



Sustainability Report 2017

Asian Phytochemicals Public Company Limited.

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Message from the Chief Executive Officer^{G4-1}

Throughout the time, Asian Phytoceuticals Public Company Limited (APCO) has determined to increase the value of the business in a sustainable manner by incorporating normal business running with working concepts, values and strategies based on responsibility towards every group of the stakeholders (CSR-in-process) as well as promotion of social activities (CSR-after-process).

As for business operation, APCO is committed to add value to research results by developing them into dietary supplementary and beauty products from natural extracts, based on the company's vision that reflects its social responsibility by enhancing the livelihood of both Thai and international citizens. In addition, with the great concern over the needy people who also want to uplift their livelihood, APCO then established a project under the umbrella of "Giving Back to the Community" Project (CSR-after-process) which provides the opportunity to the needy people such as HIV-infected orphans at Baan Gerda and cancer patients with insufficient money to use APCO products free-of-charge throughout their lives or at the lower price.

Lastly, I truly hope that the company's implementation towards sustainability will help to create value to every group of stakeholders in the long run. I would like to thank you all for the continuous support for our business along the path towards the company's vision which enables 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.

A handwritten signature in blue ink, appearing to read "Pichet Wiriyaichitra".

(Prof. Dr. Pichet Wiriyaichitra)
Chief Executive Officer

General Information

Company Name in Thai	: บริษัท เอเชียัน ไฟฟ์โตซูติคอลส์ จำกัด (มหาชน) (“บริษัท”) ^{G4-3}
Company Name in English	: ASIAN PHYTOCEUTICALS PUBLIC COMPANY LIMITED
Business Category	: Manufacture and distribute health and beauty products from natural extracts based on the researches and developments of Thai scientists.
Registered Capital ^{G4-9}	: THB 300 million, comprising 3,000 million common shares, each of which is worth THB 0.1 per share (31 st December 2017)
Issued and Paid-up Share ^{G4-9}	: THB 300 million, comprising 3,000 million common shares, each of which is worth THB 0.1 per share (31 st December 2017)
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}	: <u>Ratchadapisek Branch</u> 89, 30 th Floor, AIA Capital Center Building, Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2646-4800 : <u>Chiang Mai Branch</u> 61/5 Intawarorot Rd., Sriphum Sub-district, Muang, Chiang Mai 50200 Tel. 0-5335-8276 : <u>Surat Thani Branch</u> 251/6 Chonkasem Rd., Talad Sub-district, Muang, Surat Thani 84000 Tel. 0-7728-8013 : <u>Chonburi Branch</u> 170/126-128 Moo 3, Samet Sub-district, Muang, Chonburi 20000 Tel. 0-3845-5025 : <u>Esplanade Branch</u> Esplanade Building, Room No. 317, 3 rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9011 : <u>BIM Esplanade Branch</u> Esplanade Building, Room No. 318, 3 rd Floor, 99 Ratchadapisek Rd., Dindaeng, Bangkok 10400 Tel. 0-2660-9013
Registration Number	: 0107548000480
Home Page	: www.apco.co.th

Important Financial Information^{G4-17,G4-EC1}

	2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent
Financial Position Statement						
Current Asset	573,626,792	84.51	595,590,602	83.75	473,195,911	75.23
Fixed Asset	105,152,987	15.49	115,594,594	16.25	155,780,257	24.77
Total Asset	678,779,779	100.00	711,185,196	100.00	628,976,168	100.00
Current Liabilities						
Total Current Liabilities	37,798,518	5.57	50,267,237	7.07	49,045,254	7.80
Total Fixed Liabilities	12,669,866	1.87	11,816,583	1.66	11,751,798	1.87
Total Liabilities	50,468,384	7.44	62,083,820	8.73	60,797,052	9.67
Shareholder	628,311,395	92.56	649,101,376	91.27	568,179,116	90.33
Total Liabilities and Shareholder	678,779,779	100.00	711,185,196	100.00	628,976,168	100.00
Income Statement						
Total Revenue	424,086,091	100.00	454,713,564	100.00	415,828,403	100.00
Cost of Sales	67,486,007	15.91	59,596,979	13.11	64,954,362	15.62
Gross Earnings	348,256,247	83.77	361,782,232	85.86	344,296,787	84.13
Gross Profit	131,112,242	31.04	164,258,743	36.12	125,429,474	30.16
Earnings	108,210,019	25.52	131,417,758	28.90	100,622,584	24.20
EBITDA	146,095,945	34.45	181,279,739	39.87	141,038,071	33.95

