the produce to supply to the factory both in the quantity and quality. Such meetings are considered as the forum for exchanging technics and knowledge in caring the produce.



## Anti-corruption

**CM** has the ideal in operating business morally, conforming to the law, being transparent, adhering to the social responsibilities and all groups of stakeholders following the good corporate management and ethics in business operation, and not promoting all kinds of corruption. Therefore, in 2013, the Company participated in becoming “the ally in the practice of Thai private sector in Anti-corruption” and conducted “the policy in Anti-corruption” in written form in order to be the clear guidelines for the practice in business operation and develop to become the sustainable organization.

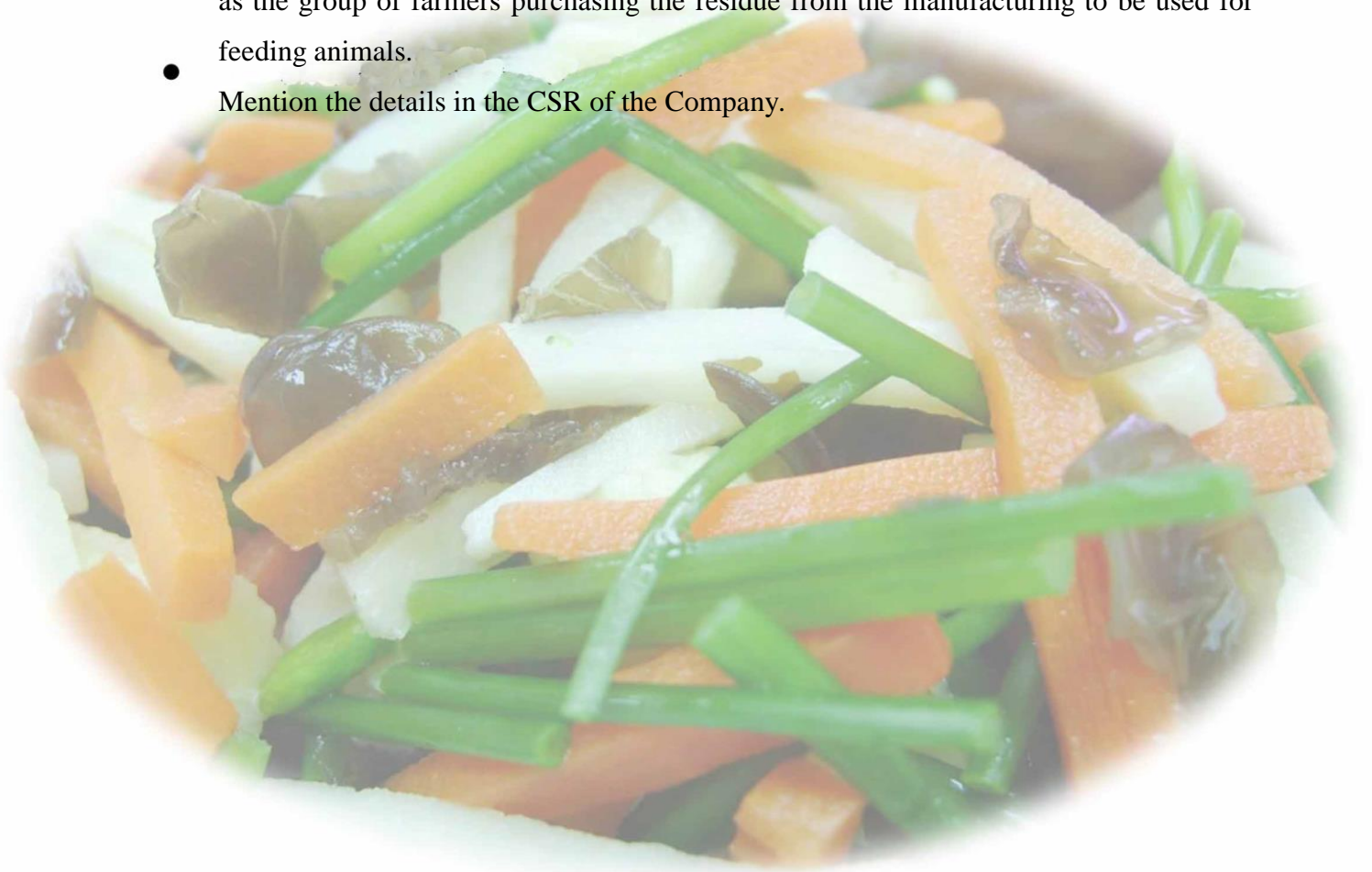
“The Company’s directors, executives, and employees are prohibited to involve in all kinds of corruptions for the benefits of themselves, families, friends, and their fellows both directly and indirectly whether in the status of recipients, givers, or bribers both money and not money to the government agencies or private agencies which the Company has operated business or contacted. The personnel must conform to the anti-corruption policy set by the Company strictly. Otherwise, the disciplinary act must be performed as required by the Company’s regulations and such person is possibly punished according to law if such act is illegal.”





