



Message from the President

In 2016 listed companies began adopting a new set of corporate social responsibility standards, creating a new push for social and environmental responsibility. Given the importance of this issue and our commitment to good corporate governance, the company has devised measures to prevent direct and indirect environmental problems and to minimize their impact, which include progress monitoring and impact assessment. All of this is but the beginning of our efforts to sustainably develop our business while offering protection to the environment, which is crucial to us as it is the heart of universal business development practices.

Drawing from good corporate governance principles, the company has formulated guidelines for human resource, social, economic, community, environmental and technological development. These include developing modern machinery and environmental protection. We have established a dedicated environmental work team to closely monitor environmental quality and local communities' status, as well as to report findings to relevant stakeholders. Having observed global development trends that may directly or indirectly affect Thailand, we are able to establish management guidelines accordingly. Furthermore, we have established another work team called the Social License to encourage communities to speak out about, manage and take part in social and environmental responsibility. Doing so serves as another layer of protection for the local culture and tradition, allowing the industry to develop in a sustainable manner.

The ISO 9001:2001, ISO 14001: 2015 and ISO 50001:2011 certifications that we have earned serve as our management benchmark. We have always complied with international practices because we have always been committed to doing much more, setting our own standards higher than the requirements. We provide the necessary support for our directors, executive officers and employees to ensure strict compliance with relevant laws and covenants. By heeding the opinions and suggestions of stakeholders and doing our best to promote mutual understanding, we are able to align our business goals with economic, social and environmental needs of all stakeholders, allowing us to strike a sustainable balance and coexistence.

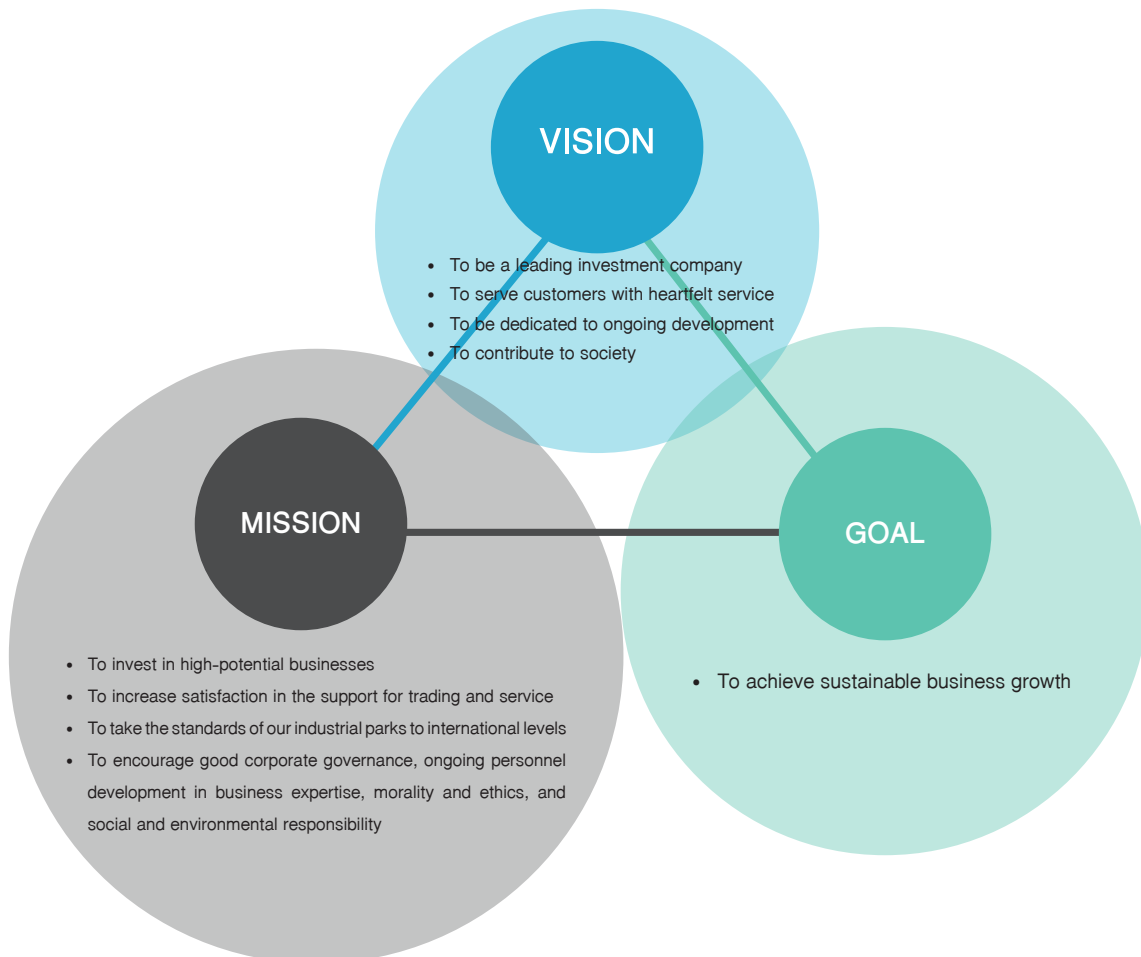
Tanong Srichit

President



Corporate Policy Overview

It is our policy, as well as the policy of our affiliated companies, to place importance on corporate social responsibility activities, whether during or after our business process (CSR-in-process and CSR-after-process). These CSR undertakings of ours have resulted in the integration of social and environmental responsibilities. We have also continuously encouraged our employees to apply Saha Group's concept of "Good People, Good Products, Good Society" in their day-to-day operation to bring about sustainable development.



