



**NRF**



**SUSTAINABILITY  
REPORT 2020** *Lite Version*

# WELCOME

In this report, NR Instant Produce Public Company Limited (NRF) described our effort, progress and action plans related to sustainable development. All information in this report contributes the performance and operation in 2020's journey based on our commitment to create a sustainable world along with sustainable business growth regarding to the United Nations Sustainable Developments Goals (UNSDGs). The information in this report showed how we embedded SDGs into our sustainable journey.



"TRANSFORMING  
FOOD SYSTEM  
FOR A

**LOWER  
CARBON  
WORLD**

IS THE ULTIMATE  
GOAL OF NRF,  
THAILAND'S

**PLANT-BASED  
FOOD  
PRODUCE"**





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**Summary**

# MESSAGE FROM CEO

## IF THE WORLD DOESN'T REACH NET ZERO WE COULD SEE FOOD SYSTEM COLLAPSE WITHIN A CENTURY.

As the impact of climate change is severely day by day, all sectors were impacted especially agriculture and food production. It is necessary for all sectors to take action to meet the goals of the Paris Agreement - limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. NRF is one of the world's leading sustainable food production company. We considered this problem as our first priority to help our planet. **WORLD FUTURE IS OUR PRESENT. So, our future of food isn't going to wait - it's happening "NOW"**

NRF is the **1st purpose-led company** listed on the Stock Exchange of Thailand (SET) with strong passion to grow our business sustainably. We are also the 1st company in Thailand committed to science based targets (1.5-degree pledge) and the 1st company joined race to zero campaign by aiming to be a net zero carbon emission organization in 2030. We see ourselves as a climate actor, so, we committed to embedded 10 Sustainable Development Goals (SDGs) to operate the business with efficiency along with good society and environment. Therefore, we merge those goals into our sustainable strategy **"Triple Bottom Line" or 3Ps (People, Planet and Performance).**

Besides, in 2020, we were a net zero greenhouse gas (GHG) emission factory by offsetting 100% of total GHG emission for 2 consecutive years. Moreover, we are also concern about local communities well-being, therefore, "Food For Future Generation" project was initiated to provide good quality foods to disadvantaged people due to covid-19 pandemic. Moreover, we also pay attention to medical personnel by donating alcohol gel, surgical mask, personal protection equipment (PPE) and food for more than 51K person. As our goal to create delicious and sustainable specialty food products that delight and enrich people's lives. We continuously walk on a sustainable development pathway by aiming to improve not just taste but is...

Better **FOR US**

and

Better **FOR PLANET**

**DAN PATHOMVANICH**

Chief Executive Officer



# Awards of Pride

## Organization and Personal Awards



Superior Taste Award 2021 from International Taste Institute

## International Recognition



CEO Today Global Award 2021 From CEO Today Magazine



# Stock Market Index



Entered ESG Emerging List 2021



Entered FTSE ALL World Index of micro cap group



Entered ESG100 Index



Entered SET100 Index

# Climate Action



The first company has joined "Race to Zero" campaign

The first company has committed in Science Based Targets



Carbon Footprint Organization Certificate for 2 consecutive years



Carbon Neutral Organization Certificate for 2 consecutive years



Carbon Neutral Certificate - COO for 2 consecutive years



Carbon Neutral Certificate - CEO for 2 consecutive years



Carbon Neutral Certificate – General Manager Sustainability and PR for 2 consecutive years



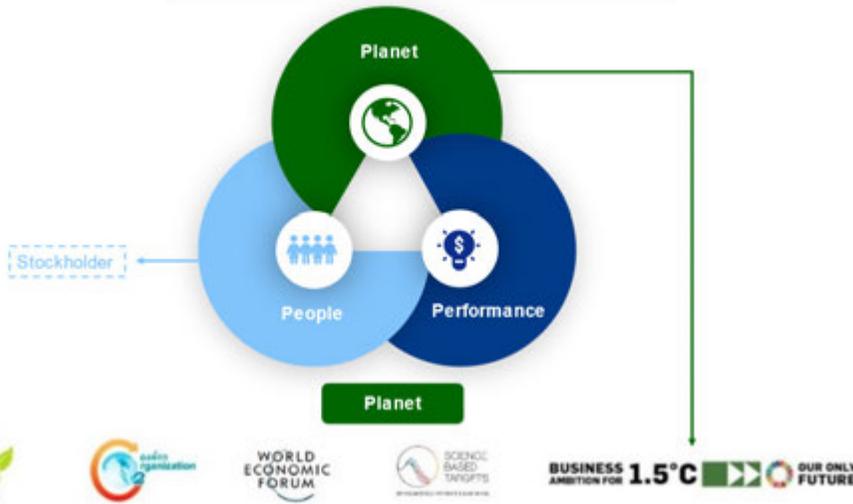
# “Purpose – led organization with a triple bottom line”

# Sustainability Framework

“We deliver the food innovation to create a sustainable happiness and low carbon society”

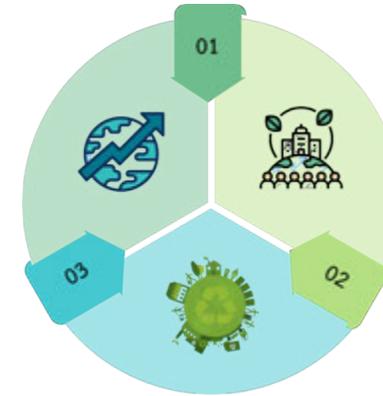
## Sustainability Strategy

“Purpose – led organization with a triple bottom line”



### Economic Success

- Sustainable business growth
- Innovation



### Social Responsibility

- Well-being
- Health & Safety
- Social responsibility

### Environmental Responsibility

- Biodiversity
- Ecosystem
- Waste management



# Company Overview

### Vision

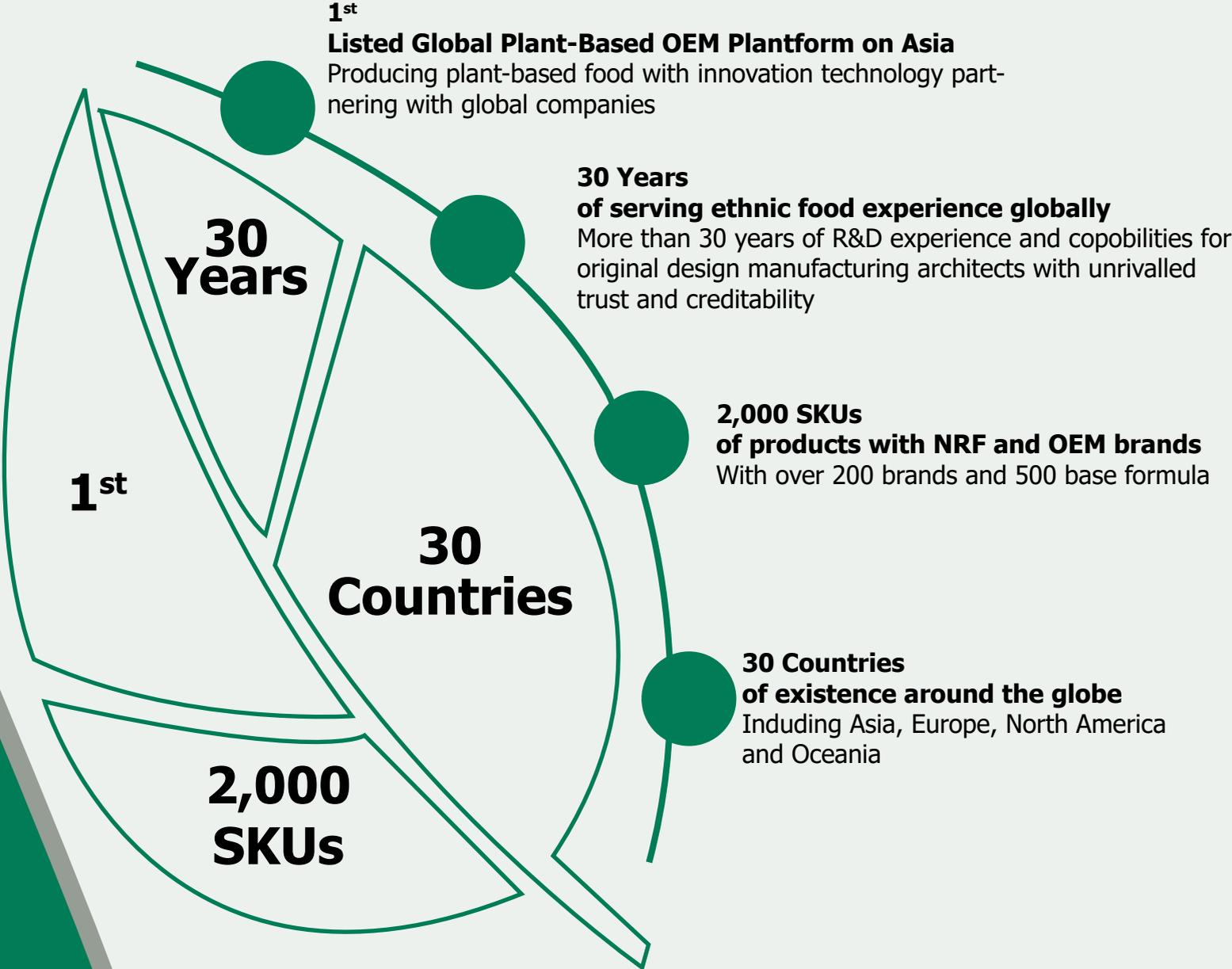
“To be the forefront of food for the future by building global platform around ethnic, plant-based and functional foods with sustainable growth”

### Mission

“Transform our food system for a more inclusive and sustainable world. The world will be better, our producers will be better, and our customers will be better”

### Goal

“To create delicious and sustainable specialty food products that delight and enrich people’s lives We do this by developing innovative products that improve nit just taste but is better for me and better for the planet” and emphasize the purpose-led companyfocusing on sustainable business and were chosen as the first choice to produce instant food for the global forefront company



NR INSTANT PRODUCE PUBLIC COMPANY LIMITED (NRF) is the first purpose-led company listed on the Stock Exchange of Thailand (SET) focusing on the sustainable consumption and production for low carbon foods with a major focus on transforming into the world's leading co-manufacturer of alternative protein ingredients and foods. We are recognized as a leader that is not only producing variety of quality products, but we also focus on building awareness about sustainability and through our mission to invest in many food technology startups. Today directly and indirectly through our \$50 million accelerator with offices in New York and Singapore we invested into more than 50 startups in the alternative protein space. We believe that small actions can create bigger impact.

