

Sustainability Report 2016
Asian Phytoceuticals Public Company Limited.

Contents

CEO's Message	3
General Information	4
Important Financial Information	5
Revenue Structure	6
About APCO	7
The Structure of the Company's Shareholders	7
Vision and Missions	8
Sustainable Development Structure	9
Highlights Sustainability in 2016.	10
About this Report	11
Materiality	12
Materiality Matrix	13
Stakeholder Engagement.	14
Aspect Boundary	15
Sustainable Management Approach	16
 Economic Social Environment	
GRI Content Index	31

Message from the Chief Executive Officer G4-1

Amidst the higher competitiveness in cosmetics and dietary supplements markets, Asian **Phytoceuticals Public** Company (APCO) Limited continues maintain its emphasis on Therefore, sustainability. while heading for business growth, APCO also presses importance on good corporate governance and corporate social responsibility in order to effectively reach out and respond to the demands of every group of stakeholders in the economic, social and environmental dimensions.

The APCO committees and executives G4-33 are proud to present the company's first Sustainability Report within the GRI (Global Reporting Initiative - G4) Framework to determine the issues for



the company's performance. This report aims to unveil the APCO's performance relating to corporate social responsibility which will then lead the company towards sustainability. Owing to the company's continuing performance in the aspect of social responsibility, in 2016, APCO was selected as one of 100 companies on the Stock Exchange that had outstanding performance in terms of Environmental, Social and Governance (ESG100) by ESG Rating Unit of Thaipat Institute. In addition, APCO has received Set Awards 2016 for the Outstanding Innovative Company.

Lastly, on behalf of all the executives and employees, I would like to thank all the stakeholders, namely shareholders, customers, business partners, communities and society, for the continuous support and trust, which enable APCO to firmly grow. APCO promises to continue to move forward towards prosperity while upholding good governance and social responsibility in order to create a livable society and everlasting sustainability.

(Prof. Dr. Pichet Wiriyachitra) Chief Executive Officer

eurolin

General Information

Company Name in Thai	: บริษัท เอเชียน ไฟย์โตซูติคอลส์ จำกัด (มหาชน) ("บริษัท") ^{G4-3}
Company Name in English	: ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
Business Category Registered Capital ^{G4-9} Issued and Paid-up Share ^{G4-9}	 Manufacture and distribute health and beauty products from natural extracts based on the researches and developments of Thai scientists. THB 300 million, comprising 3,000 million common shares, each of which is worth THB 0.1 per share (31st December 2016) THB 300 million, comprising 3,000 million common shares, each of which is worth THB 0.1 per share (31st December 2016)
Head Office G4-5,G4-6	: 84/3 Moo 4 Northern Region Industrial Estate (West side) Super Highway No.11 Rd., Banklang, Muang Lamphun, Lamphun 51000 Tel. 053 581 374 Fax. 053 581 375
Branch Office G4-6	 Ratchadapisek Branch 89, 30th Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2646-4800 Chiang Mai Branch 61/5 Intawarorot Rd., Sriphum Sub-district, Muang, Chiang Mai 50200 Tel. 0-5335-8276 Surat Thani Branch 251/6 Chonkasem Rd., Talad Sub-district, Muang, Surat Thani 84000 Tel. 0-7728-8013 Chonburi Branch 170/126-128 Moo 3, Samet Sub-district, Muang, Chonburi 20000 Tel. 0-3845-5025 Esplanade Branch Esplanade Building, Room No. 317, 3rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011 BIM Esplanade Branch Esplanade Building, Room No. 318, 3rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9013
Registration Number	: 0107548000480
Home Page	: www.apco.co.th

$\label{lem:continuous} \textbf{Important Financial Information}^{G4\text{-}17,G4\text{-}EC1}$

	2016		2015		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
Financial Position Statement						
Current Asset	595,590,602	83.75	473,195,911	75.23	446,582,613	79.38
Fixed Asset	115,594,594	16.25	155,780,257	24.77	116,022,282	20.62
Total Asset	711,185,196	100.00	628,976,168	100.00	562,604,895	100.00
Current Liabilities						
Total Current Liabilities	50,267,237	7.07	49,045,254	7.80	40,192,274	7.14
Total Fixed Liabilities	11,816,583	1.66	11,751,798	1.87	7,368,809	1.31
Total Liabilities	62,083,820	8.73	60,797,052	9.67	47,561,083	8.45
Shareholder	649,101,376	91.27	568,179,116	90.33	515,043,812	91.55
Total Liabilities and Shareholder	711,185,196	100.00	628,976,168	100.00	562,604,895	100.00
Income Statement						
Total Revenue	454,713,564	100.00	415,828,403	100.00	433,070,194	100.00
Cost of Sales	59,596,979	13.11	64,954,362	15.62	69,768,193	16.11
Gross Earnings	361,782,232	85.86	344,296,787	84.13	356,045,768	83.62
Gross Profit	164,258,743	36.12	125,429,474	30.16	147,818,805	34.13
Earnings	132,217,440	29.08	100,622,584	24.20	118,768,111	27.42
EBITDA	181,279,739	39.87	141,038,071	33.95	156,571,228	36.15