The Company reveals the anti-corruption policy for the stakeholders and the third parties to know thoroughly through several channels as follows:

- Prepare the anti-corruption policy into the large brochure which is easy for reading with the details divided into clear topics such as ideal, guidelines for practice, provisions of punishment, continual operation, and the sources for approaching the information and complaints given to all employees of the Company to know and practice correctly.
- Prepare the document No. ChorMor.031/2558 sent to the stakeholders who are Suppliers via e-mail in order to make the suppliers know and practice correctly.
- Notify in the meeting with some groups of suppliers who can arrange the meeting such as the group of farmers purchasing the residue from the manufacturing to be used for feeding animals.
- Mention the details in the CSR of the Company.



### Human rights

**CM** pays respect to the fundamental rights of employees. The employees can freely participate in social activities which do not disagree with the principles of law and Company's regulations. The employees are allowed to participate in expressing their opinions for developing and improving the Company through several channels both in the forms of comment box and sub-meeting of each bureau in the Company in order to be the channel of communication for all levels of employees. The disabled employees are recruited with the allocation of work suitable for their potential. Moreover, the Company declares the policy in labor and determination in cooperating with trading partners in treating with labors legally as well as cooperating in conducting the standard system of MorRorThor. 8001-2553 to care all employees following this standard.

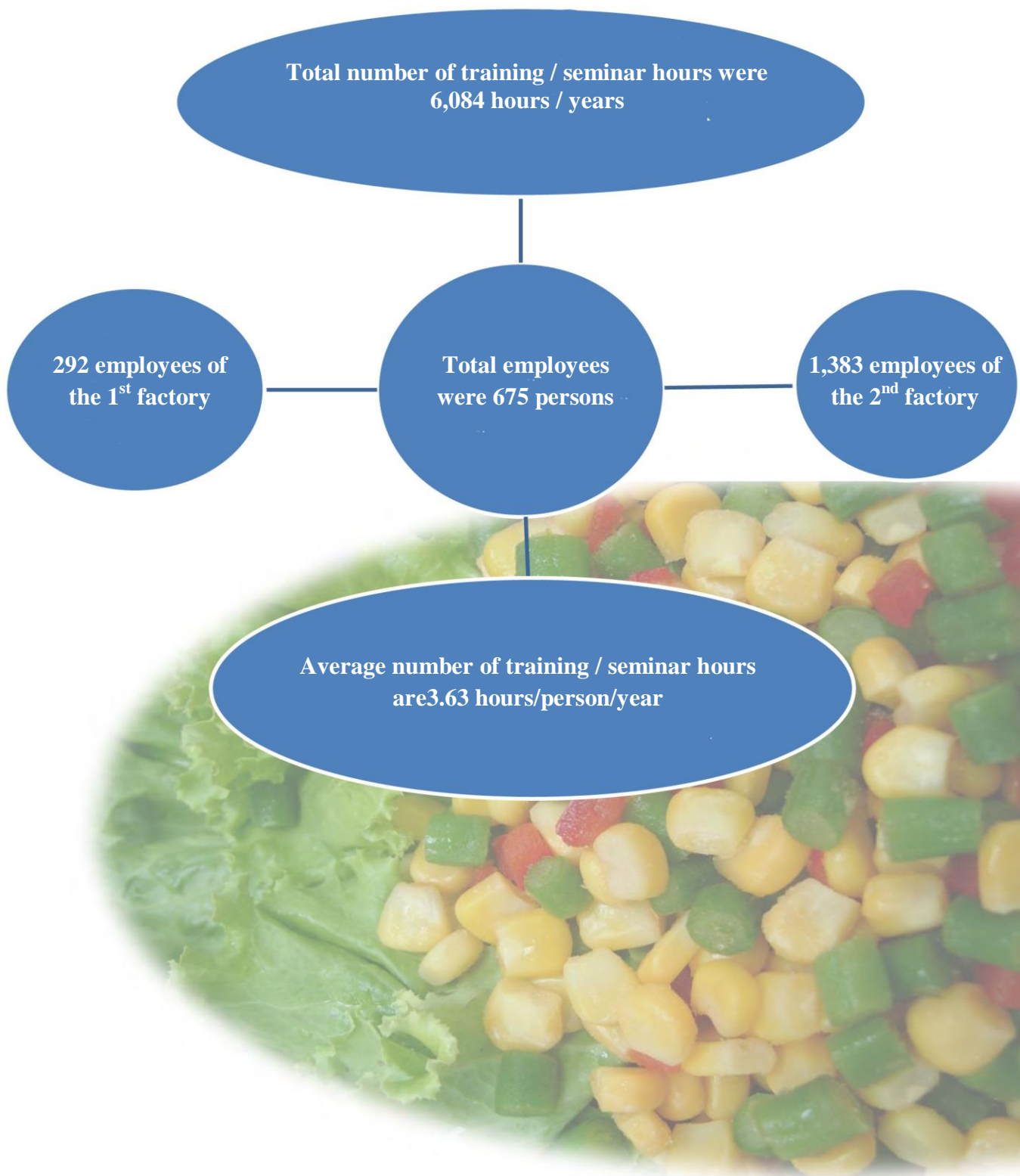
### Fair treat to workers

**CM** considers that all employees are the most valuable resources. The prosperity of the Company occurs from the cooperation of all employees. Thus, the Company regulates the policy in the responsibility to labors with the determination to make all employees of the Company be respected to the rights and to receive the protection following the labor law according to the guidelines to working as well as following the suggestion of customers and the care on the working welfares. This is for making all employees working with the Company happily. This also includes the support in scholarships given to the children of employees all years.





**CM** arranges the activities to develop all levels of staffs both for the STAFF and the operation. In 2015, the training and seminar were arranged for all levels of employees calculated into **3.63 hours per person**.