Corporate Social Responsibility Policy

Vital to the operation of the Company is its organizational culture that focuses on a balance between its business growth, environmental protection and sustainable coexistence with surrounding communities. The Company encourages its management and employees, as well as its subsidiaries, to adhere to the concept of "Good People, Good Products, Good Society" of Saha Group.

The Company has formulated a corporate social responsibility policy and a work team to bring about concrete implementation of corporate social responsibility practices in the day-to-day operation and business process management of itself and of its subsidiaries (CSR-in-process).



● Corporate Governance and Anti-Corruption

The Company abides by principles of good corporate governance. We conduct our business with transparency and accountability. In our fight against corruption, we have set up a suitable internal control system, comprising the Corporate Governance Policy, the Code of Conduct and Ethics for the Board of Directors, executive officers and every employee, **the details of which are disclosed under Corporate Governance.**

● Fair Business Practices

Conducting business fairly will bring about trust and confidence among stakeholders, yielding long-term benefits. Every business should adhere to ethical practices to ensure fairness instead of taking advantage of unethical conduct. To standardize its fair business practices, the Company has issued the following guidelines:

Fair Business Practices Guidelines

1. The Company shall avoid transactions that may lead to a conflict of interest. In the event that a conflict of interest has arisen, the Company must deal with it prudently and reasonably.
2. The Company shall operate within the framework of fair competition with regard to the code of conduct and business competition laws of the country in which the Company invests.
3. The Company shall refrain from supporting any activity that may infringe upon intellectual property or copyright.
4. The Company shall provide an efficient and effective system of internal control and checks and balances to prevent corruption or participation in corruption.
5. The Company shall instill an awareness, value and attitude of honesty and compliance to laws and regulations among directors, executive officers and employees.

● Human Rights and Treatment of Employees

The Company is dedicated to responsible operation without limitations on freedom, differences of opinions, gender, race, religion, and civil or political rights. The Company respects the human rights of all stakeholders, including the fundamental rights at work of all employees based on labor laws, human rights principles and equality to standardize its practices of human rights and treatment of employees. The Company has disclosed the policy and guideline in **Non-Violation of Human Rights under Business of Ethice.**

Social Responsibility and Labor Policy

The Company provides utilities service in Saha Group Industrial Park — Sriracha to meet customer satisfaction as well as improve employees' living standard. The Company recognizes that the employees are valuable capital of the organization. Having well-managed labor policy will enhance employee protection and fair treatment, which resulted in better quality of employees' life. Eventually, it would affect the standard of business operation; therefore, the Company establishes Social Responsibility and Labor Policy as followings:

1. The Company respects every employee's rights and protects such rights with regards to labor law and corporate social responsibility standard as well as other related regulations.
2. The Company shall continuously improve labor practices, review labor management and update the policy appropriately to meet current situation of its business operation.



● Responsibility towards Consumers

The Company conducts its business and fulfills its contractual obligations with fairness and transparency. We treat consumers' information with confidentiality. We ensure customer satisfaction and properly disclose information to consumers. The Company is committed to improving itself in terms of investments and development of its products and services under international standards that meet the needs of its consumers in a sustainable manner.

● The Environment and Energy

The Company complies with the law to minimize its impact on the environment. We assess the impact of our sustainable use of resources on stakeholders. We are committed to developing environmentally friendly products and services and to continuously transferring our environmental know-how to stakeholders. To standardize its environmental management and energy practices, the Company has therefore established the following policy:

The Environmental Policy

1. The Company shall comply with all relevant environmental laws and regulations and adopt them as the minimum operational requirements.
2. The Company shall monitor and assess its use and conservation of natural resources. The Company shall also commit to taking proactive measures to prevent wastewater pollution, reduce its impact on and adapt to climate change, as well as protect the biodiversity and effectively minimize its impact on the environment through optimal use of resources.
3. The Company shall communicate with its employees of all levels, including contractors and companies located within the premises of its industrial parks, about the significance and responsibility they have towards the implementation of the Environmental Policy and its environmental management, instilling an awareness within them. The Company shall also make its Environmental Policy known to stakeholders.
4. The Company shall establish objectives and goals for its environmental management to be carried out and reviewed.
5. The Company shall execute the tasks established in its environmental management system to realize its commitment and to bring about continuous improvements.

The Energy Policy

1. The Company shall develop and implement an appropriate energy management system with energy conservation as part of its operations, complying with all relevant laws and regulations.
2. The Company shall continuously improve the efficiency of its energy use, taking into account the industry, available technologies and best practices.
3. The Company shall procure manufacturing machinery, equipment and devices, as well as other necessary services, giving due consideration to the energy efficiency of such products and services.
4. The Company shall determine an annual energy conservation plan and goal, and communicate them to all employees for their acknowledgement and proper implementation.
5. The Company shall analyze, evaluate, control and reduce the use of energy to continuously improve its energy management efficiency. The following is a summary of our energy management:



Energy Use Per Production Unit, Central Wastewater Treatment Plant, Sriracha

Inbound Waste Water (m ³)	SEC (MJ/m ³)
≤ 150,000	≥ 1.17
150,001 — 194,999	1.17 — 0.99
≥ 195,000	≤ 0.99

Energy Use Per Production Unit, Water Supply Production, Sriracha

Outbound Water Supply (m ³)	SEC (MJ/m ³)
≤ 137,000	≤ 1.06
137,001 — 171,999	1.06 — 1.08
≥ 172,000	≥ 1.08

6. The Company believes that energy conservation is a responsibility of management and employees of all levels, all of whom must conform to the established measures, monitor its progress and report to the Energy Management Work Team.