NRF was established on December 30th, 1991 were officially listed to Stock Exchange of Thailand on December 16th, 2020. We have more than 2,000 SKUs with over 500 recipes. Our company classified product type for three main categories including:

70%

1. Ethnic food including OEM products as 70% of 1H/2021 operating revenues and NRF owner brand as 30% of 1H/2021 operating revenues

5%

2. Plant-based food as 5% of 1H/2021 operating revenues

2%

3. Functional product in V-shapes technology as 2% of 1H/2021 operating revenues

11%

4. E-Commerce as 11% of 1H/2021 operating revenues

We exported our products to more than 30 countries around the world such as United States, European countries, Asia and Australia. With the international food safety standard, we are one of the first company that was certified the BRC (The British Retail Consortium) certificate since 2004. In addition, the company has passed many food quality inspections such as IFS Food, GMP, FDA standard and many more.



Since 2017, Mr. Dan Pathomvanich, CEO and Director of the company, transformed NRF to become a food for future company with food innovation development and green investment for sustainability food ecosystem under purpose-led strategy. NRF aimed to be a leading global manufacturer chosen as the first choice to produce instant food for the global forefront company; majorly enhance growth rate of the company by setting up strategy to expand into the specialty food which are Thai food, ethnic oriental food, plant-based food and functional food.

# Our Business

**82%** of 1H/2021 Operating Revenues

## 1. Ethnic Food

- 48% Recipe Mix
- 26% Ready-to-Eat
- 21% Basic Seasoning
- 5% Others



2,000 SKUs and 200 Brands for OEM production with 7 NRF Brands

OEM Brands :



NRF Brands :



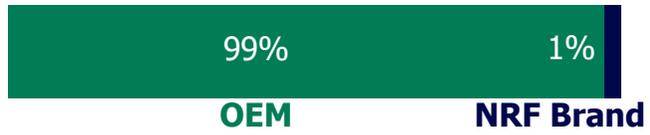
Distributors:



**5%** of 1H/2021 Operating Revenues

## 2. Plant-based

- Current Products Example
- Plant-based Meal Kits
  - Konjac Noodles Ready-to-Eat Meals
  - Dry and flavored Jackfruit meat
  - Eggplant for Sushi
  - Plant-based Sauces
- Future Products Example
- Plant-based Fresh Meat
  - Soy Milk



Over 30 SKUs for OEM Production

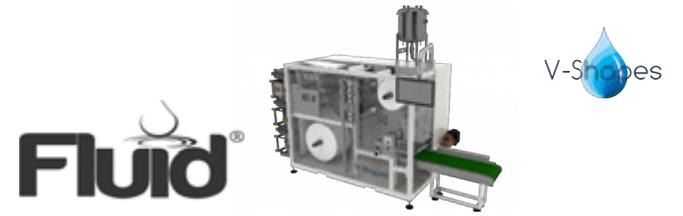
Partners/Customers:



**2%** of 1H/2021 Operating Revenues

## 3. Functional Products

Sales of V-shape Machine and equipment To Fluid Energy



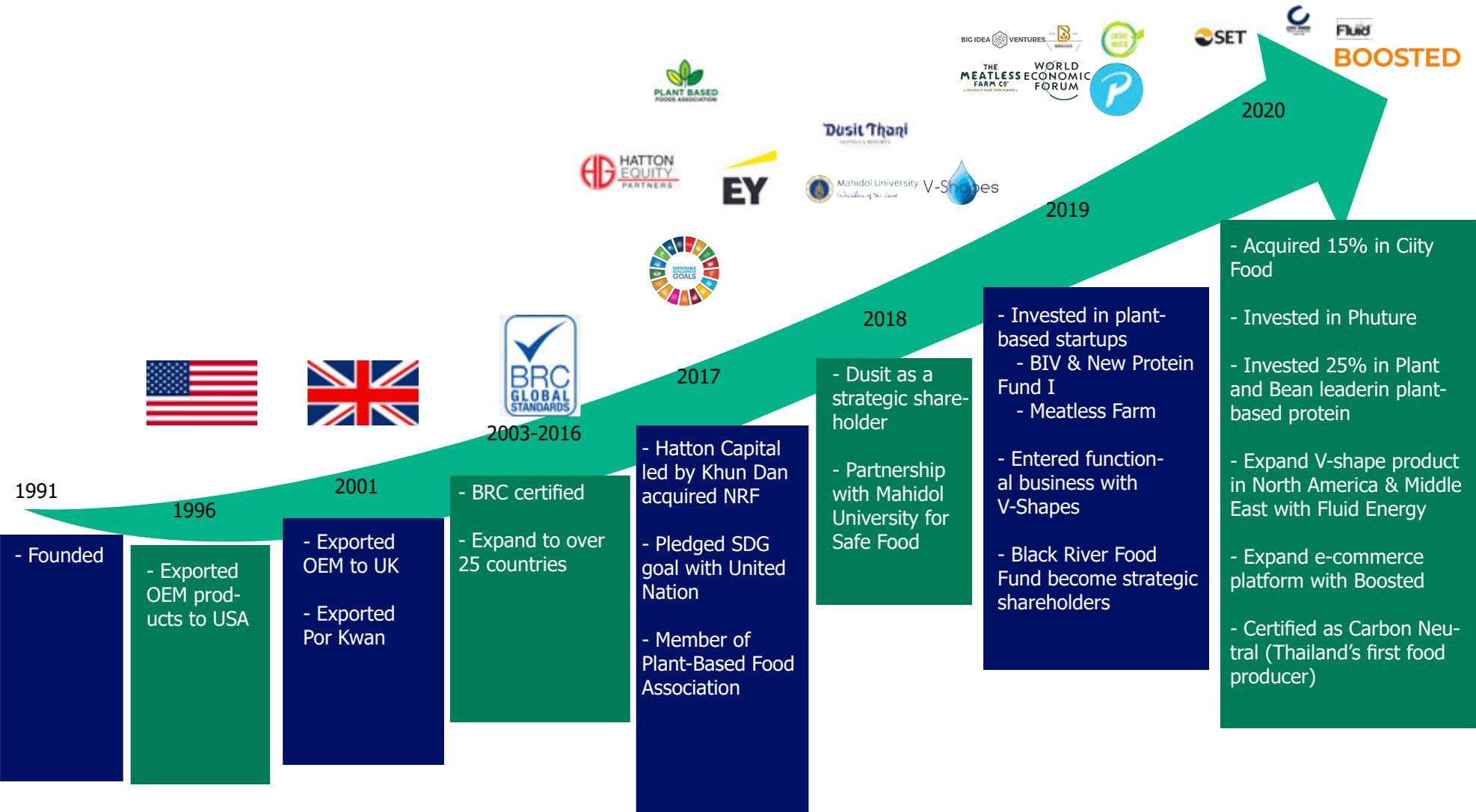
**11%** of 1H/2021 Operating Revenues

## 4. E-commerce

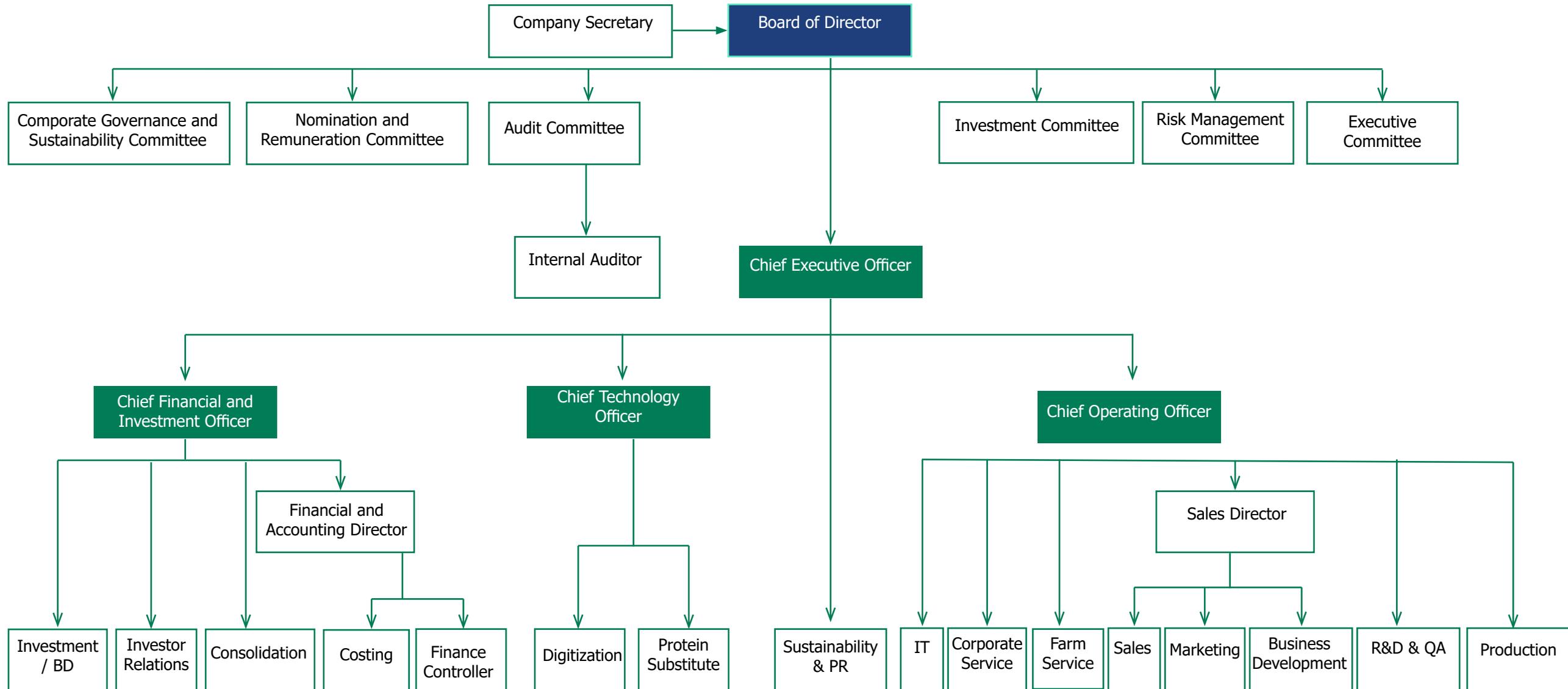
Building E-commerce platform, acquiring category leading food and consumer products, upselling NRF products on online channels