Financial Ratios	2016	2015	2014	
Current Ratio	(times)	11.85	9.65	11.11
Gross Profit Margin	(%)	85.86	84.13	83.62
Profit Rate/ Performance	(%)	36.12	30.65	34.71
Net Profit Ratio	(%)	29.08	24.20	27.42
Shareholders' Equity Ratio	(%)	21.72	18.58	25.84
Rate of Return (Asset)	(%)	19.736	16.89	23.29
Debt Rate per Shareholders	(times)	0.10	0.11	0.09
Rate Payable Dividend	(%)	97.57	94.68	97.33
Maximum Rate Arbitrary	(Baht)	0.04	0.03	0.04
Number of Shares Issued	(per million)	3,000.00	2,745.37	271.99
Book Value per Share	(Baht)	0.22	0.21	1.89
Ratio of Market Price per Equity Shares (P/E)	(times)	41.50	41.75	59.09

$\label{eq:Revenue Structure} \textbf{Revenue Structure}^{\text{G4-8, G4-EC1, G4-EN28}}$

Unit: Million Baht

Revenue Structure	20	2016		2015		2014	
	Value	Percent	Value	Percent	Value	Percent	
Beauty Cosmetics Products							
- Sliming Products	8.35	1.83	16.99	4.08	20.41	4.71	
 Anti-Wrinkle and Anti-Spot Products 	10.64	2.34	10.50	2.53	11.73	2.71	
- Skincare Products	3.85	0.85	3.94	0.95	4.81	1.11	
Total	22.84	5.02	31.43	7.56	36.96	8.53	
Dietary Supplement Products							
- Fat Reduction Products	16.17	3.56	41.41	9.96	79.08	18.26	
- Healthcare Products	314.94	69.26	288.93	69.48	263.89	60.93	
- Skincare Products	1.35	0.30	1.80	0.43	3.25	0.75	
- Health Drink Products	66.08	14.53	45.67	10.98	42.63	9.84	
Total	398.54	87.65	377.82	90.86	388.85	89.79	
Revenue from Sales	421.38	92.67	409.25	98.42	425.81	98.32	
Gain on disposal of fixed assets	27.30	6.00				-	
.Other Revenues *	6.03	1.33	6.58	1.58	7.26	1.68	
Total Revenue	454.71	100.00	415.83	100.00	433.07	100.00	

<u>Note:</u>* Other revenues consist of the interest, earning from packaging sales, and earning from the currency exchange.

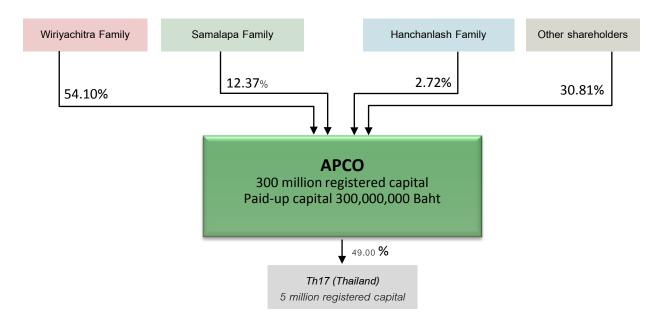


About APCO 64-13

Asian Phytoceuticals Public Company Limited ^{G4-3} was founded on June 2nd, 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. ^{G4-4} Later in 2005, it was transformed into the public company under the name of "Asian Phytoceuticals Public Company Limited." Then, on November 4th, 2011, the company was registered in the Market for Alternative Investment (MAI), bearing the symbol "APCO"

The Structure of the Company's Shareholders G4-7,G4-9

The company assumes the following shareholder's structure:



Vision^{G4-34,G4-56}



A leader in innovation of healthcare and beauty products
based on Thai researchers' studies and developments of "Thai natural extracts"
to promote the life quality of Thais and people worldwide

Missions

- Producing the best health supplements and beauty products with the latest technology of the 21st century
- Promoting Thai researchers' research on natural extracts
- Meeting customers' expectations of health and beauty products
- Expanding a variety of modern distribution channels
- Promoting life quality of Thais and the world's people
- Promoting Thai products to international customers
- Building the sustainable industry
- Operating with work ethics that prioritise stockholders, employees and society under the policy of white business
- Promoting creativity to build a good image of the organisation, stockholders, involved parties and society
- Building local and international business partnership
- Building customers and partners' trust

${\bf Sustainable\ Development\ Structure}^{G4\text{-}34}$

Apco's advisory board consisting of social, economic and educational experts was established to oversee the sustainability of the company as follows:



Assoc. Prof. Arunee Wiriyachitra



Khunying Chamnongsri Hanchanlash



Khun Suphankae Samalapa



Dr. Jingjai Hanchanlash

Highlights Sustainability in 2016 $^{\text{G4-15}}$

• SET AWARDS 2016: The Outstanding Innovation Company Award





• "Certificate of ESG 100 company": One of the 100 SET-listed company that are most outstanding in terms of Environment, Social and Governance performance in 2016 by Thaipat Institute.

