



Corporate Social Responsibility Report 2014  
Asian Phytochemicals Public Company Limited



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# Great Pride of APCO

**APCO received 3 awards in 2014**

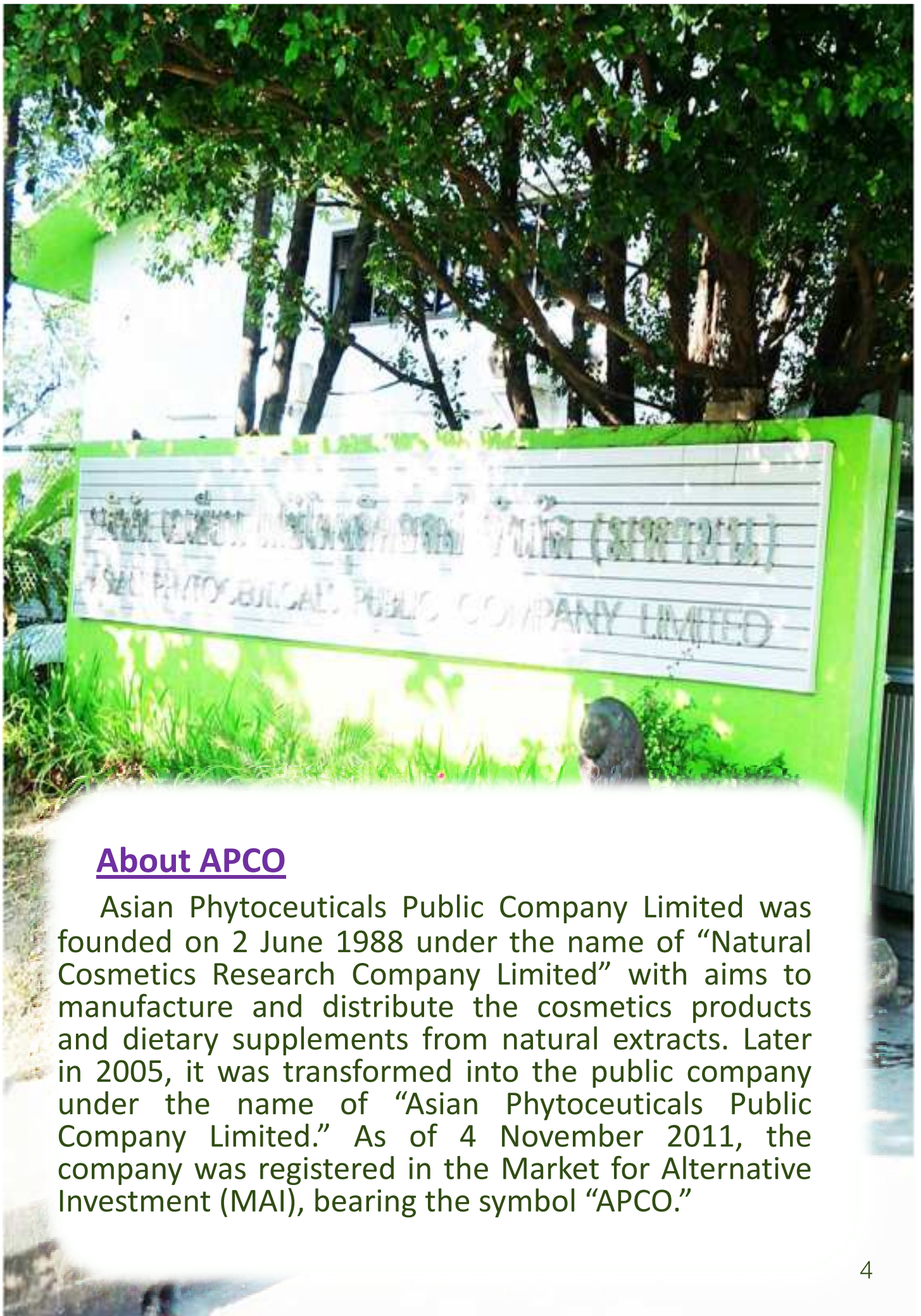


**“Best CEO Awards”**  
(On 27 November 2014)

**“Best Company  
Performance Awards”**  
(On 27 November 2014)



**“CSR Recognition in the  
category of the Most  
Improved CSR”  
for the company with the  
most outstanding  
improvement in its CSR works**  
(On 18 November 2014 )