7. The Company shall provide the necessary support, including human resources, funding, time, training and suggestions for energy-related initiatives.

8. The Company shall liaise with communities, governmental agencies, business partners and interested third parties to promote its work on energy management.

9. The Company, through the Steering Committee and the Energy Management Work Team, shall review and revise its energy policy, goal and action plan annually.

● Community and Social Development

The Company supports the development of strong and sustainable communities based on principles of sufficiency. We promote good, knowledgeable and capable people in society by providing educational, religious, ethical, capability and other aspects of support for the utmost benefit of society.

● Development and Promotion of Innovations through CSR Activities

The Company develops business know-how and creates innovations that effectively benefit its competitiveness and simultaneously generate value-added to its business, society and the environment. To realize this and to standardize its practices of development and promotion of innovations through CSR activities, the Company has issued the following guidelines:

Guidelines on the Development and Promotion of Innovations through CSR Activities

1. The Company shall examine its current operations and create innovations that will benefit its business and minimize its impact on society and the environment, as well as enhance its competitiveness and value-added.

2. The Company shall reveal to the public its innovations that could benefit society and the environment, allowing other businesses and the public to use them as guidelines.

3. The Company shall regularly analyze problem-solving guidelines, as well as develop innovations. This process shall be ongoing to generate opportunities for discoveries and for sustainable growth and profitability.



Corporate Social Responsibility Work Team

The Corporate Social Responsibility Work Team was established to support the Good Governance and Risk Management Committee in matters of business efficiency, risk minimization, competitiveness enhancement, and development of the value chain. The team integrates corporate social responsibility issues, namely the economy, society and the environment, into organizational management to ensure a balanced growth, as well as continuous and sustainable business development. Its scope of responsibilities includes corporate governance and anti-corruption, fair business practices, human rights and treatment of employees, responsibility towards consumers, the environment and energy, community and social development, development and promotion of innovation through CSR activities. The Corporate Social Responsibility Work Team has the following duties:

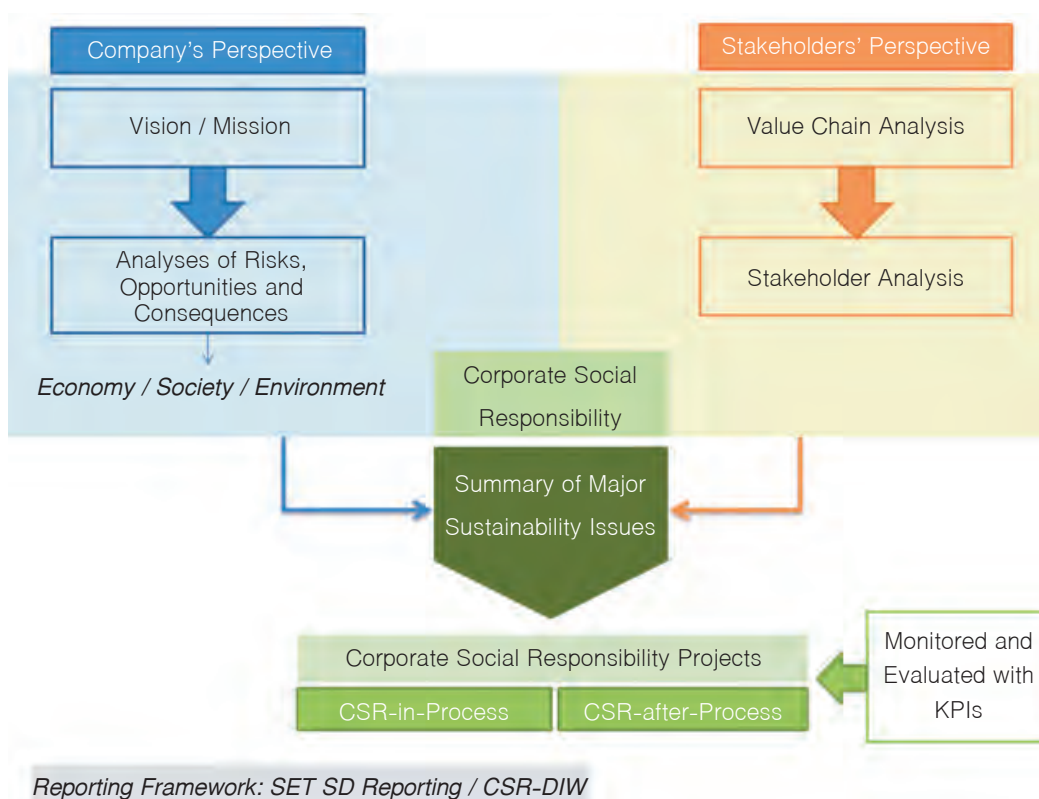
1. Analyze and conduct assessments to establish an action plan and guidelines in conformity to the Company's Corporate Social Responsibility Policy, as well as present them to the Good Governance and Risk Management Committee.
2. Execute the established action plan and guidelines.
3. Communicate to all stakeholders to promote an understanding and awareness of the Company's corporate social responsibility.
4. Ensure that the Company properly execute with the established action plan and guidelines.
5. Evaluate and prepare a summary of the Company's corporate social responsibility performance.
6. Report the results of such evaluation to the Good Governance and Risk Management Committee.
7. Receive the opinions of the Good Governance and Risk Management Committee, as well as review its policies, action plans and guidelines to improve its performance continuously.
8. Prepare a corporate social responsibility report and disclose it to the public.
9. Arrange a meeting among members as often as appropriate.
10. Execute other tasks assigned to them by the Good Governance and Risk Management Committee.