About this Report



This is the first of the Sustainability Report of Asian Phytoceuticals Public Company Limited^{G4-29} written and published according to the Global Reporting Initiative (GRI) - G4 Sustainability Reporting Guidelines^{G4-33} at CORE level. The contents of the report reflect the results of operations of the Company related to the sustainable economic, social and environment. 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 2016^{G4-28,G4-30} The report details the overall information on the company's business and published in book form in both English and Thai and online at www.apco.co.th

 \geq

$\boldsymbol{Materiality\ Aspects}^{G4\text{-}18,G4\text{-}19,G4\text{-}24,G4\text{-}25,G4\text{-}26,G4\text{-}27}$

The company has identified key aspects both inside and outside the organization in the matter of importance to the stakeholders expectations and needs that affect the sustainable operation of the organization. The issues have been analyzed to prioritize in two criteria, that is the key issue affecting the business operations of the organization by the stakeholders within the organization (Horizontal) and the key issues that affect the expectations of stakeholders outside the organization (Vertical) in a materialistic matrix. It covers the three areas of sustainability: economic, social and environment. The material in this report is as follow:

Economic

Key Aspects for Sustainable Development

- 1. Corporate Governance
- 2. Anti-Corruption
- 3. Fair Operating Practices
- 4. Risk Management

Social

Key Aspects for Sustainable Development

- 5. Employee Development and Caring
- 6. Responsibility for Consumer and Society
- 7. Innovation development

Environment

Key Aspects for Sustainable Development

- 8. Implementation of environmental law
- 9. Environmental management

Materiality Matrix

stakeholder group outside the organization Very important	3. Fair Operating	 Corporate Governance Risk Management Responsibility for Consumer and Society Implementation of environmental law Environmental management
Level of impact on the expectations of the stakeholder group outside the organization Important	_	Anti-Corruption Employee Development and Caring Innovation development
	Important	Very important

Level of impact on the internal business operations of the organization

$\textbf{Stakeholder Engagement}^{G4\text{-}12}$

The Company identifies stakeholders of the Company's stakeholder from a practical policy and divide the stakeholders into 7 groups: Shareholders and investors, Employees, Customers, Joint ventures, Partners and payables, Competitors and Society by giving stakeholders the opportunity to participate in the forum, expectations / requirements and suggestions through engagement approach to obtain their expectations and needs of various stakeholders as follows:

Stakeholders	Expectations / Requirements	Method of Engagement
Shareholders and Investors	 Return on performance Risk Management and Good Corporate Governance Equal and fair treatment Accurate, complete, timely, and transparent information 	 Annual General Meeting Annual Report and Suitability Report Investor Relations Website: http://www.apco.com Shareholders & investors meeting through various activities Opportunity day
Employees	 Equitable and fair compensation and welfare Employee development Career advancement and security Compliance with the terms and conditions of the employment contract Good environment and work safety 	 Employee meetings Executives VS employees meeting Line: Communication within APCO Announcement Message from CEO to Employee
Customers	 Product quality Consultation on the use of the product Right product price Ability to respond to customer needs 	 Newsletter Factory visit Meet with customers Website: http://www.apco.com APCO Contact Center 1154
Joint Ventures	 Fair and transparent business operation Risk Management and Good Corporate Governance Accurate, complete, timely, and transparent information 	Integrative negotiation (win- win)Meeting
Partners and Creditors	 Being a good business partner and having a long-term relationship Robust financial standing Financial discipline and ability to repay debt Legal compliance Fair and transparent business operation 	 Meetings and follow-up on progress in the ongoing work plan as well as listening and solving problems in working together
Competitors	 Ethical business operation Free and fair trade policy No policy in trade competition to obtain illegal and unethical information from competitors 	 Website: http://www.apco.com Company news

Society	- Potential impact of the	company's
---------	---------------------------	-----------

- Social activities and campaigns

operations

Promotion of the quality of life and the creation of the community
Environmental Stewardship