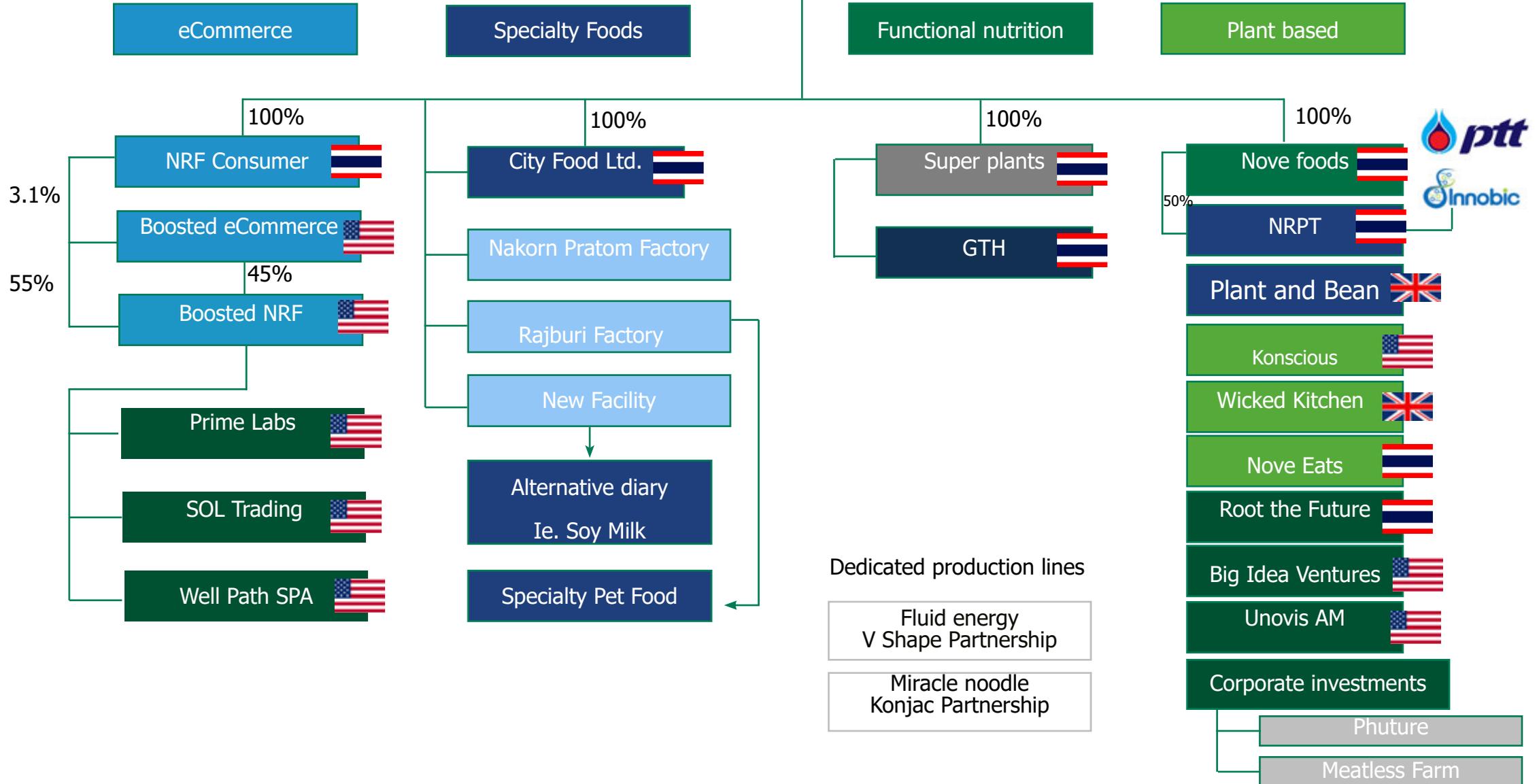
# NRF Milestones



# Company structure



# Partners



Company have invested through subsidiaries and associated company as the following:

### **Nove Foods Company Limited**

A company which invested in Plant Base business and invested in 25% of the paid-up capital of Plant and Bean Company Limited, UK

### **NRF Consumer Company Limited**

A company which invested in Ecommerce business and invested in preferred share of 3.7% of paid-up capital of Boosted Ecommerce, Inc, USA

### **Root the Future Company Limited**

A non-profit corporation to support and campaign for the protection of the environment



### **City Food Company Limited**

A manufacturer and exporter of seasoning under the brand of Classic Thai and OEM at Nakhon Pathom factory and soy milk under the brand Shinpo at Ratchaburi factory.

### **Plant And Bean Ltd, UK**

A manufacturer and distributor of Patty Burger sausage and mince which is all produced from plant or plant-based

# SUSTAINABILITY APPROACH

The company realize the importance of sustainable development that require motivation from all sectors to achieve the goal efficiently. Nowadays, the company has built up important network for strong sustainable practice.

## 1. Cooperation between the company and national and international environmental organizations

### 1.1 Membership of the United Nations Global Compact (UNGC)

Since 2018, NRF participated as member of United Nations Global Compact (UNGC) which is to declare the company's intention to develop sustainable business which applied 10 provisions and comprised of 4 dimensions: human rights, labor, environment and anti-corruption into our operation to promote sustainable development goals (SDGs) internationally.

UN Global Compact Network Thailand (GCNT) is the network of UN Global Compact (UNGC) in Thailand that push forward and support sustainable development of organization to comply with national strategy. NRF has joined Thai Environmental Committee and apply 10 rules of SDGs as a guideline to operate business and to promote good society and environment in moving forward to the real sustainable development in both national and worldwide society. The company has joined the membership and being an honor to have our CEO, Khun Dan Pathomvanich, to hold the position as sub-committee of GCNT since 2020.



In 2020, NRF embraced 10 sustainable development goals (SDGs) into our cooperate policies and operation by the following:



### 1.2) 1<sup>st</sup> company committed to Science-Based Target (STBi): 1.5-degree pledge



To emphasize on company's vision concerning environmental care, in 2019, NRF is the first company that committed to Science-based target (STBi). The company have signed the agreement of SBTi in 1.5 degree pledge

The company have signed the agreement of SBTi in 1.5 degree pledge which target the mission to reduce greenhouse gas (GHG) emission relating to Paris agreement on climate science fundamental to control world's temperature lower than 2 degree Celsius. In this case, 1.5 degree Celsius is the major target of all participant performance. From this action, we made an important commitment to drive organization with caring of environmental impact of climate change.

### 1.3) 1<sup>st</sup> company joined Race to Zero campaign



In 2020, NRF is the one of two companies in Thailand that joined "Race to Zero" campaign to confirm that we are one

of the leading companies aimed to be a net-zero emission company as well as to support governmental policy in order to made Thailand become a net-zero emission country in 2065.

### 1.4) World Economic Forum



World Economic Forum (WEF) is the non-profit organization in corporative of world leading industries. Member can participate in the meeting and share idea in cooperating with government sectors and private sectors from other countries including academic, influencer, religious

and culture leaders and media leaders from all around the world. Besides economic, the environmental issue has been raised into concern by emphasizing on doing business with beneficial concern to all stakeholders, not only shareholders but including all organization, customer, OEM contractor within supply chain, community in surrounding area and any person that might be impacted either positively or negatively of such business. The company has officially joined the membership of WEF on the world-class platform to set future of the product and looking for opportunity to change world's food system and to cope with climate change.

### 1.5) Forum for the Future



Forum for the Future is a leading international sustainability non-profit organization working with government and private sector. It focused on business transition by using education and research as a tool to work and push forward for sustainability. The strength of this organization is to create the inter-linkage between the sustainability approach and business operation pathway.

In 2020, the company has joined Forum for the Future to build up sustainable business development in the future. The company is supporting the Protein Challenge Southeast Asia Initiative via Path Foundation to accelerate the transition towards a just and regenerative protein system in Southeast Asia. Protein is critical for human health and sits at the nexus of multiple sustainability issues across Southeast Asia. Unsustainable production and consumption systems are contributing to a decline in human health, human rights abuses in supply chains, unequal access to affordable, healthy food, ecological damage and biodiversity loss, threats to food security and a rise in greenhouse gas emissions that contribute to the climate emergency.

## 2. OVERALL OUTPUT ACCORDING TO SDGs



<p><b>1</b> NO POVERTY</p> 	<p><b>650 cases</b> Help and provide knowledge to farmers in Contract Farming project</p>	<p><b>10</b> REDUCED INEQUALITIES</p> 	<p><b>570 cases</b> Employment (Myanmar, Philippines, Italy) <b>8 Cases</b> Disable people</p>
<p><b>2</b> ZERO HUNGER</p> 	<p><b>55,402 meals 44 communities</b> Children, youth and food-deprived people in access to nutritious food that clean and safe</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<ul style="list-style-type: none"> <li>- Employee seminar for professional development</li> <li>- Provide transportation for employees</li> </ul>
<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> 	<p><b>51,402 person</b> Supporting medical personnel <b>2,000 pieces</b> Handing out medical mask and alcohol during Covid 19 pandemic Maintain proper hygiene and keeping clean to prevent the spread of the virus</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<ul style="list-style-type: none"> <li>- Project for earth and environment, waste separation (bottle, can, lid), and deliver it to waste pickup location to create value and opportunity for people in need</li> <li>- Transform waste from production line into useful product for farmland</li> </ul>
<p><b>6</b> CLEAN WATER AND SANITATION</p> 	<ul style="list-style-type: none"> <li>- Wastewater treatment</li> <li>- Big cleaning in the organization and surrounding area to restore water condition and ecosystem</li> </ul>		<ul style="list-style-type: none"> <li>- Implement project to monitor greenhouse gas emission to reduce world's greenhouse gas and global warming</li> <li>- Join membership, CEO take role as subcommittee of GCNT</li> </ul>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>910 cases</b> Staffs in the organization</p>		<ul style="list-style-type: none"> <li>- Carbon Footprint Organization Certificate</li> <li>- Carbon Neutral Organization Certificate</li> <li>- Carbon Footprint of person Certificate</li> <li>- Committed to Science Based Targets Initiative and joined Race to Zero campaign</li> </ul>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<ul style="list-style-type: none"> <li>- Clean and safe raw material</li> <li>- New technology in manufacturing</li> </ul>	<p><b>13</b> CLIMATE ACTION</p> 	<ul style="list-style-type: none"> <li>- Installed solar cell panels on the factory's rooftop</li> <li>- Changed fluorescence light bulb to LED light bulb in our factory</li> </ul>

## Environment

The impact of human over-exploitation of natural resources severely each day. Ecosystem resilience interruption shown by many environmental phenomena, i.e. climate change, air pollution, eutrophication, inefficient waste management or biodiversity loss. Those phenomena do not affect only the planet but also impact human health and well-being as well.

As we are the purpose-led company, we took sustainability approach into our business operation. In 2020, we primarily focused on energy consumption reduction project and raise environmental awareness to our employees and surrounding community. We also concerned about waste upcycling and waste management which could encourage employee engagement for waste separation in order to return upcycling monk's robe to local temple and transform to organic fertilizer to farmers.



