



CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED

Corporate Social Responsibility

CSR

CM



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Corporate Governance Policy

The Company values the importance of good corporate governance which is a supportive factor for the business to be conducted fairly, transparently, and equally among all stakeholders. Good corporate governance results in an efficient management system. Its purpose is to establish a stable and sustainable business. Subsequently, the Company has designated the Committee of Corporate Governance to supervise the activities to ensure constant compliance with corporate governance policy. The Committee will also have to monitor and evaluate the outcome of policy implementation and revise the policy to be always appropriate, follow up and improve the practice to comply with a good corporate governance conduct for a standardized business operation.

Corporate Philosophy

Maximum satisfaction of the customers

is

the maximum aspiration of us.

Vision

We are committed to be the leader in frozen and processed agricultural products.

Corporate Governance Policy

Mission

- ❖ The Company is committed to develop and supply quality, fresh, clean, and chemical-free vegetables, and deliver the products to the customers in a timely manner.
- ❖ The Company is committed to make a good investment return by strictly following the principle of good corporate governance.

Business target

- ❖ The Company treats all the shareholders and stakeholders equally and fairly.
- ❖ The Company will always keep risk factors in mind and manage the risk appropriately
- ❖ The Company will create leadership in all levels and promote happy and safe working environment.

Corporate Governance Policy

- ❖ The Company will develop a good relationship with the society and the community, and intend to protect the environment.
- ❖ The Company will create a quality corporate and aim for a corporate of learning.
- ❖ The Company will act against corruption of all types.
- ❖ The Company will not violate human rights and not support the business that does so.



CSR Policy in Process

CSR Policy in Process

● Salary, remuneration, and welfare management

The Company strictly follows a fair principle of paying the remuneration suitable for cost of living. It has stipulated the wage not lower than required by labor law. Salary is based on employee's knowledge and ability. The Company also hires people with physical disabilities and provides employees with loans and welfares such as the yearly physical examination, provident fund, uniform, and medical insurance.

● Human rights and fair treatment of labor

The company understands the importance of protection of human dignity, rights and freedoms of individuals. It does everything to ensure that its business conduct is not related to human rights violation and child labor. All employees are treated equally and they have a channel to report/claim to their supervisors or top management under protection and confidentiality.

● Employees' Development

The company has human resource development for employees at all levels. This policy is aimed to train supervisors to be good at thinking process, decision making, and systemic work, so that they can be role model for other employees. The Company also provides the opportunities for the subordinates to improve their performance such as work training, work improvement, mentoring, and seminar training. All these are implemented to achieve the Company's business target of being the corporate of learning.

● Participation in developing the society and the community

The Company encourages employees to participate in social and environmental activities. It has the policy that requires the employees to show their power to do good deeds, repay and help the society and local community regularly. They are motivated to volunteer for the sake of public and committed to do good things, and follow the principle of sufficiency economy.

Message from the Chairman of Board of Directors

Since the founding, the Company has grown and become a public company. Through the course of business, the Company follows the principle of honesty, fairness, examinable, and legal conduct. Giving equal weight to every aspect of business, the Company has never stopped developing its corporate to become the leading frozen agricultural and processed product, hoping to create stability for all groups of stakeholders and the society as a whole.

Mr. Prayoon Pholpipattanaphong

Chairman of Board of Directors



Message from the Managing Director

CM conducts its business with responsibility for the society and all groups of stakeholders.

The operation has constantly developed both production process and service. Furthermore, the employees are keys to our success as reflected in the slogan “**Company’s employees**

are an essential resource”. Sustainable development can be possible with cooperation from every employee. The Company encourages its employees to be good persons by providing knowledge to staff of all levels to be good individuals for the society and the corporate.

Regarding the environment, the Company requires all internal activities to conform to applicable laws. In social respect, the Company

has participated in many activities with nearby communities. Most of the activities are about

conserving good traditions of people in the

North where the factory is situated. This is to

make the corporate and the community

developed together in harmony.