$\boldsymbol{Impact\ Boundary}^{\ G4\text{--}20,G4\text{--}21}$

Materiality	Internal	External					
Aspects	Internal	Shareholders and investors	and Employees Custo		Joint ventures	Partners and Creditors	Competitors
1. Corporate Governance	*	*	*	*	*	*	*
2. Anti-Corruption	*	*	*	*	*	*	*
3. Fair Operating Practices	*	*	*	*	*	*	*
4. Risk Management	*	*	*	*	*	*	
5. Employee Development and Caring	*		*				
6. Responsibility for Consumer and Society	*	*	*	*	*		
7. Innovation Development	*	*	*	*	*		*
8. Implementation of Environmental Law	*	*	*	*	*	*	
9. Environmental Management	*	*	*	*	*	*	

Management Approach for Sustainability

Economic

The economic operations for sustainable development of the organization are divided into the following main activities:

- 1. Corporate Governance
- 2. Anti-Corruption
- 3. Fair Operating Practices
- 4. Risk Management

1. Corporate Governance G4-34,G4-56

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 2016; section "Corporate Governance", for more information)

The principle of Good Corporate Governance covers the five categories as follows.

Section 1: The Rights of the Shareholders

The company realizes and respects the rights of the shareholders by not proceeding in any action that violates the right of shareholders. Moreover, it will support the shareholders to exercise their basic rights.

Section 2: The Equal Treatment of the Shareholders

The company will treat all shareholders equally and fairly including shareholders who are in the position of director, shareholders who are not in the position of director, foreign shareholders as well as minor shareholders according to the principle of good corporate governance.

Section 3: The Roles of Stakeholders

The company respects the rights of every group of stakeholders and has created a policy treating all groups of stakeholders.

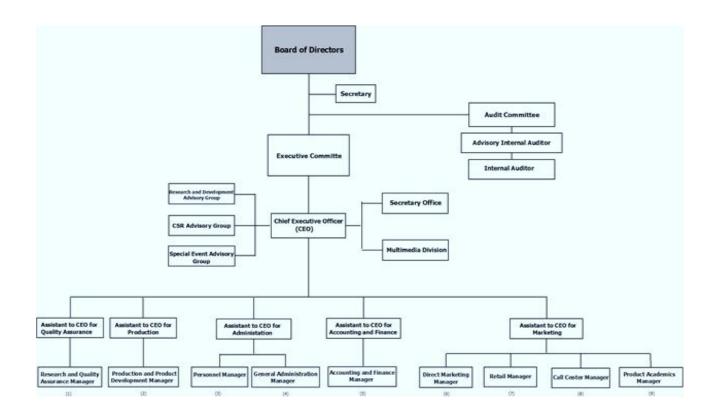
Section 4: Disclosure and Transparency

The Company has disclosed important information related to the business, financial reports and other information accurately, completely, timely and meets the standards of the Stock Exchange of Thailand through various channels. Stakeholders of the company have easy access to information, equal and reliable information.

Section 5: Responsibilities of the Board of Directors

The Board of Directors consists of 8 directors both male and female who have knowledge, competency and experience, including 4 independent directors. The Board of Directors are responsible for corporate governance, operating the business in accordance with the strategy and plan with due care and honesty under the Company's Articles of Association and in compliance with the law for most accurate interest to the Company, shareholders and all stakeholders.

Company's Structure



2. Anti-Corruption G4-SO4

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." G4-16 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." An annual review for its content is also scheduled.

3. 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 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) as well as the company's Annual Report.

4. Risk Management G4-2,G4-14

The company attaches great importance to effective risk management. The risk management process follows the risk management policy approved by the Board of Directors as follows:

Policy for Risk Management

Regarded as a small-sized company, the risk management committee is not yet formed. As the company has realized the importance of risk management, the sufficient risk management system is then created by the board of directors through a working group of risk management consisting of executives of each division who need to take charge of risk assessment, plan and creation of risk management measures, assessing risk which might put an impact on the company's business, and monitoring activities of risk management performed by other internal divisions. They are also required to report to the board of directors and audit committee. Indeed, risk management is the responsibility of all executives.

Risk Management Process

The Company uses the risk management process in accordance with the COSO (Committee of Sponsoring Organizations of the Treadway Commission, 2004). Starting by defining the scope of potential risk to the business. The Internal Audit and Risk Management Working Group will work with the head of each department as the risk owners to consider risk factors on a regular basis. When risks are known then they enter the procedure of risk analysis process, risk assessment and risk ranking by assessing the likelihood, impact and then entering the risk reduction process or risk control.

In addition, the company also has an employee risk management process. The policy is to promote sustainable self-sufficiency of employees in accordance with Sufficiency Economy Philosophy. By encouraging employees to save their savings through participating in the

provident fund. Since 2005, the Company has provided a portion of its contributions and the employees who are members of the fund pay another part at the rate of 3 percent of salary.