**“The IPCC report has put the world on notice and is a global mandate to governments, industries, companies and leaders to drive through change now that science has validated that change is mandatory.**

**This is Thailand’s wakening call to either embrace this change and chart a path of leadership in the fight against climate change or we may see ourselves becoming uncompetitive within the next decade”**

### 2.1.1 Our Road to Zero



SCIENCE  
BASED  
TARGETS

Since our CEO, Khun Dan Pathomvanich has been selected to be environmental sub-committee of GCNT in 2020. NRF announced to embed SDGs into our 3Ps strategy, performance, people and planet, which cover all sustainability pillars (Governance, Economics, Social and Environment). The company have signed the agreement of SBTi in 1.5 degree pledge, which aimed to reduce greenhouse gas emission relating to Paris agreement. We also joined "Race to Zero" campaign to emphasize our intention to be net-zero carbon emission organization.



Carbon footprint of organization results for 2019 and 2020 showed that significant hotspots for scope 1 and 2 were 60% from bunker oil and 30% from electricity. For scope 3, tap water contributed 1% of total GHG emission. However, other significant source in scope 3, we are gathering the information from related stakeholders in order to come up with reduction plan for 2021. Moreover, we are now setting the target and sustainability plan to achieve net-zero emission in 2030



### 2.1.2 Resource and Energy Management



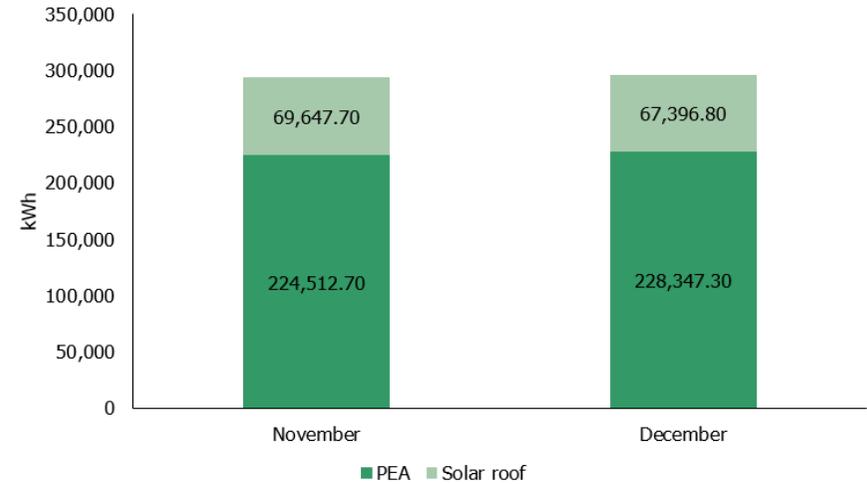
Among the world’s energy consumption, renewable energy with countless natural resources is becoming a future energy in the present world. NRF is focus on clean energy transition which aims to reduce GHG emissions from fossil fuel and generate electricity to use in the factory.

NRF is focus on clean energy transition which aims to reduce GHG emissions from fossil fuel and generate electricity to use in the factory. NRF focused on raising employee awareness about energy saving by implementing the campaign to turn off the light and air condition during the lunch break for 1 hour everyday. In additional, we also improved the fuel combustion in the production line such as cleaning scale in the fuel pipeline and cleaning fuel injection to use bunker oil efficiently.

#### Renewable Energy: Solar Roof



This project consists of company’s factory in SamutSakorn, and has completed installation of solar cell panels on the factory’s rooftop and started testing since January to October 2020. It has started fully operated in November 2020. The results found that solar roof could generate clean electricity for 1,754 kWh per day or 631,461.3 kWh per year. Since November 2020, the factory could reduce the consumption of electricity from provincial electricity authority (PEA) by 23.6% and 22.7%, respectively.



#### Electricity Consumption Management

Apart from switching off the light during lunchtime campaign. NRF has also changed fluorescence light bulb to LED light bulb in our factory which could save electricity consumption by 75%.



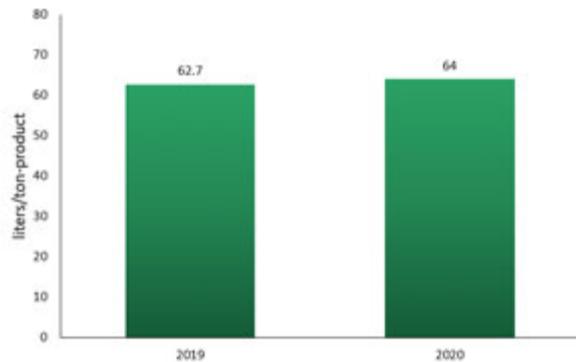
NRF has electricity consumption rate that is 234.5 kilowatt per ton-product which is lower than two previous years. Electricity consumption rate in 2020 was 4% lower than 2019 electricity consumption rate

## Bunker Oil Consumption Management



NRF's bunker oil type C consumption rate in 2020 was 64 liters per ton-product which increasing than 2019 by 2% because the production capacity in 2020 NRF's bunker oil type C consumption rate in 2020 was 64

NRF's bunker oil type C consumption rate in 2020 was 64 liters per ton-product which increasing than 2019 by 2% because the production capacity in 2020 is higher than 2019 especially for noodle product. It found that noodle production process required huge amount of bunker oil for noodle boiling machine.



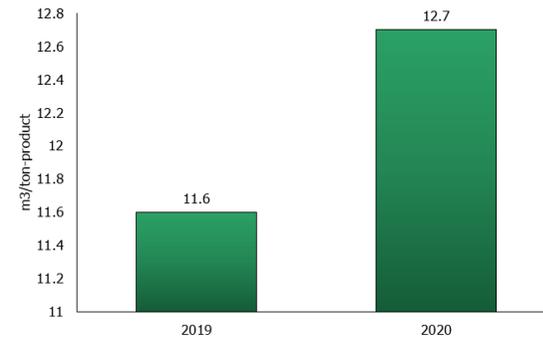
## Water Efficiency Management



Tap water mainly used in in office building and production process for raw material preparation and machine cleaning. The company also concern about the reduction of tap water consumption which is not only for cost

saving but also for resource efficiency performance. Besides, raising our employee engagement also one of the criteria to launched the reduction campaign. We encourage employee to help reduce water consumption.

We also installed automatic hand wash sensor in the restroom. In production processes, we improved soft water quality control and efficiency of cooling tower for cooling water of retort process including recovering cooling water" of colloid milling machine.



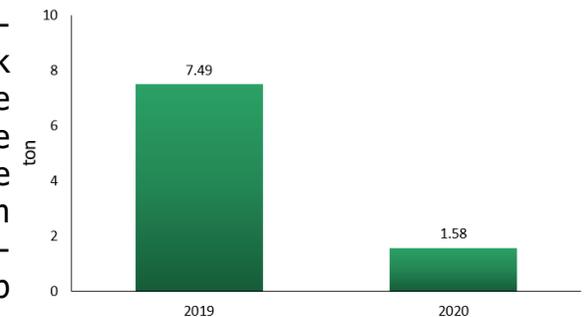
In 2020, the factory has water consumption rate by 12.7 Q per ton-product which is higher than 2019 by 9 %, due to the higher amount of purchase order in 2020. Main consumption of tap water came from boiler machine in sterilization process.

## Water Efficiency Management



NRF concerned about the environment around the factory in order to maintain communities' hygiene. We managed and controlled quantity of waste from our factory in compliance with standard that is being certified including BRC Global Standard and International Food Standard, and comply

with all law and other relevant regulations. We check the result, improve and solve the problem incur from time to time. The company engage the sub-contractor to perform garbage sorting and elimination by dividing into 5 group



of waste, (1) raw material waste (2) packaging waste (3) engineering waste (4) hazardous waste and (5) general waste, set aside at the specific area and clean the working area once a week.

Moreover, we also merge environmental project with CSR project related to waste upcycling, waste management and employee engagement as following:

### Waste Upcycling Project



In 2020, the company applied circular economy model by establishing the "Waste Up-cycling Project" as a pilot project in order to recirculate waste from the production process. The replacement of waste agricultural materials by circulating lemon-grass residues from production process to produce liquid fertilizers and biological insecticide with cooperation from Ban Khao Noi Organic Fertilizer Production Group, Kanchanaburi Province.

This project could potentially reduce fertilizer cost and also reduce the amount of waste generated from factory send to landfill by up to 230 kilograms. This is the proof of the company's mission for transform the business into zero waste organization.



### Global Recycling Day



NRF launched the "Global Recycling Day" project from January to July 2020 by taking donations of UHT drink package, beverage can, and its ring to Precious Plastic Bangkok Project, Chak Deang Temple, Green Roof Project, and Association of Person with Physical Disability International. The total of donations in this project can produce 2 artificial legs, 2 green roofs, 209 tri-robots and also reduce office waste for up to 537.7 kg.



### Earth Day Project



NRF concerned about environmental impact and can foresee way to restore envi-

ronment and conserve ecosystem. Therefore, we aimed to raise the awareness on environmental problems to our employees. In April 2020, we launched "Earth Day Activity" by cleaning inside and around the workplace to reduce waste in water sources near the factory and improve the nearby ecosystem.

### 2.1.3 Carbon footprint



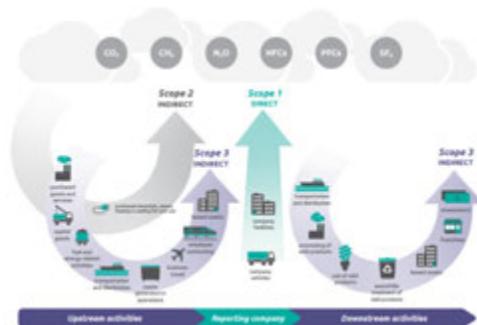
NRF has committed for sustainability approach related to United Nations mission which collaborating in global warming solving, greenhouse gas emission reduction. As the top concern of the company, we have implemented the greenhouse gas emission assessment in 2019 in accordance with the guideline for carbon footprint for organization (CFO) set by Greenhouse Gas Management Organization (Public Organization) (TGO) which equivalent to ISO14064: Greenhouse gases. Significant source of GHG emission will be mitigated in order to reduce and avoid GHG emission and serve our goal to become net zero emission organization in 2030.

As the top concern of the company, we have implemented the greenhouse gas emission assessment in 2019 in accordance with the guideline for carbon footprint for organization (CFO) set by Greenhouse Gas Management Organization (Public Organization) (TGO) which equivalent to ISO14064: Greenhouse gases. Significant source of GHG emission will be mitigated in order to reduce and avoid GHG emission and serve our goal to become net zero emission organization in 2030.