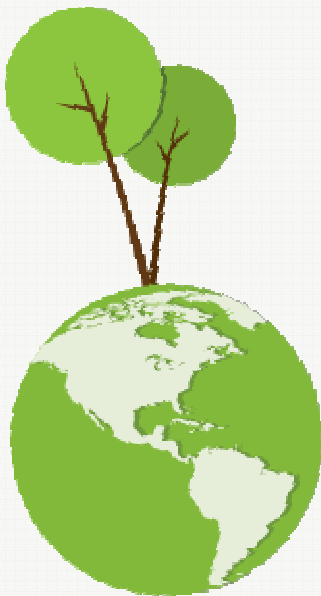


## About APCO

Asian Phytochemicals Public Company Limited was founded on 2 June 1988 under the name of “Natural Cosmetics Research Company Limited” with aims to manufacture and distribute the cosmetics products and dietary supplements from natural extracts. Later in 2005, it was transformed into the public company under the name of “Asian Phytochemicals Public Company Limited.” As of 4 November 2011, the company was registered in the Market for Alternative Investment (MAI), bearing the symbol “APCO.”



# Vision



A leader in **the innovation** of dietary supplements and beauty products originated from researches and development of **“natural extracts”** in Thailand by Thai scientists with an ultimate aim to enhance the living quality of Thai and world populations



# Mission

- Acquiring quality standard certifications for every product from Food and Drug Administration (FDA)
- Acquiring Halal certification for the company's products
- Producing the best dietary supplements and cosmetics products with the latest technology of the 21<sup>st</sup> century
- Promoting Thai researchers' research on natural extracts
- Meeting customers' expectations of health and beauty products
- Expanding product distribution channels to be more diverse and up-to-date
- Enhancing the living quality of Thai and world's populations
- Promoting Thai products to international customers
- Building the sustainable industry
- Adhering to the principle of corporate governance, that concerns about the effects on stakeholders, employees and society, under the policy of white business, in its operation
- Promoting the use of creativity to add value to the organization, shareholders, stakeholders and society
- Building local and international business partnership
- Building customers and partners' trust

## Support for CSR Projects

The Advisory Group consists of social, economic and educational experts as follows:

1. Assoc. Prof. Arunee Wiriyaachitra
2. Khunying Chamnongsri Hanchanlash
3. Dr. Jingjai Hanchanlash
4. Mrs. Suphankae Samalapa



A photograph of several mangosteen fruits. Some are whole, showing their dark purple, bumpy skin and green leafy crowns. Two are cut open, revealing a bright red, fleshy rind and several segments of white, juicy flesh. The fruits are arranged on a plain white background.

## Management Guidelines Regarding Corporate Social Responsibility



# 1. Good Corporate Governance

The company utilizes the principle of Good Corporate Governance for the registered companies prescribed by the Stock Exchange of Thailand and the regulations of the Securities and Exchange Commission in guiding the policy formulation. At present, the third amendment of the principle of Good Corporate Governance which was approved by the Board of Directors and initially implemented on 12 February 2015 is active. An annual review for its content is also scheduled. (See APCO Annual Report 2014; section “Corporate Governance,” for more information)

The company has appointed the Board of Audit Committee which consists of eminent, virtuous and acknowledged persons as follows:

1. Mrs.Maleeratna Plumchitchom
2. Assoc.Prof.Dr.Varakorn Samakoses
3. Prof.Dr.Praipol Koomsup
4. Emeritus Prof.Krairit Boonyakiat



Mrs. Mairatna Plimchitorn



Associate Professor  
Dr. Varakorn Samkorsas



Professor Dr. Paisol Koomsup



Emeritus Professor Kiatit Boonyakiat

The company also has an Internal Audit Office with Assoc. Prof. Chusri Taesiriphet as an Advisory Internal Auditor. The office is to perform monitoring and auditing works to ensure that the operations of every section follow the policy of Good Corporate Governance with transparency, and without conflicts of interests and corruption.