Social

Social Action for Sustainable Development are divided into the following main activities:

Internal Sustainable Development

5. Employee Development and Caring

External Sustainable Development

- 6. Responsibility for Consumer and Society
- 7. Innovation Development

Internal Sustainable Development

5. Employee Development and Caring

"Personnel" is an important resource that drives the company to achieve its goals. Currently, the company employs a total of 121 people. The details are as follows:

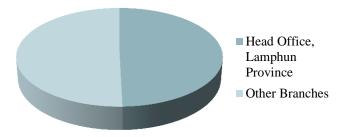
$\textbf{Corporate employees}^{G4\text{--}10,G4\text{--}11,G4\text{--}LA1,G4\text{--}LA12}$

		Male			Female				Total
	Daily	%	Monthly	%	Daily	%	Monthly	%	1000
All employees	15	12.40	36	29.75	8	6.61	62	51.24	121
New employees	1	0.83	-	-	-	_	3	2.48	4
Resigned employees	8	6.61	3	2.48	1	0.83	4	3.31	16

Divided into

Head Office, Lamphun Province 60 persons

Other Branches 61 persons



The development and care of personnel will enable the staff to perform at their full potential. This is an important mechanism to help the organization grow steadily and sustainably. The company has done the following:

5.1 Human Resources Development

The company has the policy to develop and promote the human resources with better knowledge and understanding to bring effective performance, promoting their advancements of career path, and enhancing the company's competiveness in its core businesses.

The training plans for developing its human resources are divided into three parts

- (1) Developing the company's key potential whereas all employees are educated about its core businesses, acknowledgement of the targets and goals, and awareness of the company's changes as well as adjustment for the future change.
- (2) Developing the employee's efficacy for better knowledge and expertise by allowing them to take courses relating to their duties in order to master their work skills and providing useful books and reading materials to help promoting their knowledge.
- (3) Developing the leadership especially the departmental heads and other higher positions to lead the roles and teamwork to prepare for the business targets and changes.

In 2016, the employee of Asian Phytoceuticals Public Co.Ltd. has attended a total of 15 training courses. Average training hours are 3.72 hours / person / year. ^{G4-LA9}

5.2 Employee Benefits ^{G4-LA2}

The Company provides equitable benefits and benefits to employees according to the standards and higher than the standard of Labor Protection Act, such as

- Annual Bonus
- Giving gold as a token of appreciation to the employees working with the company for 5, 10, 20 and 30 years
- 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 workrelated diseases
- Allowing functions switched in order to be appropriate for pregnant employees (2 in 3 of the employees remain after the application of maternity leave) G4-LA3
- 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

- Financial support for funeral
- Group Life Insurance

As a result, the rate of attendance and resign of employees is low.

5.3 Respect for Human Rights and Fair Treatment at Work $^{\mathrm{G4-HR2}}$

The Company respects the human rights of all employees, and clearly outlines in its policies on human rights policy that the Company intends to treat each and every employee with respect and regards for their personal rights. Moreover, the Company carefully protects the personal information of employees, keeping their information confidential. The Company does not tolerate discrimination of race, nationality, religion, gender, age, disability, or sexual orientation. All illegal acts of discrimination are deemed unacceptable.

The company adheres to the labor law provisions as a minimum requirement that all employees will receive and some are higher than those prescribed by the Labor Protection Act to ensure equality and fairness for employees. Conclusions of action are as follows:

- No child labor G4-HR5
- Providing a fair compensation according to qualifications and experiences
- Allowing the employees to choose days and time of working
- Allowing functions switched in order to be appropriate for pregnant employees
- Having systematic evaluation process on the employees work performance to be considered for salary adjustment and bonus payment
- Giving opportunities for the employees to voice their opinions regarding the company's operations
- In the event of termination , the Company pays appropriate severance pay to employees based on the conditions defined by Labor Protection Law
- Employing two handicapped person which is more than the proportion prescribed by law ^{G4-LA12}

5.4 Safety and Occupational Health G4-LA5,G4-LA6

The Company prescribed "Safety, Occupational Health and Working Environment Policy" and disseminated to employees to practice along with the regular duties. The company appointed the safety officer, Safety, Occupational Health and Working Environment Committee according to the law that establishments with 50 or more employees must have a Safety, Occupational Health and Working Environment Committee.



The working group has one chairman and three representatives from employers and employees for operating safety and health systematically in accordance with the company standards and

strict legal requirements to achieve a more secure operation. The aim is to be a non-accidental organization, a safe place to work and a good environment for employee hygiene. Based on this commitment, in 2016, the rate of harm or injury of employee work is zero.

The Company pays attention to the care of its employees both physically and mentally. The Company organizes health care activities for employees. Employees must leave 30 minutes before the normal time every Thursday - Saturday in order to exercise. The company provides support for the venue and exercise equipments, including the provision of green space around the workplace for staff to relax and provide a sanitary canteen to employees.