**CM** builds the consciousness of being the good persons for society and families. The Company adheres it as the policy and pay attention to taking care of the employees to have safety in working both in the factory and in daily life. The employees are encouraged to wear helmet in riding with the cooperation from Road Accident Victims Protection Co., Ltd., Chiang Mai Road Safety Directing Center Committee, Working Plan for Preventing Traffic Accident for Northern Region, and police stations in the Company's area. The MOU is mutually signed and the activity of piloting organization in wearing helmet for 100% is arranged. There is the observation and the suggestion as well as building the consciousness for the employees to wear helmet in riding continually.



**CM** focuses on taking care of the Company's employees to work safely. The activity of Safety Walk is arranged for the representatives in each section to rotate in surveying all parts in the factory to assess the harmful conditions and the harmful working behaviors to propose to the meeting for considering the guidelines for solving every month. In 2015, it was found that the Company had the statistics of accident so severe to be absent from work for more than 3 days calculated to **2.38 persons / 1,000 persons**.



**CM** gives knowledge and encourages the employees to be away from drugs by conducting the project with San Sai District continually for detecting the narcotics on the employees. The employees found the narcotics are sent to the camp for training and treating. In 2015, **7 employees were found to have violet urine** and they were trained in Naresuan Camp, Mae Taeng District for 9 days. They were observed and suggested so that they could be good persons for the society and their families later.



**CM** also arranges the activity of friend helps friend. The employees who have dedicative mind and faith cooperate in helping their colleagues in case of having the incident causing them to help themselves difficultly. This is to build the conscious of employees to love and help one another. This includes the arrangement of activity to visit the colleagues who have the incidents so severe that they have to be absent for curing for several days from work or others in order to encourage one another.





**CM** builds the good relationship between the employees in different departments and STAFF as well as the activity to maintain the good custom and tradition. In 2015, several activities were arranged such as congratulating the colleagues on their birthday, arranging the sport competition to anti-drugs, making merits in religious days, activity of Happy New Year, and paying respect to the elderly following the tradition of Northern people at the factory's location in order to make the employees enjoy and relax from work.