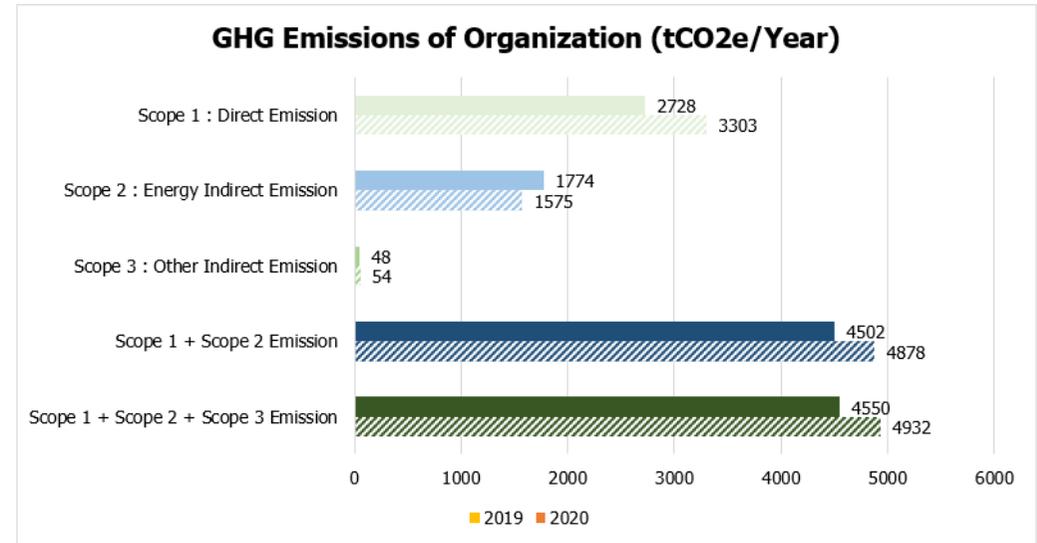
#### Management to Reduce Impact of Greenhouse Gas Emission

Scope 1 (Direct Emissions)	Scope 2 (Energy Indirect Emissions)	Scope 3 (Other Indirect Emissions)
<ul style="list-style-type: none"> <li>Stationary Combustion</li> <li>Mobile Combustion</li> <li>Fugitive Emissions</li> <li>Refrigerant Leakage</li> </ul>	<ul style="list-style-type: none"> <li>Indirect Emissions from Use of Purchased Electricity</li> </ul>	<ul style="list-style-type: none"> <li>Tap Water</li> </ul>

**Greenhouse Gas (GHG) that are emit by organization as follows: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs**



### GHG Emissions of Organization (tCO<sub>2</sub>e/Year)



In 2019, the company has disclosed total GHG emission was 4,502 tCO<sub>2</sub>e which comprises of 2,728 tCO<sub>2</sub>e of direct emission (scope1) and 1,774 tCO<sub>2</sub>e from indirect emission (from purchased electricity consumption). The company was 100% offsetting became "First Carbon Neutral Food Production Company" certified by TGO.

In 2020, the company keep continuously reported our GHG emission was 4,878 tCO<sub>2</sub>e which comprises of 3,303 tCO<sub>2</sub>e of direct emission (scope1) and 1,575 tCO<sub>2</sub>e from indirect emission (scope2, purchased electricity consumption). We also offset 100% of GHG emission which became Carbon Neutral Company for 2 consecutive years.

Without foresight vision from our management team, NRF could be accepted as a climate actor company. Our management team declared and offsetted their GHG emission became "Carbon Neutral Man" for 2 consecutive years which are Khun Dan Pathomvanich, CEO, Khun Teerapong Lorratchawee, Operation Managing Director, and Khun Chutinathon Anapiya, Sustainability and Public Relations. This could emphasize our intention and awareness for climate change management.



Carbon Footprint and Carbon Neutral Organization Certificates 2020



Carbon neutral certificates of person 2020 including Mr. Dan Pathomvanich; Chief Executive Officer, Mr. Teerapong Lor-ratchawee; Chief Operating Officer, and Ms. Chutinthorn Ananpiyapha; General Manager of Sustainability & Public Relations.

## 2.1.4 Root the Future



Root the Future, an environmental non-profit organization, initiated the "Climate Clock" project as a call to action for Thai people to aware on climate change. This global campaign has been implemented in many cities around the world. The "Climate Clock" project aimed to raise awareness about climate change and encourage the general public to change their daily behaviors to help reduce their environmental impact.



NRF hosted Root the Future Festival: Plant-Based Food & Sustainability which is the Asia's largest plant-based sustainability festival to promote sustainable consumption lifestyle through this contest. In this festival also had workshop, plant-based food products selling, cinema and music festival. Besides, this festival also plastic-banned festival in order to reduce waste generated from this festival. <https://rootthefuture.com>





# SOCIAL

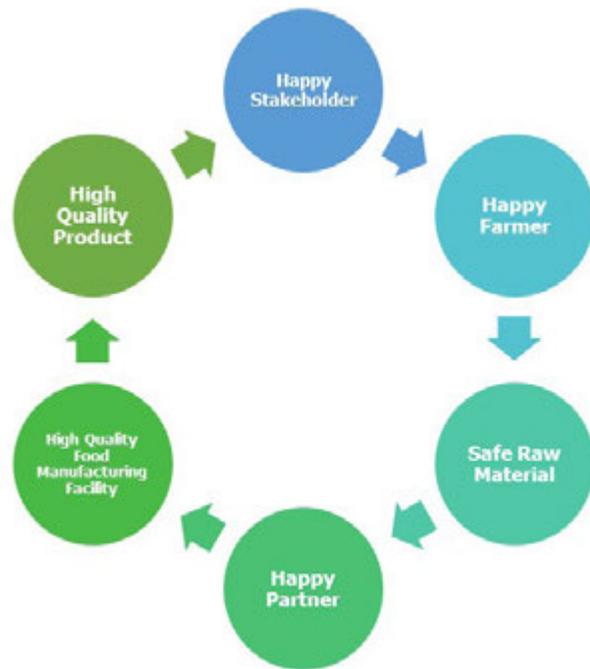
## SUMMARY

- To ensure employees happiness in their workplace
- To ensure that all employees received training and skill development
- To ensure that all employees work in safe and proper workplace
- To build the sustainable society in all pillars
- To build CSR mindset to our employees
- To enhance farmers quality of life through price guarantee mechanism of raw material



**I wish NRF to become  
DJSI member**

## 2.2.1 Sustainability Value Chain



### Happy stakeholder

The company has appointed the board of directors to take care of management and employees with faith, responsibility and fairness to build up trust for stakeholder by focusing on best interest of the shareholders. The shareholders can exercise their right by either giving comment, advice and vote in any decision to change things including to appoint board of directors and remuneration of director, profit allocation and dividend distribution

### Happy Farmer

The company aimed to help and work with the farmers to improve standard of living to "increase income, reduce expense and mitigate risk" to increase their saving and sustainable farming

### Safe Raw Material

Quality of raw material is crucial to make good quality of food product that safe for the consumer. The company procured raw material with care. We knew its source, type, quantity and its deterioration. We have experts in food manufacturing and processing to take care of the stocking process in order to ensure that the raw material for production has good quality and quantity satisfactory to the company standard and safe for consumer. The farming is safe for farmers, using resource at the best interest, with sustainable agriculture, safe for environment and community.

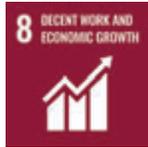
### Happy partner

The company placed important on making good relationship with business alliance. This is to create negotiation power and business advantage than other competitors. We purchased goods and services from our supplier under the trading conditions and treat the supplier in accordance with the agreement and under the law under the Good Governance Code of Conduct. We also explained rules in working together to prevent problem and communicated for any problem or question that occur and helping each other. If our suppliers are strong, it will give positive effect to the consortium as well.

### High quality product

The company realize and place an important on each step of manufacturing. We select, check and control quality of manufacturing process in every step by our specialist. We have set standard in taking raw material, sourcing and quality checking before taking, stocking method and processing of product, packing and transportation with an aim to serve and satisfy the customer. This would create business opportunity, competitive, advantage, and sustainable development of the company, including presenting responsibility of the company in providing good quality of product that safe for consumption, and social responsibility for not releasing pollution.

## 2.2.2 Policy and Social Guideline



Policy and guideline that in compliance with law and social regulations relevant to business operation including human right. The company emphasis on business operation with responsible to stakeholders and to become center to promote professional development and new activities to develop surrounding community for the sustainable good quality of life. Below is the summary of the company's activities throughout the year.

- Fair corporate governance to make employees happy and ready to perform work in full capacity
- Provide opportunity and encourage the employees to show their own capability and self-develop in full capacity
- Ensure most safety to all employees at work
- Promote sustainable way of life and income for all producers and farmers
- Support all activities to develop and/or provide knowledge to community that can create drive to move forward for the better life

## 2.2.3 Respect human right



The company has the human right policy to promote and protect right and freedom of person, by treating each other equally both within and out of organization, without discrimination, racist, gender, age, skin color, religious, physical appearance and ancestry. The company did not do any act to violate person's right and freedom either directly or indirectly and shall not do any act to violate human right such as supporting forced labor or hiring child labor. The company aimed to develop and implement Code of Conduct in respect of human right within 2021.

## 2.2.4 Fair Treatment to Labor



During 2020, the company always recognize that all employees are the most precious resource of the company and the factor of the company's success. The company then adopted the policy to provide fair treatment in opportunity, compensation, promotion, transfer and potential development in accordance with the following principles:

Keep working environment safe for life and property of employees

- Appointment, transfer, giving reward and punishment must be done in good faith and based on their capability and suitability
- Focusing on professional development by providing training, and/or seminar to all employees regularly, fair compensation to all employees upon state of industry, business competitiveness, type of work, performance and ability of the company to pay
- Prevent any unfair act which might affect their career's security
- Provide channel for employee to give suggestion, making complaint, making solution for the benefit of all and build up good relationship in working together



## 2.2.5 Remedial measure for person affected by human right violation



In 2020, the company recognize the important of social responsibility and participation in community and social development. The company has provided support to social activity to develop quality of life of people in the community, i.e., promote volunteer work, create sense of awareness to all employees relating to continuing development of community, society and environment.

The management of the company has responsibility to enforce employees under their supervision to strictly comply with code of conduct of the company. If any director, management or employee violate code of conduct shall be disciplinary punished under the company's work regulations. If there is any violation of law, the company shall investigate and refer the case to competent authority. Employee who found any such violation can report to the Chairman, Chairman of Audit Committed, CEO or Executive Committee promptly. The company shall investigate on the non-name basis, without disclosing the source in order to protect the person who make the complaint.

## 2.2.6 Communication with the Employees



During 2020, the company provided channel for internal communication to provide employees with information and news either about work regulation or policy by either posting announcement on the board, visiting the site, meeting, via e-mail or leaflet.