External Sustainable Development

6. Responsibility for Consumer and Society G4-PR1

The Company presses an importance on consumers and society by implementing sustainable development through enterprise products and services. Focus on the manufacturing procedure to deliver products that are up to international standards, valuable and safe, as well as rendering the highest benefit to the consumers. There is a quality inspection system from the quality inspection department before the product is sold to consumers. The company serves the customers honestly with its White Business Policy.

The implementation can be summarized as follows:

6.1 Standard and Safety

The company has been accredited with standards and systems to build confidence for customers

- Every product is certified by Food and Drug Administration (FDA)
- The company's products have received Halal certification





• The factory has received Good Manufacturing Practice (GMP) certification

















6.2 Product Disclosures

The company has a product information channel to build confidence for customers as follows:

- 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, Facebook, YouTube, Website, Webboard
- 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 G4-PR3
- Highly qualified academicians are stationed at the regional office branches to give advices and answer questions
- Product testing activities were organized both nationally and internationally in order to show the consumers how effective the products are



VTR แสดงการทำงานของเม็ดเลือดขาว เพชฌฆาต



VTR สัมภาษณ์ผู้เป็นมะเร็งเต้านม



- 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

6.3 High Quality Products



- The research and product development team comprises experts in interdisciplinary fields from the universities around Thailand and abroad
- Products have been researched and developed for continuous improvement
- Using natural raw materials that are not harmful to the environment
- Packaging made from recyclable materials

6.4 Developing Community and Society

• APCO THAILAND CANCER MOONSHOT 2017 PROGRAM

APC® Cancer MoonShot 2017 รายละเอียด และผลบางส่วนจากผู้เข้าร่วมโครงการ >>>

The program select cancer volunteers who do not want chemotherapy and radiation therapy and give them free APCO products for 6 months. APCO products can effectively treat cancer patients in all parts of the body. The patients symptoms continue to improve without any side effects

• Donating the company product to monks and other priests of all religions with arthritis, diabetes and cancer.



- Donating the company's products for the care of HIV to orphaned children of the Baan Gerda, in order to enhance the quality of lives and giving free lifetime rights.
- Granting monetary support for scientific researches of several academic institutions, for examples, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, etc.



- Providing the information on alternative treatments for illness to the hospitals' personnel
- Improving the quality of life of villagers by creating jobs to supplement incomes from collecting and slicing Garcinia atroviridis. This also helps raising the price of the fruits
- Creating jobs and incomes for business partners, for examples, packaging companies, cold storage industry, shipping industry, etc.
- Building Thailand's reputation through the products which are resulted from highquality researches
- Hiring 71.43% of the senior management from the local community G4-EC6

7. Innovation Development

The Company continually develops innovation and develop its products to provide more choices for a healthier life. In 2016, The Company announces 'APCO 4.0' through innovation and technological advances. As an innovative company developing immune balancing health products, APCO's innovations involve the utilization of synergistic natural products to relieve physical ailments, via the efficacy of white blood cells in modulating the body's immune system. This approach has led to the creation of several highly effective formulae which have no undesirable side-effects, including:

1. IMMUNE STIMULATING FORMULA by enhancing the Th1, Th9 and Th17 cells in boosting the efficiency of natural killer cells and cytotoxic T cells for eradicating all foreign pathogens e.g. fungus, bacteria, virus, tumor and cancer cells.



This innovation is beneficial to cancer patients, those suffering from HIV and AIDS, as well as patients infected with drug-resistant bacteria, viruses and fungi (superbugs).

- 2. IMMUNOMODULATION (SUPPRESSING) FORMULAE for eradicating inflammation and auto-immunity resulting from excessive secretions of pro-inflammatory substances from the white blood cells. This formulae is beneficial for patients with diabetes, arthritis, rheumatoid, SLE and eye degenerative conditions, with the initial results usually being observable within 15 days.
- 3. BALANCING IMMUNITY FORMULA for the rapid improvement of the quality of life for those who suffer for allergies, peptic ulcers and acid reflux.
- 4. MANGOSTEEN ESSENCE which enhances skin complexion, with its strong antioxidant activity, controls allergies and auto-immunity by the balance of Th1, Th2, Th17 and T regulator, boosts the immunity against fungus, bacteria, virus, tumors and cancer by increasing interleukin 9 and interleukin 18.