Corporate Social Responsibility Work Team in Action

In 2016 the Corporate Social Responsibility Work Team held a total of 13 meetings to establish the scope of their duties and reporting format, which encompasses three dimensions: economic, social and environmental. The team compiled information, reviewed facts and monitored the Company's corporate social responsibility activities, as well as promoted an understanding of the Company's corporate social responsibility among stakeholders. Furthermore, the team established an action plan for 2017 with a focus on knowledge promotion of and education on future corporate social responsibility projects. It is now mandated that these projects be presented to the Corporate Social Responsibility Work Team for ongoing monitoring and consideration.

Report Preparation

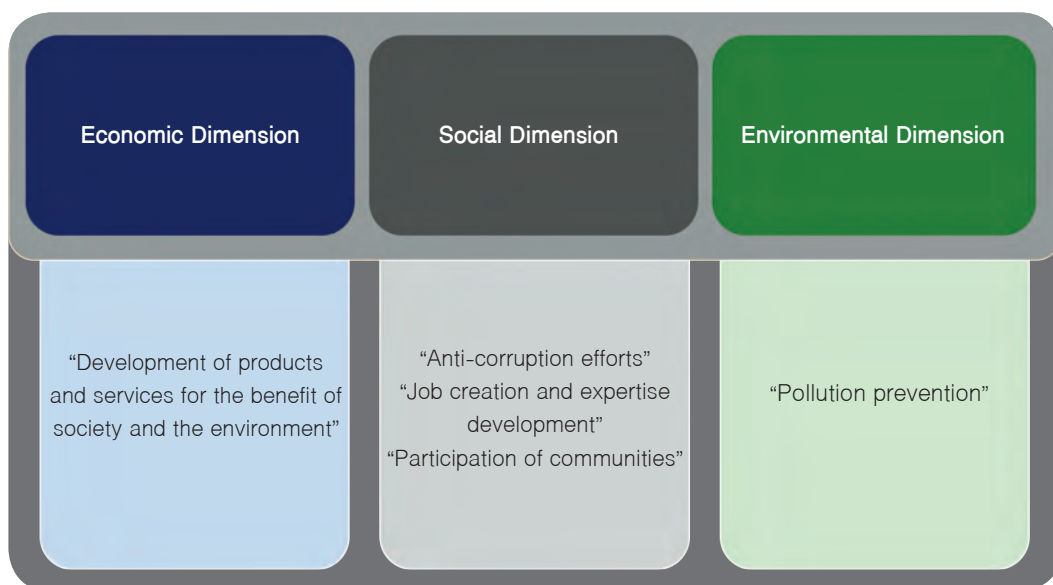
The 2016 Corporate Social Responsibility Report was made under the framework for sustainable business development alongside social and environmental responsibilities, which is based on the Philosophy of Sufficiency Economy. The Company prepared this report in conformity to international standards, rules, regulations, laws and requirements of the government pertinent to business conduct, as well as other universally acknowledged practices in existence. The report was also prepared in accordance with Good Corporate Governance (Revision 1), was approved by the Board of Directors and conforming to the 2012 Principles of Corporate Governance for Listed Companies of the Stock Exchange of Thailand. The Company also adopted the Guidelines of Corporate Social Responsibility Management of the Thaipat Institute and the GRI Index based on the Corporate Social Responsibility of the Department of Industrial Work (CSR-DIW). From all of this, the Company was able to present its corporate social and environmental responsibility performance, improving its approval rating among shareholders, customers, partners, competitors, debtors, employees, the media, the public sector, society and communities, as well as any other stakeholders.



Reporting on Corporate Social Responsibility

Based on our corporate social responsibility assessment, we have identified five issues of importance to our stakeholders and of significance to the Company. These are development of products and services for the benefit of society and the environment, anti-corruption efforts, job creation and expertise development, participation of communities and pollution prevention. For clarity, the Company has divided these five issues into three dimensions - economic, social and environmental - regarding them in both CSR-in-process and CSR-after-process terms.