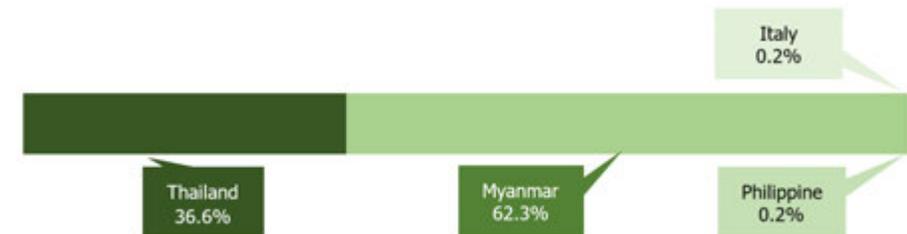
## 2.2.7 Employment



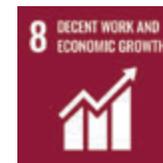
During 2020, the company has strictly complied with human right principle starting from employing and taking care of all staffs. This is to build up royalty to the company and willing to walk with the company to the sustainable goal. The company also placed high concern on equality of people and operate the company with fair and without discrimination. The company provided opportunity to all employee to develop themselves professionally without discrimination in gender and age as referred to below.

Employee	Number of employee (Persons)						Total
	18 - 35 years old			36 years old and over			
	Male	Female	All	Male	Female	All	
Monthly	37	86	123	47	81	128	251
Daily	199	269	468	58	133	191	659
<b>Total</b>	<b>236</b>	<b>355</b>	<b>591</b>	<b>105</b>	<b>214</b>	<b>319</b>	<b>910</b>

The company also considered diversity and equality of the people who play the role in moving the company forward disregarding the sexuality or age. The company respect and support diversity of race and provide them with opportunity to show their full capacity and equality. The company played an important role to promote business operation under diversity of business labor to set standard rule of equality for the people in the society and non-discrimination against the labor as referred to in the below table, the employment during 2020.

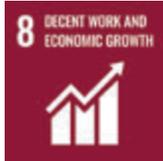


## 2.2.8 Employee Training and Development



The company held the employees' seminar to enhance the skill, knowledge and capability both for temporally employee and head of work group. In 2020, there were 619 employees who attended the seminar out of 910, or 68%, with the detail referred to in the below table:

## 2.2.9 Employee relationship



The company fully prioritizes employees and personnel in the organization by providing them opportunity to show their talent being proud in doing their duties and having sense of unity. The company regularly rewards the staffs who perform with their full capacity toward work, for example, giving raise, thank you party, improve environment and working atmosphere, provide them with comfortable space. The company aimed to build up relationship among the employees and accept suggestion from them in order to get right solution by making questionnaire to assess employees' satisfactory within 2021. The company collected data and statistic concerning employees' turn-over rate in 2020 to control continuing quitting job rate as referred to in the below table:

In 2020, the company recognized the important of safety, hygiene and working conditions that might affect all employees. The company enacted policy concerning safety, hygiene and working conditions which considered topics shown as the following:

- Working safety is the first priority of all employees
- All employees must concern about their own safety, colleague's and the company's property at all time at work
- All employees must concern about cleanliness and tidiness in working space
- The company shall support activity that promote working safety to the highest result
- The company shall recognize the important of measure to prevent accident incur to employees from working
- The company shall promote improvement of environment and working safety practice including good health of employees

## Happy employee Project

As employee is one of key person for our success, happy employee project was initiated in order to enhance employee happiness. We believe that happy employee and happy workplace could lead to working efficiency.

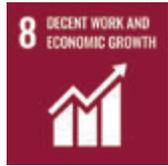


## Happy Workplace Project

Cleaning agent sold in the market commonly made from chemical substance and had high price and may affect human health. Therefore, the company researched for substitute material in order to find user-friendly material. The study found that lime and bergamot can be used as substitute materials which is not only good for health and environment but also reduce cost as well. Apart from user-friendly cleaning agent, this project is also one of the channels for extra income for our employee.



### 2.2.10 Employee Engagement

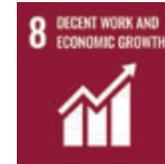


The company concerned about employee engagement by focusing on employee’s individual and team performance. Moreover, the company reward- ed employees for their best performance by award- ing the prizes such as increasing salary, thank you party and improvement of workplace and environ- ment. The company aimed to assess employee en- gagement by survey employee satisfaction in 2021. Turnover rate and target of shown as in the following:

Employee	Turnover rate	
	Persons	Percentage
Monthly *Target per year lower than 2%	50	1.76
Daily *Target per year lower than 8%	412	5.82
<b>Total</b>	<b>462</b>	<b>7.58</b>



### 2.2.11 Guideline to manage and handle the COVID-19 pandemic toward employees and society



In 2020, the company evaluated risk that might incur and cause damage to the business and stipulat- ed guideline to handle the effect by having measure to control and protect the virus in strictly compliance

with measure announced by the government. The company set up the thermometer, alcohol spray and sterilize tunnel before entering the company’s area. All employees must strictly follow pro- cedures set by the company. Everyday, there will be the commu- nication team to promote awareness to all personnel and giving advice for self-protection and care. On 4 January 2021, the com- pany, incorporation with Ministry of Public Health have conduct random proactive screening on all employees to entrust the people both within the organization and surrounding society. The result came out that 100% of employees were negative on covid test.



## 2.2.12 Corporate Social Responsibility (CSR) Projects



The company prioritized the company's responsibility toward environment of community and society by promoting reduction of environmental impact and preventing operation causing negative impact to the community both directly and indirectly. That included the improvement of ecosystem and sustainable farming. The company supported all activities to help society at the appropriate time and circumstance as the company has done many projects so far. The company shall not involve in any human right violation and shall not infringe intellectual property right. During the year 2020, the company has done many activities for society as below:

### **Donation medical equipment medical personnel to fight against COVID -19 pandemic**

COVID-19 pandemic (COVID-19) is not only crisis that affect life buy also affect way of life of people. The company has followed up the crisis closely to set direction of the company to help people in the society. The company seen the dedication of the medical personnel in the frontline to fight against Corona Virus. In May 2020, the company organized "Donation in the Corona Virus Situation". The CEO, Executive Committee and our staffs has played the part to encourage them at Siriraj Hospital, Ministry of Public Health by providing alcohol gel and spray, PPE and pasteurized soya milk. We also provided instant food in Happy Sharing Canine for the surrounding area at Wadkarai community and also hand out medical mask, alcohol gel and spray as well. These activities can help medical personnel for more than 51,402 persons and sharing food for more than 1,500 meals

## Food For Future Generation Project



Food security around the world is increasing under pressure for many factors such as rapidly increase of population, change of consuming behavior and climate. All of these problems urgently need solution. So, the company initiated "Food For Future Generation" project. This project aimed to fulfill people happiness in this tough situation. COVID -19 pandemic affected way of life, work and income earning for the sensitive family. The company joined with Thai SOS Foundation played the part to help disadvantage people. In 2020, we provided 38,441 packs of Shinpo Soya Milk to more than 44 communities around Bangkok. On mother day, the company organized activity to hand out mothers who came pick up their kids at community nearby Makkasan Railway on 10 August 2020. The company also support 40 kg/month rice to Grow Home Foundation, Chiang Rai Province for 5 months continuously, which would make 9,600 meals. The company also supported rice and rice wrap to Thai SOS Foundation to be used in "Rak Aharn Kitchen" on 9 November 2020. This project helped people in need more than 11 communities with more than 6,930 meals.

## Knowledge sharing project



Nowadays, farming is another option for occupation to support themselves and family. But to pursue a successful career in agriculture, farmers must prepare and open to new learning in order to cope with any situation that may arise. Farmers must have knowledge and understand the planning management, management of plant diseases and pest control throughout the harvest which is basic foundation of farming to produce good quality product sufficient to market demand. Implementing organic farming is one element to reduce the use of chemicals and cost to maintain the plants for the sustainable safety of farmers and consumers. The company then implemented "Knowledge sharing" project in August to October 2020 for on-site visit to educate them on contract farming basis to apply the organic farming practice and guide, give the information direction and support young farmers for Young Smart Farmer project in order to help them to step up and develop the good agricultural practice in Navakaset community, organic plants and herbs community enterprise, power alumni of agriculture Kanjanaburi Pattana, organic agriculture Ban Nong Sampran, Coco Western Ltd. and Kaset Charoen Rungreang community enterprise. The company exchanged knowledge and got the feedback about the various problems in farming practices from farmers. There were 650 farmers participated in this project which aimed to improve farmer's livelihood to become self-sufficiency with stable income, healthy agricultural practice and environmentally friendly agricultural practice.

## NRF contract farming project



The contract farming project was initiated in order to enhance farmer's quality of life and make sure that company will have enough and good raw material for production process. Moreover, the company also supported all raw material for plant cultivation as well as acting as their market to buy products from them since 2019 until present. There were 10 farmers joined this project. Apart from higher selling price, they also educated and trained about organic and sustainable agricultural practice.



**NRF has sincerity to operate our business  
for people and the planet**

## **Corporate Governance**

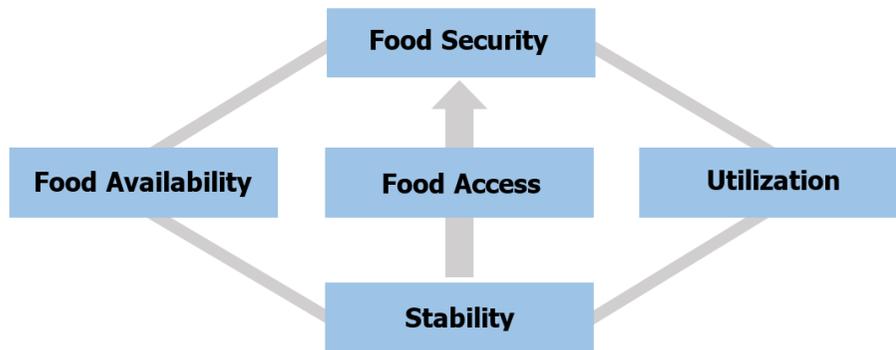
### SUMMARY

- To ensure that our business has driven ethically and legitimately followed our code of conduct
- To treat our stakeholders and society fairly and sincerely
- To deliver high quality product to our beloved customers
- To impress our customers' joyful experience
- To enhance customer satisfaction
- To build quality supply chain around our products from farm to product
- To enhance operational efficiency through good governance

### 2.3.1 Tackling Food Insecurity



Food security problem is widely concern around the world. Food security is not focus only about food production but also linked to other related issues such as food accessibility, food production consistency, food safety, community’s food security, etc. World Food Program (WFP) forecasted that food security will be a critical problem due to the world’s population might increase up to 10 billion people in with 265 million people are in risk of malnutrition problem due to Corona-virus disease or COVID-19 pandemic. Besides, current food production system does not have enough capacity to support population growth.