Mr. Prapas Pholpipattanaphong

Managing Director





About the Company

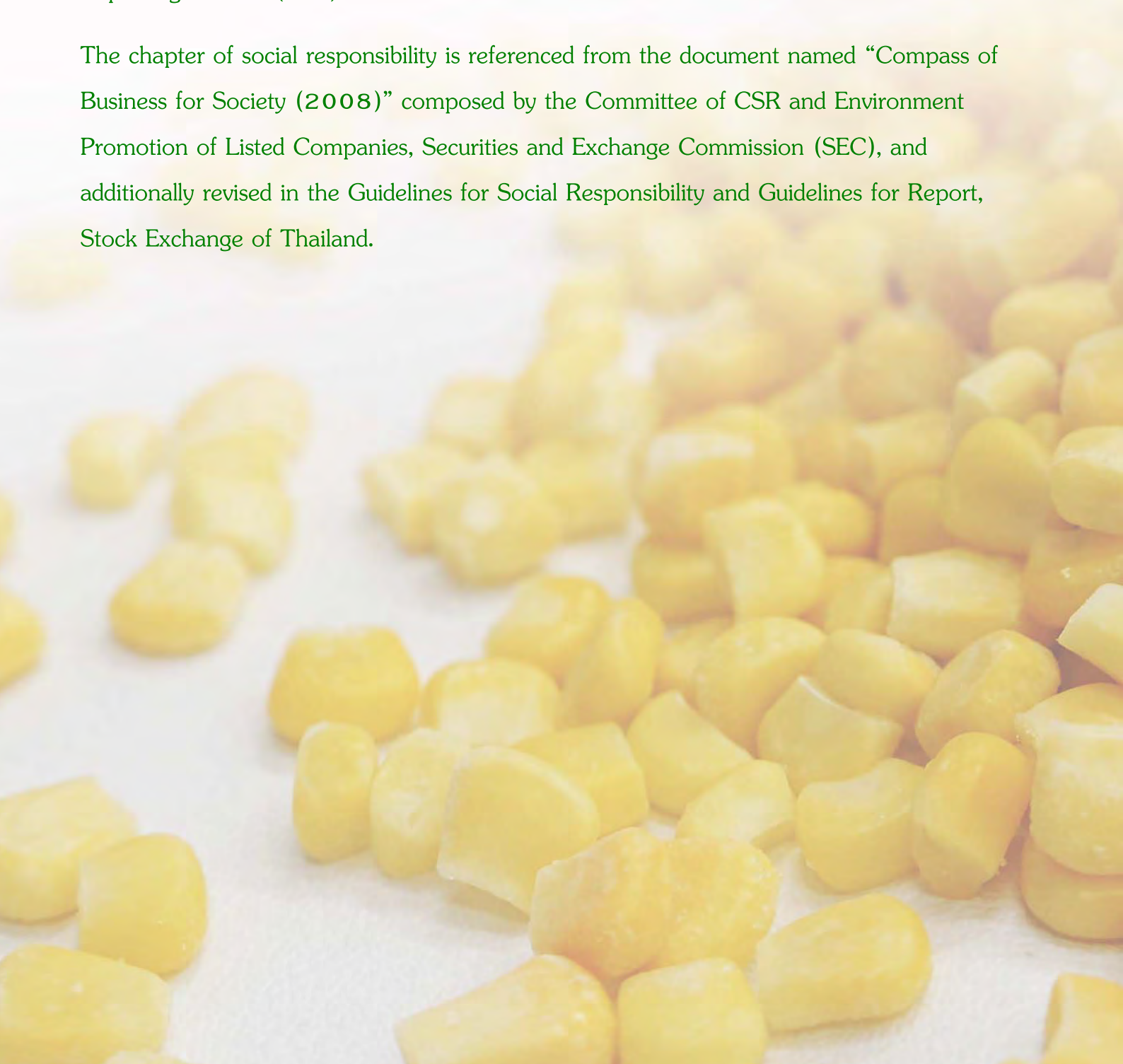
Chiangmai Frozen Foods Plc. has the head office situated at No.149/32-34 Soi Anglo Plaza, Surawongse Road, Bangrak District, Bangkok 10500. The Company was first founded in 1988 with the authorized capital of 50 million baht. In 1989, the first factory was built in Nong Jom Sub-District, Sansai District, Chiangmai, operating the business of production and export of frozen fruits and vegetables. The products in the early time included pigeon pea, green bean, baby corn, mixed vegetables, and frozen fruits. In 1993, Chiangmai Frozen Foods was registered in the Stock Exchange of Thailand as listed securities, traded under the name of CM and became a public limited company in 1995. In 2003, the Company built an additional cold storage next to the second factory to support the increased production capacity. As of today, the authorized capital is 381 million baht and has introduced a new product: frozen sweet corn.