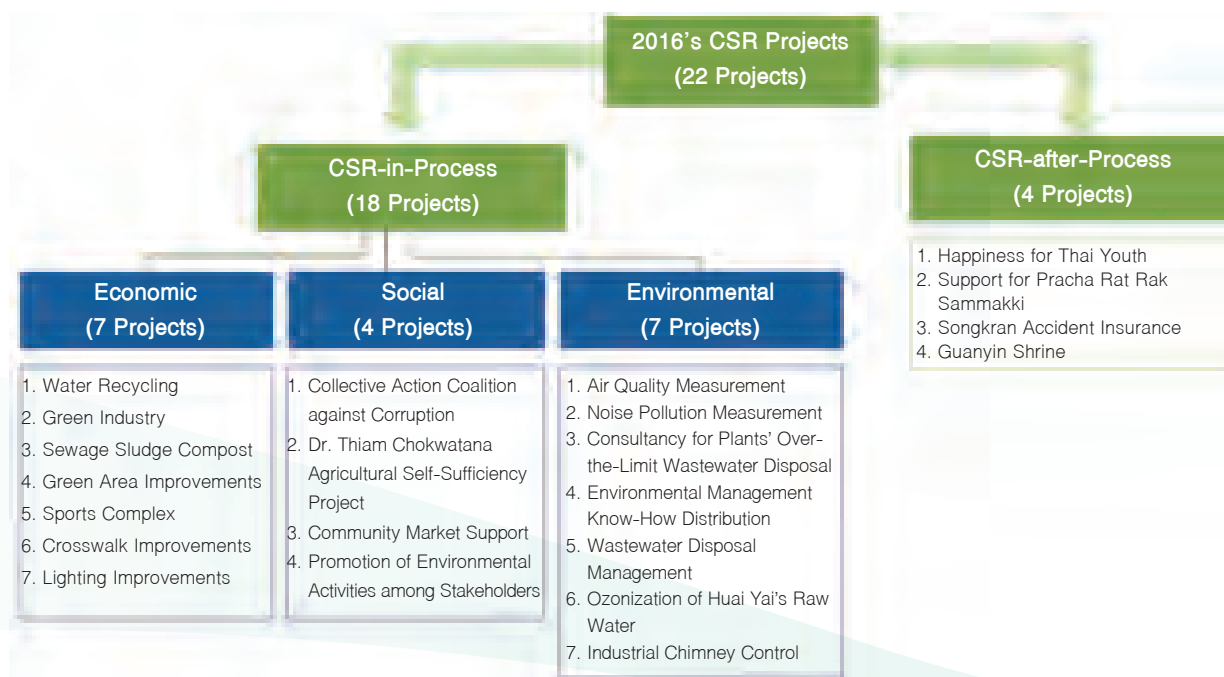




To ensure sustainable and uninterrupted corporate social responsibility performance, the Company selected material to be presented in this report based on the materiality assessment of impact and perspectives of the Company and of its stakeholders, which was conducted in 2015. The report includes projects that commenced in 2016. As for ongoing projects, only significantly important progresses were reported.

Corporate Social Responsibility Report 2016

In 2016 the Company undertook a total of 22 major corporate social responsibility projects. These are divided into 18 CSR-in-Process projects and 4 CSR-after-Process projects as show in the list below.





Corporate Social Responsibility in Process (CSR-in-Process)

Economic Dimension

Number	Project Name	Status
1	Water Recycling	Ongoing
2	Green Industry	Ongoing
3	Sewage Sludge Compost	Ongoing
4	Green Area Improvements	Ongoing
5	Sports Complex	Began in 2016
6	Crosswalk Improvements	Began in 2016
7	Lighting Improvements	Began in 2016

Issues: Development of products and services for the benefit of society and the environment

- The Company's products and services, or its industrial parks, should not negatively affect health and the environment.
- The Company should develop its industrial parks towards excellence, with consideration to environmental sustainability and energy conservation.
- The Company should organize activities that are mutually beneficial to itself and its customers, as well as to society and the environment.

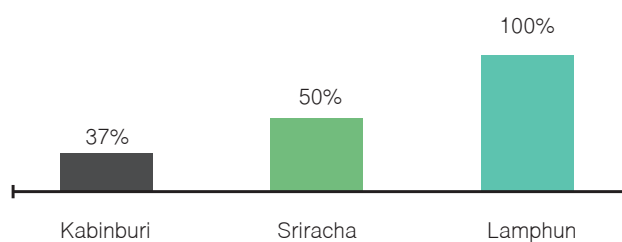
Project	Expectations	Performance	Communication Channels
Water Recycling	<ul style="list-style-type: none"> - To reduce costs of sourcing raw water for the industrial parks' green areas - To reduce the disposal of treated water through recycling - To create an environmental management system alongside development of products and services, taking into account the benefits and impacts on society 	- In 2016, we reduced the costs by as much as 15.7 million baht	<ul style="list-style-type: none"> - Carried out by Utility Development Department - Monthly performance report

Description

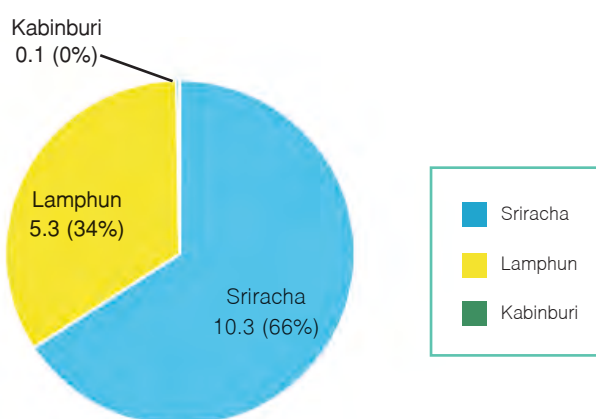
The Saha Group's industrial parks in Sriacha, Kabinburi and Lamphun are capable of recycling its treated wastewater by using it in the green areas of these three parks, as well as outside the premises, such as the Kabinburi Sports Club golf course. In 2016, the Company used recycled water in 100% of its Lamphun park's area and over 50% and 30% of its Sriacha and Kabinburi parks' areas, respectively.



Rate of Water Recycling in 2016



By recycling wastewater at these three industrial parks throughout 2016, the Company reduced its raw water sourcing expenses by as much as 15.7 million baht.



Overall, the Company has saved 73.8 million baht over the course of the past three years since this project began (2016–2014). Doing so has also improved the Company's product and service competitiveness. Recycling has further contributed to the reduction of our wastewater disposal into natural sources, proving to be advantageous to the environment and the communities surrounding these parks.

Project	Expectations	Performance	Communication Channels
Sewage Sludge Compost	<ul style="list-style-type: none"> - To make use of sewage sludge - To reduce sewage sludge problems in the central wastewater treatment plant of Saha Group's industrial park - To develop a socially and environmentally beneficial innovation 	<ul style="list-style-type: none"> - Two formulas of compost for planting trials 	<ul style="list-style-type: none"> - Utility Development Department of Saha Group Industrial Park - Sriracha - Monthly meeting report



Description

Since Saha Group Industrial Park - Sriracha employs a biological wastewater treatment plant, sewage sludge forms at the bottom of the treatment tank. When the sludge reaches a certain level, it reduces the quality of the treated water. Therefore, the Company saw the need to study effective sludge management to maintain the quality of our products and services, proactively seeking to prevent environmental problems.