## 2. Fair Operating Practices

The company upholds business ethics in its operation and management. In this regards, the Board of Directors provided the Manual on Good Corporate Governance and Business Code of Conduct for the directors, executives and employees of the company to adhere to as the guidelines for performing their duties in an honest, up-to-standard, high-quality and fair manner. The same practice is expanded to cover the taking care of every group of stakeholders which are shareholders, employees, clients, partners and creditors, competitors, society and environment. The practice guidelines regarding the rights and benefits of all stakeholders are stated in the company's Manual on Good Corporate Governance and Business Code of Conduct and published on the company's official website ([www.apco.co.th](http://www.apco.co.th)) as well as the company's Annual Report 2014. (See Also in the Annual Report 2014, "Corporate Governance," Section 3: The Roles of Stakeholders)

### 3. Anti-Corruption

From its inception, the company consistently and strictly upholds the policy of white business in its law, morals and ethics. The company has also made its commitment against corruption by joining the Private Sector Collective Action Coalition Against Corruption or “CAC.” Moreover, it is determined, as the main policy of the company, that everyone in the company shall refrain from asking for or accepting any corrupted benefits from the business partners, as indicated in the Business Code of Conduct. Everyone in the company is expected to have good understanding on anti-corruption and to conform to the policy. Also, it is expected that the stakeholders learn about the company’s determination to fight corruption. The investigation procedures and penalties for malpractice, which are as severe as disemployment, are stated in the Manual on Good Corporate Governance and Business Code of Conduct, under “**Policy on Anti-corruption.**”



## 4. Respect for Human Rights and Fair Treatment at Work

The company adheres to labor law as the minimum fundamentals that every employee would receive, which reflect the company's respect for human rights and fairness towards the employees. The implementation can be summarized as follows:

- ❖ Providing a fair compensation according to qualifications and experiences
- ❖ Increasing the compensation at the high rate when compared with other industries of the same level
- ❖ Paying bonus in an amount of 10% of the annual turnover after deducting tax, but not less than 2 times of the salary
- ❖ Having systematic evaluation process on the employees work performance to be considered for salary adjustment and bonus payment



- ❖ Giving gold as token of appreciation for the employees working with the company for 10, 15 and 20 years
- ❖ Providing welfare such as provident fund, social security, incentive pay, allowance for food and engine oil, uniforms
- ❖ Providing annual medical check-up for employees to prevent the risk from work-related diseases
- ❖ Distributing the company's products to the employees to help increase immunity and beauty
- ❖ Granting the employees the privilege to buy the company's products at 50% off prices, up to 1,000 baht/month
- ❖ Allowing the employees to choose days in the week and time of working
- ❖ Allowing functions switched in order to be appropriate for pregnant employees





- ❖ Providing work-related trainings for the employees
- ❖ Abstaining from racial and religious discrimination
- ❖ Launching and publicizing the “Occupational Safety, Health and Environment Policy” to the employees to follow. Also appointing safety officers and related persons at all levels to strictly ensure safety, health quality and environment in workplace
- ❖ Giving opportunities for the employees to voice their opinions regarding the company’s operations
- ❖ Promoting the Philosophy of Sufficiency Economy as the guiding principle for the employees in leading their lives



## 5. Responsibility for Consumers

The company presses an importance on the manufacturing procedure to deliver products that are up to international standards, valuable and safe, as well as and render the highest benefit to the consumers. The implementation can be summarized as follows:

- ❖ Every product is certified by Food and Drug Administration (FDA)
- ❖ The company's products have received Halal certification.
- ❖ All products are made from natural extracts and free from chemicals that are harmful to the environment.
- ❖ The products' packages are recyclable.
- ❖ The research and product development team comprises experts in interdisciplinary fields from the universities around Thailand and abroad.



- ❖ Product quality and effectiveness are examined through regular interviews with the customers.
- ❖ Product testing activities were organized both nationally and internationally in order to show the consumers how effective the products are.
- ❖ The company has its own TV programs to provide academic information on the effectiveness of the products through the interviews with academicians and consumers, hosted by well-recognized moderators. This information can help the future consumers to make a decision before buying.
- ❖ Many communication channels are available to provide products' information for the consumers, for examples, websites, web board, call center, social media, etc.
- ❖ The consumers can buy the products from well-trained sale agents through direct sales channel and obtain close suggestions.
- ❖ The instruction on product usage is thoroughly explained for the utmost benefit of the consumers.