About this Report

The CSR CM Report is made according to Integrated CSR Reporting Framework Version 2 by Thaipat Institute as the academic organization supporting business CSR mechanism to comply with CRS report making as required by Capital Market Supervisory Board. It has to also agree with the national standard for sustainability reporting framework by the Global Reporting Initiative (GRI) and integrated reporting framework by the International Integrated Reporting Council (IIRC).

The chapter of social responsibility is referenced from the document named “Compass of Business for Society (2008)” composed by the Committee of CSR and Environment Promotion of Listed Companies, Securities and Exchange Commission (SEC), and additionally revised in the Guidelines for Social Responsibility and Guidelines for Report, Stock Exchange of Thailand.



Our Stakeholders

Our Stakeholders	Relationship	Expectation
Company's contract farmers	Grow the agricultural products and supply to the factory with conditions	Clear and fair conditions, full and timely payment
Employees	Operate the production and related services of the Company	Appropriate wage and welfares, participation, human rights, and work safety
Business partners	Sell product and provide related services of the Company	Full and timely payment, fair and ethical conduct, and stable operation
Competitors	Operate the business similar to or the same as the Company's	Fair competition and no intellectual property infringement
Customers	Buy the Company's products	Good quality product, timely delivery, fair prices, and transparent transaction
Shareholders	Hold the Company's shares	Security and truthful data, and satisfying return from investment
Government agencies	Supervise and coordinate activities related to Company's business as government representatives	abidance by the law, no claims
Community/Society	People who live near the Company location and may be affected both directly and indirectly	Supports and environmental safety and cooperated development

Campaigns and Activities as CSR Policy in Process

Fair & Integrity Business Conduct

CM realizes the importance fair and integrity business conduct and good governance.

They are both important factors for transparent, ethical, and fair treatment of all groups.

- All the purchases from the major business partners are well selected. Both parties show mutual commitment to make legal transaction and comply with Thai Labor Standard TIS 18001:2553.



- Agricultural produce which is the main raw material in the business is purchased from contract farmers. The contract farmers are regarded as a group of stakeholders. There is a meeting to inform them about purchase condition. The price guarantee will make the contract farmers feel certain in their operation as they will be able to sell to the factory and receive sure money. The Company also provides supports in term of farm inputs. Each year, there are over 15,000 households joining the contract farming in the North. It is career stability for them.

Anticorruption

CM has the ethics to have a fair and integrity business conduct and complies with the law. Committed to transparency and CSR, the Company treats all stakeholders fairly with the principle of good governance and business ethics. CM is against all kinds of corruptions. Therefore, in 2013, the Company joined “the alliance of Thai private sectors against corruptions” and established a written “anticorruption policy” to set the clear guideline for business conduct and aim for sustainable corporate.

“Board of Directors, directors, or employees are prohibited from any act of corruptions for the sake of themselves, their family, friends, and acquaintances, both directly and indirectly, whether as the receiver, giver, or offering party of cash or noncash to/from government or private agencies that the Company makes a transaction with or contact with. Besides, they have to strictly comply with anticorruption policy. Failure to do so is subject to punishment by the Company or by law if applicable.”