After studying possible methods, Saha Group Industrial Park - Sriracha collaborated with the Department of Soil Science of the Faculty of Agriculture, Kasetsart University in a bid to research the use of the sewage sludge as compost. In 2016, the Company discovered that two compost formulas work well, namely a compost of sewage sludge and coir and a compost of sewage sludge and water lily. The test revealed that these two compost formulas do not retain the sewage sludge's odor nor do they create unpleasant odors during process. The compost has been bagged and will be tested with planting at a later date.

Formula 1:

Sewage Sludge and Coir



Formula 2:

Sewage Sludge and Water Lily



This long-term project is aimed at reducing problems of sewage sludge in the wastewater treatment plant and at preventing environmental problems arising from sewage sludge management, as well as lowering expenses associated with sewage sludge management. It is expected to save the Company as much as 10 million baht. The innovation could prove to be beneficial to the environment and society. Moreover, the compost could be used in the park's green areas and golf courses in the future, which will further reduce the costs associated with their maintenance.

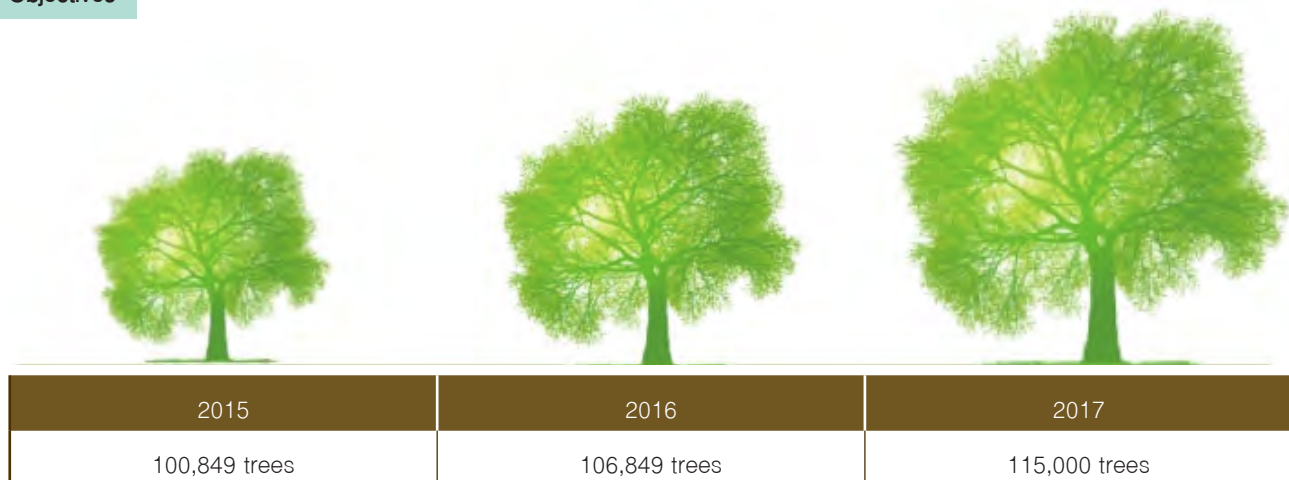


Project	Expectations	Performance	Communication Channels
Green Area Improvements	<ul style="list-style-type: none"> - To expand green areas inside Saha Group Industrial Parks - To reduce pollution and climate change by planting trees - To strengthen mental and physical health of Saha Group's employees - To plant 106,849 trees by the end of 2016 	<ul style="list-style-type: none"> - We received a score of 3.93 out of 4.00 for the sightlines and pleasantness of trees and recreational areas for employees 	<ul style="list-style-type: none"> - Utility Development Department - Landscaping Department - Monthly meeting report

Description

As operator of industrial parks, the Company is committed to having industrial “parks” that value the importance of nature and the environment, as well as the well-being of our employees and of people in the surrounding communities. We’d like to ensure their strong mental and physical health alongside our sustainable growth. Therefore, we initiated a project to improve green areas in all three of our industrial parks and the Mae Sot Project in Tak. Our goal is to increase the number of trees planted every year. By 2016 the Company has planted 107,069 trees, a figure higher than its goal of 106,849. The Company expects to have planted 115,000 trees by the end of 2017.

Objectives



Description

Based on our 2016 employees' satisfaction survey of the sightlines and pleasantness of trees and relaxation areas for employees inside Saha Group Industrial Parks, we found that our employees' satisfaction rating was at 3.93, higher than the benchmark of 3.75 and an increase from the 2015 figures. These results illustrate the level of satisfaction that our employees and the surrounding communities have for the improvements we made to the green areas.



Project	Benchmark	2015	2016
Sriracha	3.75	3.81	3.91
Kabinburi	3.75	3.91	3.85
Lamphun	3.75	3.78	4.00
Average	3.75	3.83	3.93

The Company believes that the satisfaction, as well as mental and physical health, of its employees and the surrounding communities will foster sustainable growth. We regard this matter as another commitment to improving the quality of our products and services, enhancing their selling points, value-added and competitiveness. Furthermore, the Company hopes that by expanding its green areas it would contribute to the reduction of pollution and the slow-down of climate change. It is also another way we can protect nature and the environment on the premises of our parks and for the surrounding communities in the long run.