Financial Ratios		2017	2016	2015
Current Ratio	(times)	15.18	11.85	9.65
Gross Profit Margin	(%)	83.77	85.86	84.13
Profit Rate/ Performance	(%)	31.04	36.12	30.65
Net Profit Ratio	(%)	25.52	28.90	24.20
Shareholders' Equity Ratio	(%)	16.94	21.72	18.58
Rate of Return (Asset)	(%)	15.57	19.736	16.89
Debt Rate per Shareholders	(times)	0.08	0.10	0.11
Rate Payable Dividend	(%)	99.81	97.57	94.68
Maximum Rate Arbitrary	(Baht)	0.04	0.04	0.03
Number of Shares Issued	(per million)	3,000.00	3,000.00	2,745.37
Book Value per Share	(Baht)	0.21	0.22	0.21
Ratio of Market Price per Equity Shares (P/E)	(times)	30.00	41.50	41.75

Revenue Structure^{G4-8, G4-EC1, G4-EN28}

Unit: Million Baht

Revenue Structure	2017		2016		2015	
	Value	Percent	Value	Percent	Value	Percent
Beauty Cosmetics Products						
- Sliming Products	7.86	1.85	8.35	1.83	16.99	4.08
- Anti-Wrinkle and Anti-Spot Products	6.10	1.44	10.64	2.34	10.50	2.53
- Skincare Products	3.39	0.80	3.85	0.85	3.94	0.95
Total	17.35	4.09	22.84	5.02	31.43	7.56
Dietary Supplement Products						
- Fat Reduction Products	17.67	4.17	16.17	3.56	41.41	9.96
- Healthcare Products	292.07	68.87	314.94	69.26	288.93	69.48
- Skincare Products	0.48	0.11	1.35	0.30	1.80	0.43
- Health Drink Products	88.17	20.79	66.08	14.53	45.67	10.98
Total	398.39	93.94	398.54	87.65	377.82	90.86
Revenue from Sales	415.74	98.03	421.38	92.67	409.25	98.42
Gain on disposal of fixed assets	0.03	0.01	27.30	6.00	-	-
.Other Revenues *	8.32	1.96	6.03	1.33	6.58	1.58
Total Revenue	424.09	100.00	454.71	100.00	415.83	100.00

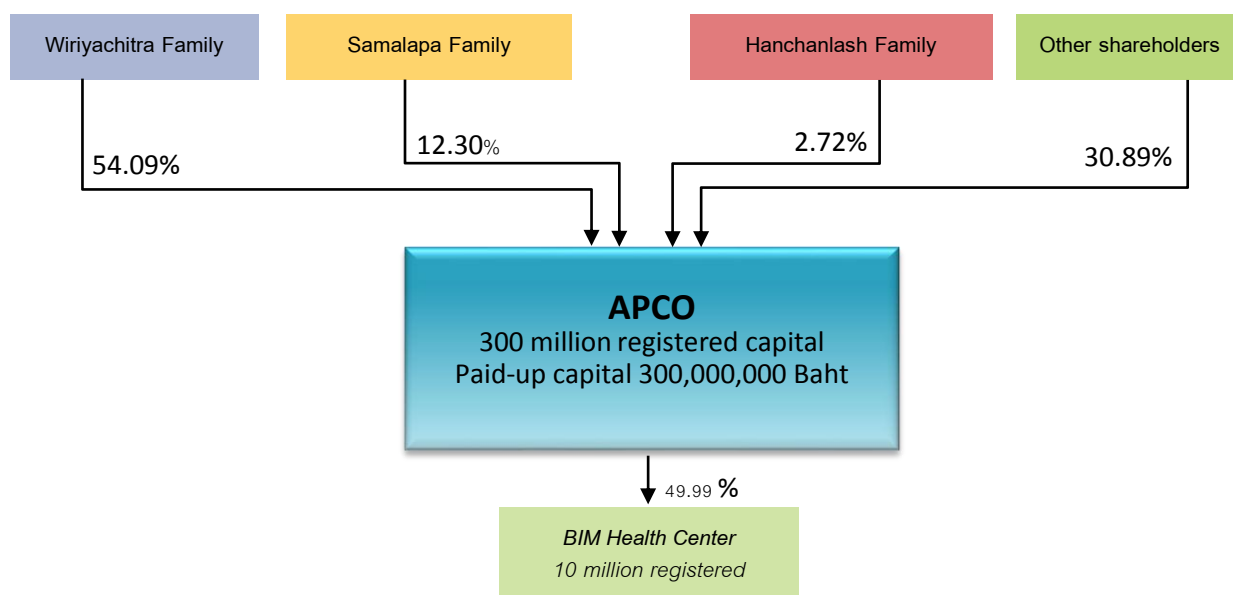
Note: * Other revenues consist of the interest, earning from packaging sales, and earning from the currency exchange.