Human Rights

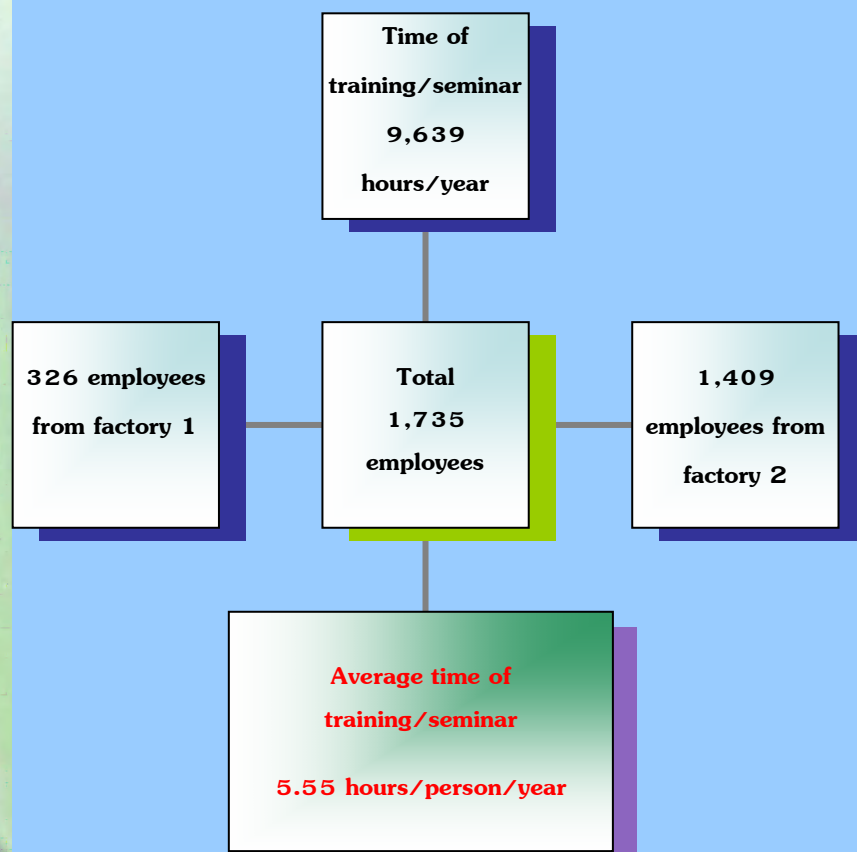
CM respects basic rights of the employees. They are free to join any social activities that are not against the law and regulations of the Company. They are allowed to express their opinion for improvement and development thought the Company’s many channels including opinion boxes and meeting at sub-departments. This is a way all levels of staff can communicate. People with physical disabilities are employed to work in a function suitable for their abilities and potentials. CM has announced labor policy and commitment in treatment of labor according to law. It has also participated in drafting Thai Labor Standard TIS 18001:2553 and treated the employees accordingly.



Fair Treatment of Labor

CM values all employees as the most valuable resources. The growth of the Company is from their hard work. Therefore, the CM has established the policy for employee responsibility, expecting to provide them with respect, rights, and legal protection as well as recommended by the customers.

CM considers all employees valuable resources. So the Company develops them in all level both staff and operation. In 2014, CM provided the training courses as explained in detail below:



CM emphasizes work safety for all employees by organizing Safety Walk Activity. In this activity, the representatives of each work function take a plant tour to assess the unsafe conditions and working behaviors. The results of the survey will be discussed in the meeting to find the solutions every month. In 2014, the Company had the statistics of accident that cause production downtime more than 3 days, or 2.2 persons/1,000 persons.

- Create among employees the awareness of good persons for the society and the family. The Company encourages employees to wear safety helmet while riding, and cooperates with Road Accident Victims Protection Co., Ltd. to educate them.



- To keep the employees from drugs, the Company together with Sansai District Office randomly checked the employees for drugs and sent the drug positive employees to get rehab and training. In 2014, drugs were found in 14 employees. They were sent for training at Khun Nen Military Camp in Mae Rim District for 9 days. After the training, they were monitored and given with consults to become good members of the society and the family in the future.