Sriracha



Kabinburi



Lamphun



Maesot

Project	Expectations	Performance	Communication Channels
Sports Complex	<ul style="list-style-type: none"> - To improve the products and services of Saha Group's industrial park in terms of variety and quality - To promote good health of our employees and the locals - To encourage the locals to spend their free time wisely 	<ul style="list-style-type: none"> - Opened in June of 2016, the complex has welcomed 4,250 users 	<ul style="list-style-type: none"> - Utility Development Department - Premises Development Department - Monthly meeting report

Description

The Sports Complex Project saw the development of an old warehouse in Saha Group Industrial Park - Lamphun into a sports complex for employees of the park and people living in the surrounding communities. The complex spans an area of 12,360 square meters, comprising 8,150 square meters of badminton courts and a 4,480-square-meter soccer field. The complex was opened on June 17, 2016, creating value-added to our business and to the park's services. The complex launched a new range of services that meet the demand of our customers, employees and the surrounding communities. Moreover, the sports complex serves as a positive contribution to society by promoting good health of the park's staffers and of the locals. It also doubles as a recreational space, where people can spend their free time wisely.



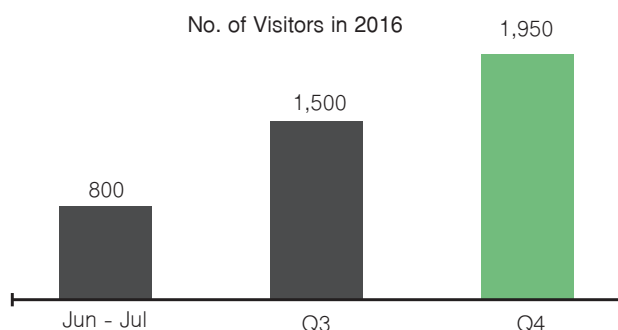


Previous



Current

Throughout 2016, the sports complex welcomed approximately 4,250 visitors. While some of these visitors were our own employees, some were outsiders, including residents of the Ban San Luang and Nam Bo Lueang communities, students from the Lamphun Technological College, staffers of the Lamphun Hospital, officers of the Lamphun Provincial Public Health Office, staffers of the Pa Sak Hospital, employees of other industrial estates, staffers of the Wiang Yong Municipality Office, staffers of the Pa Sak Municipality Office, Lamphun badminton players and members of the Lamphun Journalists Association.



Project	Expectations	Performance	Communication Channels
Crosswalk Improvements	<ul style="list-style-type: none"> - To improve the quality of products and services of Saha Group Industrial Parks - To improve the safety of our park's employees - To reduce instances of road accidents 	<ul style="list-style-type: none"> - Improved total 14 crosswalks 	<ul style="list-style-type: none"> - Utility Development Department - Landscaping Department - Monthly meeting report

Description

Realizing the importance of safety of our industrial park employees, as well as of the people living in the surrounding communities, we undertook a project to improve 14 crosswalks and roads within the premises of Saha Group Industrial Park - Sriracha in 2016. In addition to enhancing the quality of our products and services, these improvements also contribute to lessening instances of road accidents and augment the safety of the park's employees, whether in terms of life or property.

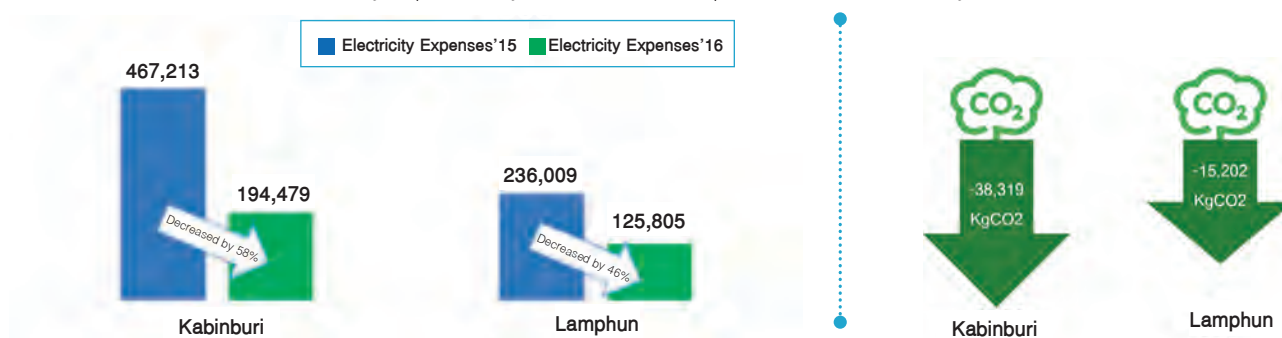




Project	Expectations	Performance	Communication Channels
Lighting Improve-ments	<ul style="list-style-type: none"> - To replace lamps with energy-efficient lamps in all areas - To improve the quality of our products and services inside the parks - To improve the convenience and safety of our customers and employees inside the parks - To lower our energy bill, reduce our energy consumption and help fight climate change 	<ul style="list-style-type: none"> - We changed all lighting sources at two parks. - We saved power by 58% at the Kabinburi Industrial Park and 46% at the Lamphun Industrial Park - We also reduced our carbon footprint. 	<ul style="list-style-type: none"> - Utility Development Department - Monthly meeting report

Description

The Company upgraded lighting on the premises of Saha Group Industrial Parks in Kabinburi and Lamphun. Every lighting source was replaced with energy-efficient lamps. In addition to improving the quality of the parks' products and services, the project also increased the efficiency of the parks' lighting sources, affording convenience to our customers and employees who rely on the parks' facilities. Moreover, the use of energy-efficient lighting has helped the Company save costs, cutting the Kabinburi Industrial Park's electricity expenses by 58% and the Lamphun Industrial Park's by 46%.