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

Sustainable Development Structure^{G4-34}

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 2017^{G4-15}

- Certificate for Green Industry, Ministry of industry.



- Awards the Standard on Prevention and Solution to Drug Problems in an Establishment, Department of Labour Protection and Welfare, Lamphun Province.

About this Report

This is the second 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 2017^{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

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Materiality Aspects G4-18,G4-19,G4-24,G4-25,G4-26,G4-27

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

Level of impact on the expectations of the stakeholder group outside the organization

Very important	3. Fair Operating	1. Corporate Governance 4. Risk Management 6. Responsibility for Consumer and Society 8. Implementation of environmental law 9. Environmental management
Important	—	2. Anti-Corruption 5. Employee Development and Caring 7. Innovation development
	Important	Very important

Level of impact on the internal business operations of the organization

Stakeholder Engagement^{G4-12}

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:

	Expectations / Requirements	Method of Engagement
Shareholders and Investors	<ul style="list-style-type: none"> • Return on performance • Risk Management and Good Corporate Governance • Equal and fair treatment • Accurate, complete, timely, and transparent information 	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report and Suitability Report • Investor Relations • Website : http://www.apco.com • Shareholders & investors meeting through various activities • Opportunity day
Employees	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Employee meetings • Executives VS employees meeting • Line : Communication within APCO • Announcement • Message from CEO to Employee
Customers	<ul style="list-style-type: none"> • Product quality • Consultation on the use of the product • Right product price • Ability to respond to customer needs 	<ul style="list-style-type: none"> • Newsletter • Counseling by Medical Scientist • Factory visit • Meet with customers • Website : http://www.apco.com • APCO Contact Center 1154
Joint Ventures	<ul style="list-style-type: none"> • Fair and transparent business operation • Risk Management and Good Corporate Governance • Accurate, complete, timely, and transparent information 	<ul style="list-style-type: none"> • Integrative negotiation (win-win) • Meeting
Partners and Creditors	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Contract which is legally binding by law • Meetings and follow-up on progress in the ongoing work plan as well as listening and solving problems in working together
Competitors	<ul style="list-style-type: none"> • Ethical business operation • Free and fair trade policy • No policy in trade competition to obtain illegal and unethical information from competitors 	<ul style="list-style-type: none"> • Website : http://www.apco.com • Company news

Society	<ul style="list-style-type: none"> • Potential impact of the company's operations • Promotion of the quality of life and the creation of the community • Environmental Stewardship 	<ul style="list-style-type: none"> • Social activities and campaigns • Cultivating consciousness and educating employees to maintain and care for the environment
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Impact Boundary G4-20,G4-21

Materiality Aspects	Internal	External					
		Shareholders and investors	Employees	Customers	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 in guiding the policy development. The Corporate Governance Code used at present is the policy that the Board has considered and reviewed and is approved by the Board of Directors on February 23, 2018. The reasons for principles that have not yet been used or have not been implemented for use have been recorded as part of the resolution of the boards and is specified to be reviewed annually

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.