Source: Food and Agriculture Organization, "Food Security" Policy Brief Issue 2 (June 2006):1

The company had seen this issue as the opportunity for our plant-based products which meet the need of health-conscious customers. Besides, our strengths are food safety and reasonable price with high quality products certified by many international food standards. Apart from that, we also have online marketing strategy to enhance our competitiveness and attractiveness of online customers.

### 2.3.2 Raw Material Acquisition and Food Safety Standards



A key of food product is the quality of raw materials which directly affect the taste and food safety. Recently, the company coordinated with governmental authorities, private companies and many organizations for modern farm development, knowledge sharing and financial support for sustainable agriculture to enhance the quality of farmer’s life and guarantee higher price for pesticide free materials. The company also commit to develops quality of products to achieve food safety, comply with regulation and customer satisfaction, driving to national and international standards based on law and regulation, build up public benefit and secure environment. Due to the standardized production process, our products were certified by many national and international standards by the following:

	IFS Food (International Featured Standards)	SGS International Certification Services
	BRC Global Standard for Food Safety	SGS United Kingdom Ltd
	GMP (Good Manufacturing Practice)	• Department of Fisheries, • Department of Livestock Development
	HACCP	• Department of Fisheries • Department of Livestock Development
	HALAL	The Central Islamic Council of Thailand
	SEDEX	The Sedex Members Ethical Trade Audit (SMETA)

In food producer perspective, food security issue is a new challenge to create new innovation under the limitation of resources in order to deliver safety and high nutrition products and enough and accessible for everyone. All stakeholders need to work together to promote sustainable consumption and production society in order to create sustainable food security.

## 2.3.3 FUTURE FOOD: PLANT-BASED & GREEN INVESTMENT

### FUTURE FOOD: PLANT-BASED



Plant-based food products market has been widely expanded day by day. According to Data Bridge Market Research (2020), the plant-based meat market is estimated to be valued at 143 billion USD by 2027 growing with the compound annual growth rate (CAGR) of 25% in the above-mentioned forecast period. The customers, especially in America, England and European country, turn to focus more on the nutritional value and environmental impact of food product. Many researches result showed that plant-based diet had lower environmental impact than animal-based diet which was significantly came from animal husbandry process.

Currently, our plant-based food products made from jackfruit, konjac, eggplant, etc. which emphasize that we had potential and capable to be a leader in plant-based market. Company aimed to be the plant-based food leading company in Thailand and widely accepted in the international market as well. Therefore, company has policy to joint venture capital with world's top class companies to enhance knowledge and expertise in plant-based production process and technology.

The criteria for joint venture capital with other companies were to enhance our knowledge, expertise, technology from the joint venture company, access to new product which enable the company to be the leader of the market, promote company's reputation to make the company outstanding in plant-based business and increase worldwide marketing channel.



Source: <https://www.databridgemarketresearch.com/reports/global-plant-based-food-market>

#### Enhance Knowledge

*Enhance knowledge expertise, technology from the joint venture company*

#### Manufacturing New Product

*Manufacturing new product to create new market base and enhance customer satisfaction*

#### Access New Product

*Access to new product which enable the company to be the leader of the market*

#### Promote Company's Reputation

*Promote company's reputation to make the company outstand in plant-based business*

#### Increase Marketing Channel

*Increase worldwide marketing channel*

Through our vision to be a leader for plant-based protein diet producers, we decided to invest to these following companied and start-up:

### **(1) Dedicated plant-based food factory and research and development center**

According to the report from the FAIRR investor network in the year 2020. There are 1.1 million USD investment in the plant-based business which grew twice the size of the amount in the year 2019. Many big companies around the world and start-up companies aim to develop technology to use with ingredient and new product which has the similar favor and characteristic to natural meat. Generally, those big companies around the world, especially, start-up do not have their own dedicated plant-based food factory. From the current ability to produce plant-based food, the company planned to expand the production capacity to support the growing demand to consume plant-based food in many parts of the world which grew from 12.1 billion USD in the year 2019 to over 27.9 billion USD in the year 2025 and to produce products for companies and start-up which the company invested in through Big Idea Venture and New Protein Fund I by constructing dedicated plant-based food factory in Thailand and jointly invest with plant-based food manufacturer in England called the Brecks Company Limited ("Brecks").

On 13 May 2020, the company have jointly invested with Brecks which is a company in England with an expertise in plant-based food production for over 27 years e.g. sausage production which is made from plant for leading coming in the plant-based industry and distribute those products across the world. The company jointly invest with Breck through an associated company of the company called Plant and Bean Company Limited ("P&B"). The company bought the 25% of the newly issue share in P&B in the amount of 5 million pound or 198 million baht so that such money can be used to buy a new factory in England and buy machine with higher producing capacity. Also, the company has the right to buy another 25% of the newly issued share by 15 June 2020 in the price of 4 million pound.

Such price may decrease if P&B cannot reach the set profit goal unless P&B can issue the newly issue shares to invest with the value above the price stated in contract. In doing the joint investment with Brecks, the company have transferred all plant-based business, customer base, and manufacturing technology to P&B. Because P&B is in the process of choosing a suitable factory which can support the higher manufacturing capacity, P&B therefore release a Brecks's former manufacturing

Previously, Brecks's factory in England accept to produce plant-base product to many brands e.g., Quorn, the vegetarian butcher and caldron foods. The company predict that the joint investment this time will provide the company with an opportunity to learn and increase its expertise in production those products. It is an open opportunity for the company to step up to become one of the biggest producers of those food in Thailand in the future.

### **(2) The Meatless Farm Limited**

On 18 January 2019, the company investment in The Meatless Farm Limited (Meatless Farm) which is a company incorporated in England and operates in meat substitutes business e.g., hamburger with simulated meat made from coconut oil, protein from rice and bean including radish which can give the same taste and texture as real meat product. The product of Meatless Farm is convenience, easy to consume and can be used to form many diverse menus. To create a good relation and open the opportunity for the company, the company has become a business partner with Meatless Farm. Therefore, the company have invested in Loan Note Instrument of Meatless Farm and converted the ordinary share during January 2020. The company hold 0.87% of Meatless Farm's share which is an investment to create good business relationship. This will create an opportunity for the company to manufacture and distribute product in the future and receive information and knowledge as a shareholder should know. Currently, the company is in the stage of negotiating with big retailer companies in Thailand so that it can distribute Meatless Farm product into the market. Anyhow, the company have introduced Meatless Farm's product at Icon Siam, Bangkok during the previous Nine Emperor Gods Festival 2019 in which the company have seasoned the product so that it is suitable for Thai consumer e.g., deep-fried e-san spicy vegan ball, vegan tonkatsu, vegan mayonnaise cashew nuts, etc. The company must be the distributor for Meatless Farm and in the long run be the manufacture in Thai and Asia market for Meatless Farm.

### **(3) Investment in Big Idea Venture LLC and New Protein Fund I which is a fund focusing on investment in plant and cell protein business.**

To be the leading plant-based food manufacturer, the access to technology and new customer from across the world, on 3 October 2019, the company invested in Big Idea Venture LLC ("Big Idea Venture" or "BIV") and New Protein Fund I as an investor with no executive power. New Protein Fund I has the fund size of 1,500 million baht. It was established by Mr. Dan Pathomvanich, who is the CEO and Director of NRF and he is the manager of the fund of Big Idea Venture. New Protein Fund I is an accelerator fund which support start-up business relating to plant-based food and give advice in conducting a successful business. It aims to invest in 100 start-up companies which now have invested over 30 start-up companies. Over half of those start-up companies already has sale revenue e.g., Phuture Limited ("Phuture") (simulated pork) <https://phuturemeat.com/> which has distributed to many restaurants in Singapore. Because the company invested as an investor with no executive power in Big Idea Venture, the company has the right to present itself as the producer for the start-up companies that New Protein Fund invested in (Preferred Co-packer) when those start-up companies need a producer both for small testing or the market scale or commercial scale. Such investment will open the opportunity for the company to access to new technology which can be adapted to use in the company in the future. This will increase the yield and capacity of production of the company. Example of products of New Protein Fund I are Black Sheep Food, Phuture Meat, Eat Karanma, Confetti fine Foods. Currently, the company have entered into a hire to produce contract with Phuture Limited which is one of the start-ups in the New Protein Fund I.

### **(4) Phuture Limited**

On 13 March 2020, the company invested in an instrument to receive the right to convert ordinary share in the amount of 25,000 USD. Phuture Limited ("Phuture") <https://phuturemeat.com/> is a start-up company which aimed to develop simulated pork which is produced mainly from soy bean's protein.

It is one of Food Tech start-up in Asia which has been interested by world class investment company. The company have known Phuture Limited from investing with BIV. Currently, Phuture distributes product in many restaurants in Singapore. It has a plan to expand its business into China and Thailand and continually develop new product. Anyhow, the company make such investment to build a business relation and opportunity to become the manufacturer for Phuture.

### **(5) V-shape innovation**

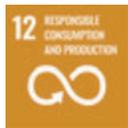
Apart from our food products, we also have non-food functional product aim to provide convenience for consumer and serve customer satisfaction. Our functional product packed in eco-friendly packaging ("V-shape"). In the future, the company plans to expand to food functional products as well such as food supplement, etc. In December 2020, company invested in Boosted Ecommerce, Inc, USA to import V-shape packaging production machine and V-shape packaging technology which is a convenient packaging and suitable for consumers of all ages including the illness and disabled people. Under the contract, the company received the right of first refusal from service providers for the food, cosmetic, pharmaceutical, and chemical industries in the Southeast Asian market.

Apart from convenience and user-friendly product, V-shape machine could potentially produce in various sizes, designs and types of products. Our packaging material is polylactic acid (PLA) which is 80% bio-based materials that are recyclable with shorter compostable lifetime than chemical plastic. PLA plastic could extract from various plants such as corn, casava, sugarcane or beetroot. Bio-based packaging has lower environmental impact than chemical plastic in all life cycle stages.