## Responsibilities to consumers

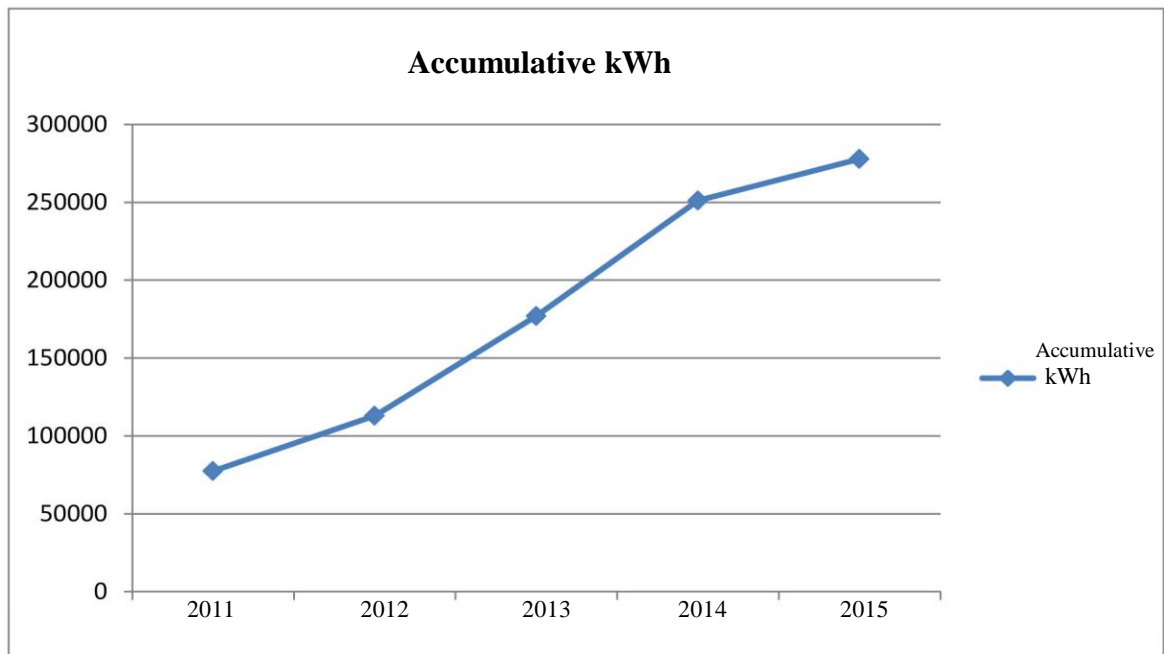
**CM** pays much attention to the quality control of products for the safety of customers starting from selecting the proper area for growing the raw materials, random detecting the residue chemicals both in soil and water, caring the plantation following the Good Agricultural Practices (**GAP**) in the system of **Contract Farming**, random detecting the residue chemicals in the raw materials before sending into the manufacturing factory, supervising the quality control in every manufacturing process in order to ensure that the Company's products are safe for consumption. The product information is indicated in the container in the languages following the countries of customers legally until the Company can operate the business and manufacturing to be certified with the quality standard agreeing with the quality systems of **GMP. , HACCP., ISO 22000 and FSSC 22000** to ensure that the Company's products are safe for consumption.





## Environment conservation

**CM** pays attention to and considers the occasion with urgent care in order to avoid any impact on the environment and community. The water used in the manufacturing process is brought into the waste water treatment system and is treated properly following the features of waste water. The Company has the waste water treatment system for water with low BOD which is AS (Activated sludge) and the waste water treatment system with high BOD which is ABR (Anaerobic Buffet Reactor). The by-product from the waste water treatment is Biogas to be used as fuel to function the electric generator to be used with the treatment system partly. In each year, the accumulation of units of generated electricity gradually increases which can reduce the use of electricity in some way.



**CM** is also aware of not making air pollution. The steam boiler is inspected to function safely every year and to emit pollution for not over the value regulated by law. The use of energy is also monitored for the reduction of use and worthiness. The report is conducted and submitted to the Department every year.

### Activities with community and society

The Company started to establish the Company and construct the factory since 1989. At earlier stage, the factory was located far away from the community. For the operation until now, the community expands to be closed to the factory in nearly all respects. The factory is considered part of the community and performs the activities for normal and transparent living together. The Company encourages and develops the youth to have knowledge and develop their own efficiency to be strong by conducting the activities with the community.







Activity of blood donation with the national sector of blood service in Chiang Mai