In addition, it can remedy the degenerative eye conditions and inhibit blindness from wet age-related macular degeneration

Environment



Environmental Action for Corporate Sustainability are divided into the following main activities:

- 8. Implementation of the Environmental Law
- 9. Environmental Management

8. Implementation of the Environmental Law

The company focuses on environmental conservation simultaneously with business operations by taking into account the impact on the environment and continuously promote natural resource conservation activities in accordance with the regulations of the industrial estates where the head office of the company is located. The Company adheres to local laws and regulations including standards related to the environment by realizing that promoting of environmental quality and maintaining ecological balance is a common mission of all sectors. It is also a way to build confidence among stakeholders including customers, shareholders, employees, business partners and the local community.

9. Environmental Management $^{\text{G4-EN27, G4-EN31}}$

The company gives importance to its energy usage by promoting and supporting the use of energy together with mitigating the environmental impact of the business by improving, modifying and developing the process to become a truly environmental organization. Conclusions of action are as follows:

• The company (branch office) is housed in an environmentally, friendly building with LEED Gold standards (Green Leadership in Energy and Environmental Design), from the prestigious Green Building Institute of America.



- Using natural raw materials that are not harmful to the environment
- Controlling raw material quality since the beginning of cultivation by requiring farmers to stop using pesticides at all stages of cultivation
- In the manufacturing process that produces dust, the company uses water to trap dust to prevent the spread of dust particles into the atmosphere
- Monitoring light intensity, sound, air quality by the private sector on an annual basis. In 2016, The Company was measured by C.E.M Technology (Thailand) Co., Ltd. Measurement result is above standard criteria as follows:

	Standard	Measurable
Light Intensity (Lux)	Not less than 600	865
Sound (Leq)	Not more than 90	82.8
Air quality (mg/m ³)	Not more than 15	2.88

• Reduction of GHG Emissions G4-EN19

The company has implemented measures to reduce greenhouse gases:

- Promoting the recycling of materials, especially the company's main supplies such as paper to be used on both sides before being digested for use as a shockproof material
- Promoting the adjusting method of document storage from hardcopy documents to scanning and saving documents as soft files
- Choosing appliances that are energy-saving label 5
- Adjusting the air conditioner at 25 degrees. It is required to turn off the air conditioner in the break time and during cold weather
- Turning off the lights in the factory, and in places where there is no need and during lunch time
- Replacing the lamp to save energy
- Using dried leaves to make fertilizer

- Increasing green area to improve the scenery of the workplace

• Energy Management G4-EN3 G4-EN6,G4-EN7

The company began collecting data this year to compare energy consumption rates for the following year. The amount of energy consumption in 2016 is summarized as follows:

- Electricity consumption is 292,624 kilowatt-hours
- LPG consumption for production process is 13,746 kg
- Diesel consumption for production process is 9,600 liters

• Water Management G4-EN8,G4-EN9

The company uses quality water from a single source, the Provincial Waterworks Authority so it does not affect the other water sources in any way. The company consumes' water at 6,641 cubic meters in 2016

• Waste Management G4-EN23

Waste management and waste control has classification and control as follows:

- General waste such as plastic bags, foam boxes and non-recyclable waste is stored for delivery to landfill operations by Thao Boonruang Limited Partnership, a private agency certified by the Ministry of Industry
- Recycled waste such as plastic bottles are sent to the buyer for recycling
- Degradable waste such as raw materials which is left over from production is distributed to make fertilizer

Summary of gross weight of garbage in 2016 is as follows:

General waste 1.7 tons Recycled waste 1.6 tons Degradable waste 27.2 tons

• Wastewater Management G4-EN22

Wastewater from the company's processes and activities undergoes the treatment process and checks by Global Utilities Services Limited, a private agency certified by the Industrial Estate Authority of Thailand on a monthly basis. It is ensured that effluent quality meets the effluent quality standards in accordance with the industrial estate laws that do not affect the environment and living organisms in natural water bodies and report to the relevant governmental authorities by law.

In summary, wastewater discharge is 80% of the water use in the year 2016 (5,313 cubic meters)

Wastewater quality measurement as of December 2016

	Standard	Measurable
pН	Between 5.5-9.0	7.34
B.O.D. (mg/L)	not more than 500	15
C.O.D. (mg/L)	not more than 750	2.88
SS (mg/L)	not more than 200	5.4
Chlorine (mg/L)	not more than 1	< 0.1
Sulfide (mg/L)	not more than l	< 0.1
TKN (mg/L)	not more than 100	5
G&O (mg/L)	not more than 10	< 0.5