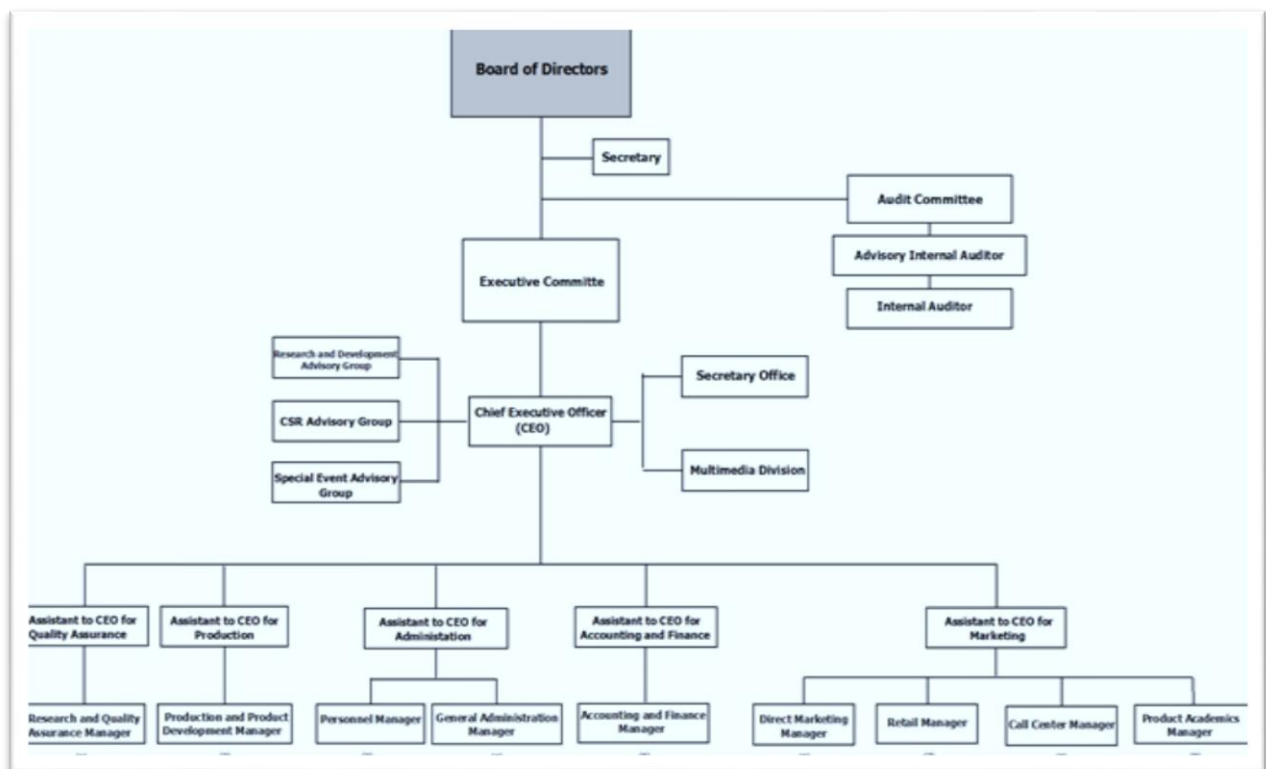
Section 4: Disclosure and Transparency

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 7 directors both male and female who have knowledge, competency and experience, including 3 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.

All the stakeholders including employees can directly contact or file a complaint or whistle-blowing regarding the offence, fraudulent act, or suspicion of misconducts or any matter which may damage the company to the company or the audit committee by a letter to the address posted on the company's website or email at www.apco.co.th. The informant will be protected without any disclosure of his personal information to any person. The questions, complaints, and suggestions will be forwarded to the relevant authorities to detect and find out the further solutions.

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, 2013). 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 a policy of promoting sustainable self-sufficiency in accordance with sufficiency economy philosophy to systematically manage the financial risk of employees by encouraging employees to save money through participating in the provident fund, the company has been established since 2005. Employees who are part of the fund will pay which 3% of the monthly salary and the company will pay another 3% of the contribution.

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 120 people. The details are as follows:

Corporate employees^{G4-10,G4-11,G4-LA1,G4-LA12}

	Male				Female				Total
	Daily	%	Monthly	%	Daily	%	Monthly	%	
All employees*	11	9.17	35	29.17	10	8.33	64	53.33	120
New employees**	7	5.83	2	1.67	4	3.33	4	3.33	17
Resigned employees**	9	7.50	2	1.67	2	1.67	4	3.33	17