- ❖ Highly qualified academicians are stationed at the regional office branches to give advices and answer questions.
- ❖ Permission must be granted by the interviewees prior to every interviews and data collection. Consumers' information will be kept confidential.
- ❖ The return policy and product recall policy are prescribed as guidelines in case there are problems relating with the products.
- ❖ Services are sincerely provided to the consumers under the white business policy.
- ❖ The production factory is of high standard so it has received Good Manufacturing Practice (GMP) certification.



## 6. Development of Community and Society

The company realizes that it is its duty to continue the operation with the concern for the benefit of the society. The implementation can be summarized as follows:

- ❖ Granting monetary support for scientific researches of several academic institutions, for examples, Mahidol University, Chiang Mai University, Prince of Songkla University, etc.
- ❖ Granting a fund for Chiang Mai University (CMU) to appoint Prof.Dr. Watchara Kasinrerk as APCO Chair Professor, also the first CMU Chair Professor



- ❖ Disseminating the information on how to develop scientific research results into business through publications and lectures at academic institutions
- ❖ Donating the company's products of 250,000 baht/month in value to the patients in need, for examples, AIDS patients, AIDS orphans at Baan Gerda, and last-staged cancer patients, in order to enhance the patients' quality of lives
- ❖ Providing the information on alternative treatments for illness to the hospitals' personnel
- ❖ Receiving Taxpayer Recognition Award for being one of the most responsible taxpayers and being selected as the best taxpayer of Lamphun Province
- ❖ Joining the coalition against bribery and corruption





- ❖ Creating supplementary incomes for the villages by buying from them the collected and sliced *Garcinia atroviridis* which helps raise the price of the fruit
- ❖ Creating jobs and incomes for business partners, for examples, packaging companies, shareholders, etc.
- ❖ Increasing national income through the export of products to countries in the Middle East, Europe, America and Asia
- ❖ Building Thailand's reputation through the products which are resulted from high-quality researches



## 7. Environmental Management

The company focuses on environmental conservation simultaneously with business operation. The implementation can be summarized as follows:

- ❖ Using natural raw materials that are not harmful to the environment
- ❖ Adding value to leftover materials, such as mangosteen peel, that causes problems to the environment
- ❖ Using water to trap and prevent dust from the production process from flowing outside the factory
- ❖ Hiring a private agency accredited by the Department of Industrial Works to monitor the quality of wastewater on a monthly basis



- ❖ Reusing the waste from natural raw materials as fertilizer for trees in the factory to create green areas
- ❖ Having good environmental management in the factory
- ❖ Regularly and strictly controlling the problem of drug abuse among the employees
- ❖ Locating in an industrial estate with high restrictions concerning the environmental issues





## 8. Innovations and its Dissemination

According to the testing of Operation BIM products by the Biomedical Technology Research Center directed by Prof. Dr. Watchara Kasinrerak, a national outstanding scientist on Immunology, it was found that among the volunteers who took 4 capsules per day for 15 days,



1. Th1 cells increased 2 – 3 times. Therefore, the white blood cells could better eat fungus, bacteria, virus, and kill cancer cells. (Also, reduce the symptoms of allergies and autoimmune disease caused by Th2 cells)
2. Th2 cells decreased 1 time, thus the symptoms of allergies and autoimmune disease reduced.
3. Th17 cells increased 5 times which enabled the body immune system to better fight against diseases and infections, surviving from being destroyed by Th1 cells.

- ❖ Acquiring the patent regarding the application of Operation BIM capsules together with BIM Mangosteen Juice to boost the health of cancer patients



- ❖ Developing the form of natural extract from *Garcinia atroviridis* which is the main ingredient of the slimming products for powdered drink mix, capsules and slimming cream and ready-to-eat biscuits





## About this Report

This Corporate Social Responsibility (CSR) Report 2014 of Asian Phytochemicals Public Company Limited is compiled and published according to the Sustainability Reporting Guidelines distributed by the Securities and Exchange Commission (SEC) of Thailand and the Manual on “Business Compass”. The aims are for the shareholders, stakeholders and investors to learn about the overview of the company’s business operation and its CSR activities in the fiscal year covering the period from 1 January to 31 December 2014. The report details the overall information on the company’s business and is available both in hard copies and online at [www.apco.co.th](http://www.apco.co.th)