ดัชนีชี้วัดตามกรอบ **GRI - G4**^{G4-32}

G4	GRI Description	Page	
Indicator			
}	General Standard Disclosures		
Strategy a	nd Analysis		
G4-1	CEO statement	3	
G4-2	Description of key impacts, risks, and opportunities	18	
Organizati	onal Profile		
G4-3	Name of the organization	4,7	
G4-4	Primary brands, products, and/or services	7	
G4-5	Location of organization's headquarters	4	
G4-6	Number of countries where the organization operates	4	
G4-7	Nature of ownership and legal form	7	
G4-8	Markets served	6	
G4-9	Scale of the company	4,7	
G4-10	Employee by categories	19	
G4-11	Employees covered by collective bargaining agreements	19	
	Supply Chain description	14	
G4-12		7	
G4-13	Significant changes during the reporting period (size, structure, or ownership) Precautionary approach	18	
G4-14	Externally developed initiatives		
G4-15		10	
G4-16	Membership of associations	17	
	Material Aspects and Boundaries		
G4-17	Organization's consolidated financial statements	5	
G4-18	Process for defining report content	12	
G4-19	Material aspect identified	12	
G4-20	Aspect boundary within the organization	15	
G4-21	Aspect boundary outside the organization	15	
G4-22	Restatement of information	No	
		restatement	
G4-23	Significant changes in the scope and aspect boundary	No Significant	
	organicant analysis in the scope and appear soundary	changes	
Stakehold	er Engagement	T.	
G4-24	List of stakeholder group	12-15	
G4-25	Basis for identification and selection of stakeholders	12-15	
G4-26	Approach to stakeholder engagement	12-15	
G4-27	Stakeholders' topics and concerns	12-15	
Report Pro	file	<u>.</u>	
Report Pro G4-28	Reporting period	11	
G4-29	Date of most recent previous report	11	
G4-30	Reporting cycle	11	
G4-31	Contact point	33	
G4-32 G4-33	GRI Content Index External assurance	31-33	
Governance	<u> </u>	3,11	
	Governance structure	8,9,16,17	
G4-34 Ethics and	<u>i</u>	5/5/10/17	
G4-56	Organization's values, principles, standards and norms of behavior	8,16	
3130	,, , , , , , , , , , , , , , , , , , , ,		
	<u> </u>		

G4	GRI Description	Page
Indicator		
SPECIFIC STANDARD DISCLOSURE		
Category: Economic		
Economic Aspect : Economic Performance		
G4-EC1	Economic value	5,6
Economic Aspect : Market Presence		
G4-EC6	Proportion of senior management hired from the local community	26

G4	GRI Description	Page
Indicator		
Category:	Category : Environmental	
Environme	ntal Aspect : Energy	
G4-EN3	Direct energy consumption	29
G4-EN6	Energy reductions	29
G4-EN7	Energy reductions in products and services	29
Environme	ntal Aspect : Water	
G4-EN8	Water withdrawals by source	29
G4-EN9	Water sources affected by withdrawals	29
Environmental Aspect : Emissions		
G4-EN19	Reduction of GHG emissions	28
Environmental Aspect : Effluents and Waste		
G4-EN22	Water discharge	29
G4-EN23	Waste by type and disposal method	29
Environme	ntal Aspect : Product and Services	
G4-EN27	Environmental impacts of products and services	27
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	6
Environmental Aspect : Overall		
G4-EN31	Environmental investments	27-30

G4	GRI Description	Page
Indicator		
Sub-catego	pry : Labor Practices and Decent Work	
Labor Prac	tices and Decent Work Aspect : Employment	
G4-LA1	Number and rate of new employee hires and turnover	19
G4-LA2	Benefits for employees	20
G4-LA3	Return to work after parental leave	21
Labor Practices and Decent Work Aspect : Occupational Health and Safety		
G4-LA5	Workforce represented in health and safety committees	21
G4-LA6	Rates of injury, occupational disease, lost days, absenteeism, and work-related fatalities	22
Labor Practices and Decent Work Aspect : Training and Education		
G4-LA9	Average hours of training per year per employee	20
Labor Practices and Decent Work Aspect : Diversity and Equal Opportunity		
G4-LA12	Breakdown of employees	19,21

G4 Indicator	GRI Description	Page
	rv : Human Rights	
Human Rights Aspect : Investment		
G4-HR2	Employee training on human rights	21

G4	GRI Description	Page
Indicator		
Human Rights Aspect : Child Labor		
: 011110	Child Labor	21

G4 Indicator	GRI Description	Page
Society Aspect : Anti-corruption		
. 0 . 00 .	Communications and training on anti-corruption	17

G4	GRI Description	Page
Sub-categor	pry : Product Responsibility	
Product Responsibility Aspect : Customer Health and Safety		
G4-PR1	Health and safety impact assessments of products and services	22
Product Responsibility Aspect : Product and Service Labeling		
G4-PR3	Product and service information required for labeling	23

Contact Point^{G4-31}

For additional information or inquiries on this report, please contact us at Department for Sustainable Development

Asian Phytoceuticals Public Company Limited (Head Office) 84/3 Moo 4, Super Highway No. 11 Road, Bangklang, Muang Lamphun,

Lamphun 51000

Telephone: 0-5358-1374 press 0

Website: www.apco.co.th