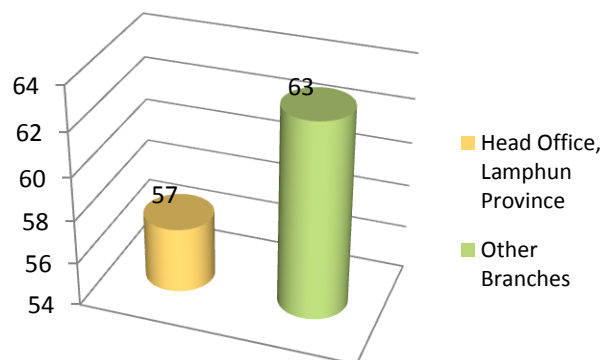
* As of December 31, 2016

** Data from 1 January to 31 December 2016.

Divided into

Head Office, Lamphun Province 57 persons

Other Branches 63 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 competitiveness 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 2017, the employee of Asian Phytochemicals Public Co.Ltd. has attended a total of 17 training courses. Average training hours are 6 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 work-related diseases
- Allowing functions switched in order to be appropriate for pregnant employees (Almost 100% 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^{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.^{G4-LA12} 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 of persons above 60 years and over (1 person)^{G4-LA12}
- Employing one handicapped person which is 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, the rate of harm or injury of employee work is zero.

Summary of harm or injury of employee in 2017

	2016	2017
Male	0	0
Female	0	0

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:

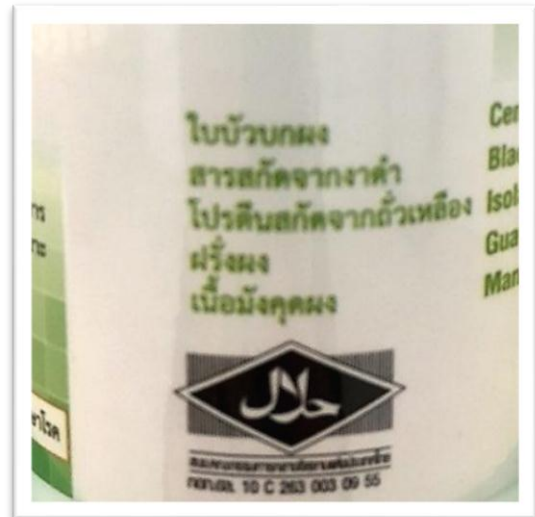
6.1 Standard and Safety

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

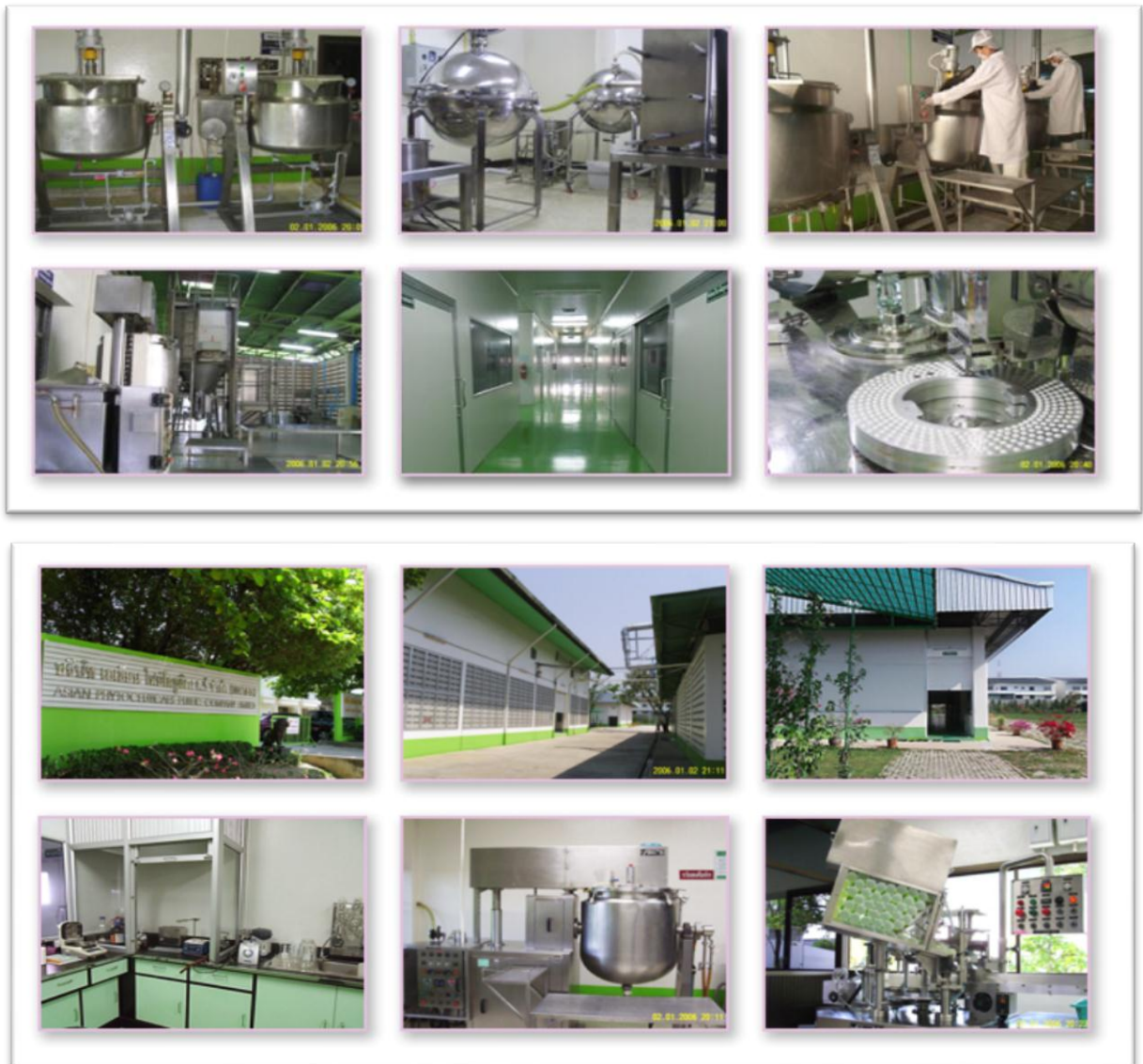
- Every product is certified by Food and Drug Administration (FDA)