- The Company has run the Friends Help Friends activity so that the employees have the volunteer spirit and help other employees in case of accident in which case the victims might be helpless. It will help create unity among the employees.

CM thinks that working continuously may make the employees stressful. During the year, the Company holds the activity to create good friendship among employees and staff from different department. In 2014, the following activities were implemented.

- Happy Birthday
- Antidrug Sport Activity
- Fun Week Activity



To maintain good cultures and traditions, the Company organizes the Northern New Year activity and pouring water on the elderly's head according to tradition of the North where the factory is situated.



There is also the food offering to monk on auspicious occasions. The Company facilitated the activity by inviting and picking the monks up to perform the ceremony at the factory.

Consumer Responsibility

CM gives so much important in examining the product quality for the safety of customers. It all starts with choosing the right raw material, random check of residual chemicals in soil and water, grow the plants according to good agricultural practice (GAP) and random check for residual chemicals in the raw material received from contract farm before using in the production factory. Every production process in checked to ensure that the products are safe. Product descriptions are clearly specified in the packaging in the language of the target customer, adequately as required by law. In addition, the Company has started production certified by quality systems such as GMP, HACCP, ISO 22000, and FSSC 22000, to guarantee that the products are safe.



Environment Care

CM takes environment as one of the top priorities that need urgent consideration so that the business does not affect the environment and the community. The used water is treated at the wastewater treatment facility according to the standard. The Company has wastewater treatment plant for low BOD water (known as AS or Activated sludge) and high BOD water (known as ABR or Anaerobic Baffled Reactor). A by-product of wastewater treatment is biogas which can be used for power generators for some departments. In 2014, the Company generated 47,209.8 Kw and, by that, saved 179,397.24 baht.



CM is aware of air pollution by ensuring that the steam boilers are working effectively and not emitting the pollutions higher than specified by law.

2/2

รายการตรวจวัด	ผลการตรวจวัด	มาตรฐาน *	ผลการเปรียบเทียบ
	Boiler No.2		
เชื้อเพลิงที่ใช้	น้ำมันเตาเกรด C	-	-
เส้นผ่านศูนย์กลาง (cm)	30	-	-
ความสูง (m)	12	-	-
อุณหภูมิ (°C)	92	-	-
ความเร็วลมเฉลี่ย (m/sec)	6.10	-	-
ความชื้นสัมพัทธ์ (%RH)	1.30	-	-
ค่าความทึบแสงของเขม่าควัน (Opacity) ** (%)	5	10	ผ่าน
Total Suspended Particulate (TSP) (mg/m ³)	99.50	240	ผ่าน
Sulfur dioxide (SO ₂) (ppm)	281.50	950	ผ่าน
Nitrogen dioxide (NO ₂) (ppm)	5.10	200	ผ่าน
Carbon monoxide (CO) (ppm)	90.55	690	ผ่าน



CM also prioritizes energy management. Most of the energy is used for production of sweet corn. The Company keeps monitoring the energy consumption. It is successful reducing the volume of fuel oil per production unit respectively.

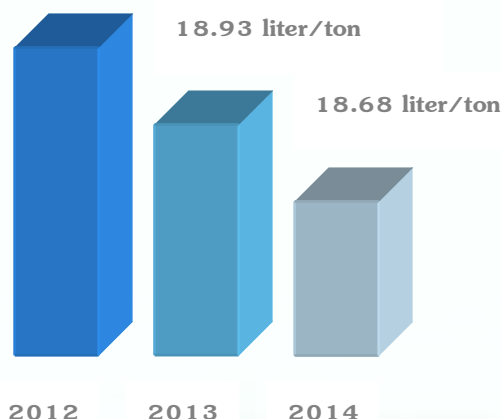
21.83 liters/ton of raw material in 2012

18.93 liters/ton of raw material in 2013

18.68 liters/ton of raw material in 2014

or 3.15 or 14.43% in 3 years

21.83 liter/ton



Fuel oil consumption

CM also evaluates its carbon footprint with B2B approach for salted pigeon pea to improve the process in the future. The results showed that it releases 784 grams of greenhouse gas per 400 gram of product.