## 2.1.6 Procurement of products or services

### (1) Procurement of production material



The company procures raw materials including fresh, dry, food compound, and packaging from domestic manufacturers and distributors, whereby the company has a policy to procure raw materials from multiple trading partners in order to reduce the risk of reliance on any trade partner. Sometime the company required to import packaging and/or raw materials used in production from abroad according to customer specifications. Raw materials that the company used for manufacturing products can be divided into 2 groups as follows:

- Raw materials used in production

The raw materials used in the production include fresh and dry ingredients and food condiments. Most of the raw materials are agricultural products such as chili, lemongrass, lime, garlic. The company's main raw materials, including agricultural products, have production quantity that is uncertain and the shelf life is not very long. Therefore, the company has strictly planned production and schedule for receiving these raw materials in order to maintain the quality of the raw materials used in production. This will directly affect the quality standards of the company's products. In general, the company will keep raw materials for 3 to 7 days. The company will use the reference price from the middle price of Srimuang market and Thai market, which is a medium-sized dry market and large fresh fruits in Ratchaburi province. The company will buy mostly from distributors, where the company normally specify quality, we need.

- Packaging

The company will order packaging of any size and type according to the order of the customer which mostly being purchased from local distributors and partly order from an overseas supplier. This will happen only if there is a specific requirement of the customer. Most of which are orders from domestic manufacturers, the company procures both groups of raw materials from multiple producers or distributors in order to reduce the risk of reliance on a particular

manufacturer and supplier. The company consistently and continuously buys from the same manufacturer and supplier and build a good relationship with each other. As a result, the company has never encountered a shortage of raw materials in production which cause significant impact on its business operation.

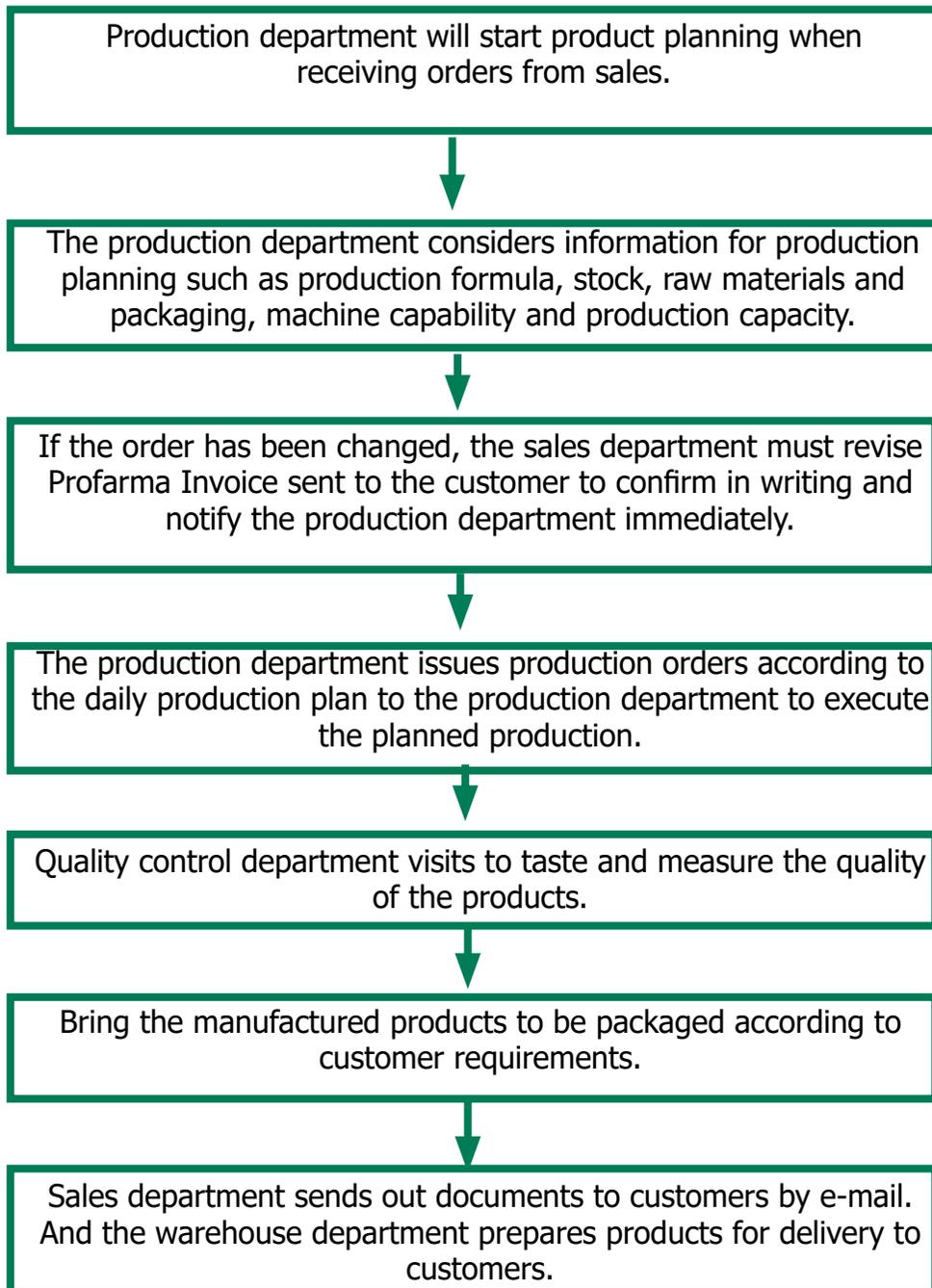
### (2) Production and production control

In the year 2020, average production rate of the company is approximately 111% of the total production capacity of approximately 14,677 tons per year, and production at our 2 factories are for production of noodle, sauces and seasonings.

### (3) Production process

Generally, the company produces products mainly according to customer orders (Made to order). Only some parts of the company manufactured to stock the products for sale to large retailers and general retailers, both domestically and internationally. The production department will plan the production together with the sales department and the raw material purchasing department in order to make the production more efficient, achieve production goals and able to deliver products within the time agreed upon with the customer. The company has the following production steps:





The company's production department and production control are one of the most important aspects of our operations that will directly affect the quality standard of the product. With great care, the company pays attention to the production process and production control so that all employees can work at their best efficiency. The company has divided into 5 subdepartments of production as follows:

- 1. Powder product line production department:** this production line produces various powdered products such as seasoning powder, instant beverage powder, etc. It also includes the process of mixing various powdered components, packing products in sachets and boxes with automatic machines and manual labor.
- 2. Noodle production department:** this production line produces various types of noodle products such as Hokkien noodle, etc. In this line, there is a production process starting from mixing flour, rolling up fluff, seasoning and packing into packaging as a finished product ready for delivery to customer.
- 3. Line production department prepares raw materials and produces frozen products:** this production line will receive the imported raw materials and put them into the raw material preparation process so that they can be produced in the next step. Starting from the cleaning, trim the raw materials before sending to the production process of various products in other production lines. In addition, this line also produces frozen products.
- 4. Production line of various spices and curry paste:** this production line mainly produces curry and sauce products. By starting to receive raw materials that have been prepared from the production department, raw material preparation lines, ground, seasoning, packaged and sterilized. Before forwarding to prepare for delivery to the customer.
- 5. Labeling and packing line production department:** this production line will carry out labeling, packing of products from other lines in order to be ready for delivery. It will receive products from powder production lines and various curry and sauces lines.

#### (4) Production control procedure

The company committed to producing products that meet the food safety standards (Safe Food). They mainly exported to European countries and the United States. This is the group of countries that are very strict in terms of product quality and safety of imported food products. Therefore, the company has a quality control policy at every stage of production to ensure that every product produced by the company for customers will pass international standards.

##### • Quality of raw materials used in production

Raw materials used in the production comprise of fresh and dry material and food condiments. The company will specify quality of all kinds of raw materials to set a standard for selecting raw material's suppliers for the company. In addition, the production control department uses a random method to bring raw materials to inspect in the laboratory to prevent substandard raw materials from being introduced into the production process and to maintain the quality of raw materials from distributors. In the event that the production department or the production control department finds that the raw materials received from the supplier are not of the agreed quality, the company will return all substandard raw materials and order the distributor to deliver the new lot promptly. If that supplier is unable to deliver the substitute raw materials on time, the company will order additional raw materials from other suppliers from the list of qualified suppliers.

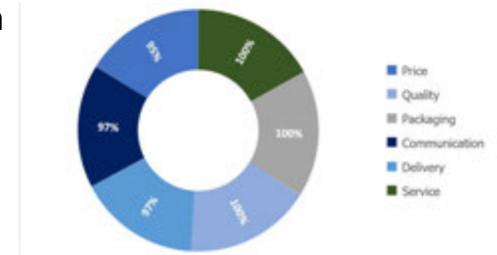
##### • Product quality

The production control department will inspect the quality of products during the production line using sampling methods to perform physical checks including color, size, temperature, humidity and contamination and chemical, taste, humidity, pH and testing for microorganisms, including checking the information on the product label to be complete and correct.

#### (5) Warehouse and transportation

Because the company's products are food and seasoning, so there is no policy to keep raw materials and finished products for long at the factory. Most of the company's raw material storage would be dry raw material, seasoning and packaging. The company will contact the suppliers on a daily basis in order to identify raw materials that need to be delivered to the factory according to the production plan. For finished products and packaging, the company will contact the shipping company for delivery to the port immediately. The company uses FOB (Free on Board) terms of delivery, in which the company, as a seller, has the duty to deliver the goods to the port of origin. After that, it is the buyer's responsibility to transport the goods from the port of origin until the destination specified by the customer. By transporting the products to the port of origin, the company will hire a transport company to do it. Most of the products of the company will be delivered to Lam Chabang Port.

#### 2.3.5 Customer Satisfaction



Customer is one of our relevant stakeholders. Customer relationship management could potentially lead to enhance the opportunity to expand consumer bases. The company set customer and business partners satisfaction survey annually. The target score was not less than 95% of total score. The questionnaire questions comprised of 6 pillars which are price, quality, packaging, communication, delivery and service.

In 2020, the company surveyed 41 companies. The result showed that in service, packaging and quality got full score, followed by deliver, communication and price, respectively.

# 3Ps and SDGs



# SUMMARY

- The first purpose-led company has listed on the stock exchange
- The first and only food manufacturer in Thailand has been certified as Carbon Neutral factory for 2 consecutive years
- The first company committed to Science Based Targets (STBi)
- The first company join Race to Zero campaign
- Climate Actor organizations are recognized nationally and internationally
- Company has implemented "3P" sustainability strategies that are in the line with "Sustainable Development Goals (SDGs)"
- Company with strong global partners and leaders in each field can quickly expand the production base and customers
- Future food research and development
- Food innovation and new product development to serve customer satisfaction and take one step ahead of other companies
- Green investment to enhance our knowledge, expertise and technology in future food
- Raise environmental awareness to employees, partners and society
- Build plant-based community via Root the Future company
- The first plant-based food awards in Thailand and Asia's largest plant-based and sustainability festival
- Our plant-based platform is not only help people health but also help our planet
- Return back to our communities is one of our main priorities
- Company has production bases both in domestic and oversea, and never stop expanding production to serve market demand



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**JOURNEY**