- 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:

- Press conference on World AIDS Day to disseminate academic information to consumers.



- 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, Facebook live 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
- 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

- Be part of the project "King of the Park", the 30 acres of land garden on the Ratchadapisek Road, to commemorate the hardest working king , and to show gracious gratitude.



- Donating the subsidy and 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 mangosteen, soybean, black sesame, guava and asiatic pennywort
- 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 high-quality researches
- Hiring 71.43% of the senior management from the local community^{G4-EC6}

7. Development of Innovation

With the determination to be the leader of innovative dietary supplementary and beauty products from natural extracts, APCO then continuously conduct researches and develops its products to meet the different demands of the consumers.

“Immunotherapy” is treatment that uses your body’s own immune system to cure the diseases. It is an innovation that enhances



the effectiveness of “Cytotoxic T cell” or “Killer T cell,” a subtype of white blood cell, that can specifically destroy cancer cells that have on its surface which make the cancer cell different from the normal one. Killer T cell will not attack or affect the normal cell. Therefore, this operation is safe and has no side effects.

The effectiveness of the Killer T cell can be enhanced by mixing the substance extracted from the mangosteen peel called GM-1 (the most active xanthone) with extracts from 4 kinds of plants and fruits, namely, soybean, black sesame, guava and centella asiatica. This mixture can stimulate the Th1, Th9, Th17 white blood cells and Interleukin-18 receptors (Proven from the testing by Biomedical Technology Research Center, Chiang Mai University) which jointly multiply the ability of “Killer T cell” to effectively kill cancer cells.

Findings from the research on APCO products (Essence):

- Contain GM-1 which kills cancer cells upon impact
- Contain Alpha Hydroxy acid which can chelate free ions that promote growth of cancer cells
- Contain HCA which traps the enzyme cancer cells used in the synthesis of fat that is a part of cell-wall lining
- Contain Polysaccharides which separate the spread of cancer cells

Findings from the research on APCO products (Capsule):

- Increase Th1 twice
- Increase Th17 five times
- Increase Th9 twice

As a result, “Killer T cell” white blood cell’s capability is enhanced and thus enables the body to effectively deal with cancer cells.