Community and Social Activities

At the time of founding the Company and the factory in 1991, the factory was far from the community. As time goes by, the community has expanded and is now close to the factory from almost every side. The factory is a part of the community and has joined the community activities for harmonious living together. The Company promotes the youths and develops them to be knowledgeable, able, and strong. Some of the activities the Company joined the community are:



Students' onsite study

Join Children's Day activities

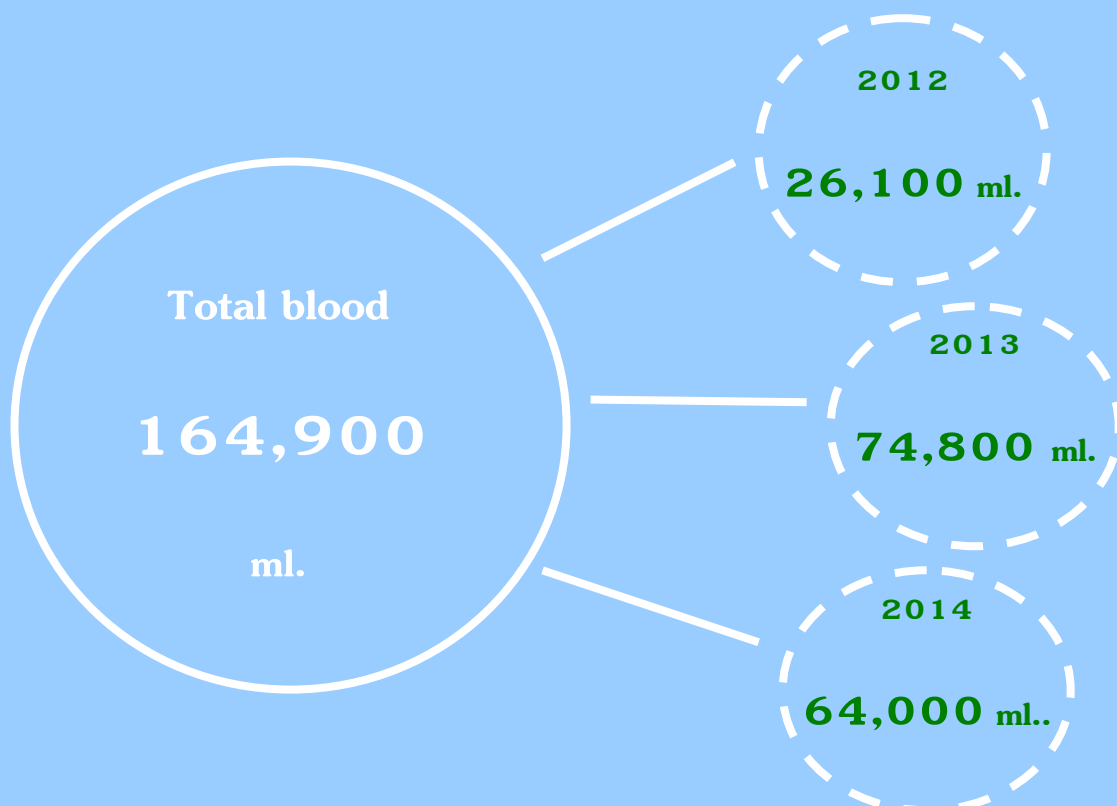
At the municipal near the factory every year



Making merit on special religious occasions



Blood donation at National Blood Center in Chiangmai



Other Activities

- Donate for **Loi Krathong Festival** at Ban Pong San Pa Sak, Nong Jom Sub-district
- Sponsor **Special Charity** at Ban Pa Mueat School, Chiangmai
- When there are too much agricultural produce in the southern border provinces, the Company and **Lansium Demesticum Fruit Distribution from Farmers Project** distributed the product to sell outside of the area and sell to the employees for a higher price for the sake of farmers.
- Sponsor “Happy Biking” Activity done by Chedi Mae Khrua Municipal in Sansai District, Chiangmai
- Sponsor **National Labor Day** in Chiangmai