Environment



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

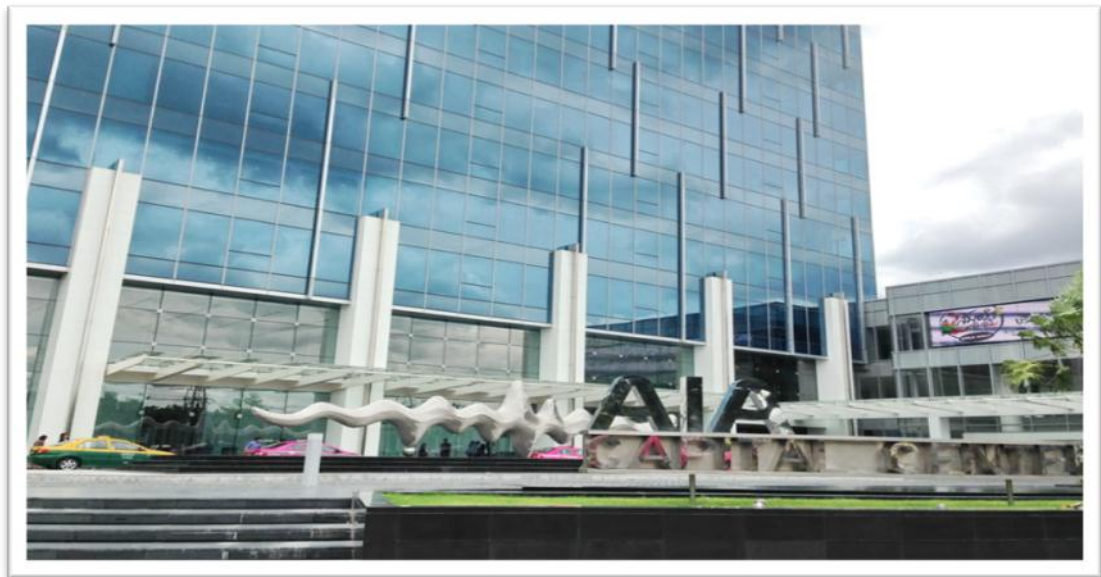
- 8. Implementation of the Environmental Law
- 9. Environmental Management

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 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 2017, 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	971
Sound (Leq)	Not more than 90	80.6
Air quality (mg/m ³)	Not more than 15	2.12

- **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, green label

- 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 aims to reduce energy consumption. In addition to reducing the impact on the environment. It can also reduce the cost of production. In the year 2017, LPG and diesel were reduced by 17.74% and 70.83%, respectively. The amount of energy consumption in 2017 is summarized as follows:

	2016	2017
Electricity (Kilowatt-hours)	292,624	322,432
LPG (Kg)	13,746	11,307
Diesel (Liters)	9,600	2,800

• **Water Management** ^{G4-EN8,G4-EN9}



The company uses water from a single source, the Industrial Estate Authority of Thailand so it does not affect the other water sources in any way. However, the company is still aware of the water scarcity crisis. The policy is to encourage employees to use water economically by adopting 3R principles is to reduce, reuse and recycle to suit the organization. Water consumption in 2017, which decreased from the previous year, is summarized as follows:

	2016	2017
Water (Cubic meters)	6,641	5,990

• **Waste Management** ^{G4-EN23}

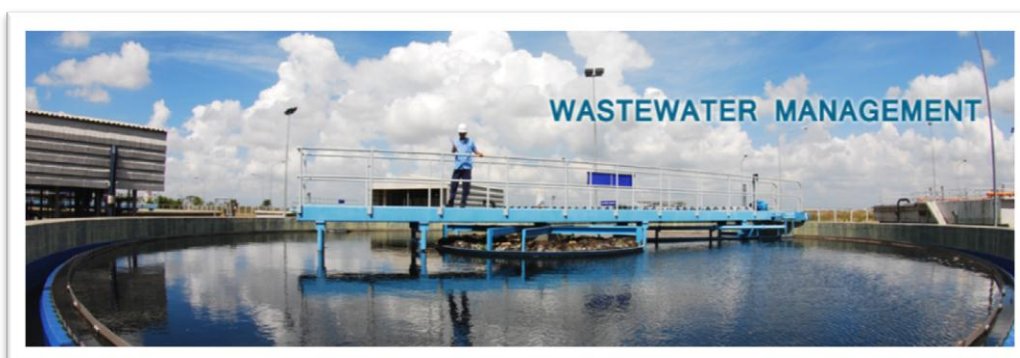
Waste management and waste control has classification and control as follows:

- 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 2017 is summarized as follows:

	2016	2017
General waste (Tons)	1.7	4.92
Recycled waste (Tons)	1.6	2.25
Degradable waste (Tons)	27.2	21.10

• **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.

Wastewater quality measurement as of 22nd December 2017

	Standard	Measurable
pH	Between 5.5-9.0	7.90
B.O.D. (mg/L)	not more than 500	7.00
C.O.D. (mg/L)	not more than 750	18.00
SS (mg/L)	not more than 200	16.00

* Industrial Estate Authority of Thailand Notification No. 76/2560

ดัชนีชี้วัดตามกรอบ GRI - G4^{G4-32}

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Contact Point^{G4-31}

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