By using energy-efficient lamps, the Company also reduced its carbon footprint, contributing to the fight against global warming. We reduced 38,319 kgCO₂ worth of carbon dioxide emission at the Kabinburi Park and 15,202 kgCO₂ worth at the Lamphun Park. These figures are a testament to our effort in improving our products and services alongside our corporate social and environmental responsibility.

Social Dimension

Number	Project Name	Status
1	Collective Action Coalition (CAC) against Corruption	Ongoing
2	Dr. Thiam Chokwatana Agricultural Self-Sufficiency Project	Ongoing
3	Community Market Support	Ongoing
4	Promotion of Environmental Activities among Stakeholders	Began in 2016



Issue: Anti-Corruption Efforts

- Fighting against corruption is an important issue from both the Company's and the stakeholders' perspective due to its significant impact on both parties.

Project	Expectations	Performance	Communication Channels
Collective Action Coalition (CAC) against Corruption	<ul style="list-style-type: none"> - To promote the transparency of internal management - To communicate our practices to all stakeholders for their acknowledgement and implementation - To expand the coalition to our partners, adhering to the same set of principles 	<ul style="list-style-type: none"> - We improved the Charter of the Audit Committee of Saha Patthan Inter-Holding Public Co. Ltd. 2016. - We made a handbook (Revision 1) - We assessed corruption risks to the Company and established anti-corruption measures. - We became a certified CAC member on October 14, 2016. 	<ul style="list-style-type: none"> - We communicated and trained our directors, executive officers, employees and third parties on the subject of our anti-corruption efforts, continuously executing our annual training and orientation plan through various means, including our company website and intranet. - We communicated the no-gifts policy to our partners and asked for their compliance.

Description

The Company has joined Thailand's Collective Action Coalition (CAC) against Corruption with the realization that solving problems of corruption requires collaboration among private companies to bring about change in the public sector. The Company became a certified member of CAC on October 14, 2016, **the details of which are disclosed in Corporate Governance and Anti-Corruption Efforts.**

Issue : Job Creation and Expertise Development

- As an operator of industrial parks, communities around these parks are crucial to us. We need to take part in developing these communities and improving their standard of living. Creating jobs and developing expertise are ways in which we can assist in combatting poverty. They are vital to community and social development. Furthermore, quality labor will also strengthen our production capacity and competitiveness in a sustainable manner.

Issue : Community Participation

- Our industrial parks' continuous public relation work with the surrounding communities include information dissemination, mutual consultancy and heeding their opinions.
- We have always supported community development projects, allowing our business and these communities to grow side by side.

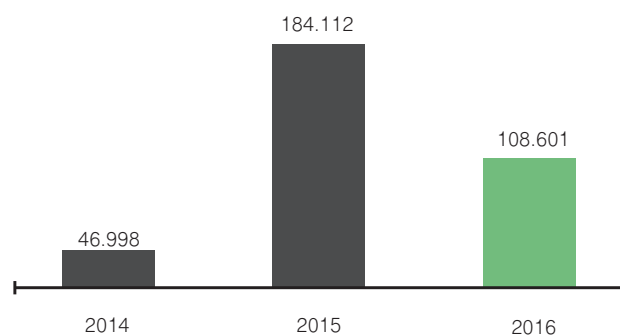


Project	Expectations	Performance	Communication Channels
Dr. Thiam Chokwatana Agricultural Self-Sufficiency Project	<ul style="list-style-type: none"> - To recycle treated water - To create products with value added and generate income for the local communities - To educate and exchange our knowledge with the communities - To build a network, occupation groups and expand economic opportunities 	<ul style="list-style-type: none"> - We welcome 1,419 who came to study our work. - The shop earned 108,601 baht in net revenue. 	<ul style="list-style-type: none"> - Saha Group Industrial Park Lamphun - Community Network

Description

The Dr. Thiam Chokwatana Agricultural Self-Sufficiency Project began in 2012. It is based on the Sufficiency Economy Philosophy of His Late Majesty King Bhumibol Adulyadej, which is suitable for the way of life of the Thai people. The project spans an area of 56 Rai on the same plot of land for the central wastewater treatment plant of the Lamphun Park. In 2014, the Company opened the “Sufficiency Store” to sell produce from the project. Some of the produce were also processed, including the rice-berry rice, herbal drinks and Thai snacks. The store earned a net revenue of 108,601 baht. The accumulated revenue of the first three years of operation (2014 - 2016) amounts to 339,711 baht. The project has always generated income for the local community throughout its duration.

Revenue of the Sufficiency Store (Baht)



Dedicated to educating society and communities, the Company and schools in the Third Network for Education Quality Enhancement of the Muang Lamphun District organized an agriculture education campaign named “**Sufficiency Way of Sufficiency Agriculture**” in 2016. The objective of the campaign was to turn the project into a center of learning for students in the Province of Lamphun, where they could learn about agriculture through theories and practice. There were 320 participants from 15 schools in the Muang Lamphun District, in addition to the 20 teachers. The campaign was divided into five practical learning bases.





Base 1	Adorable Farm Animals	The Lamphun white cow and raising ducks for eggs
Base 2	Fruits	Lime farming and visiting fruit trees on the premises
Base 3	My Trees	Cutting and grafting plants
Base 4	Fun Mushrooms	Mushroom farming mushroom casing
Base 5	Young Rice Farmers	Rice planting

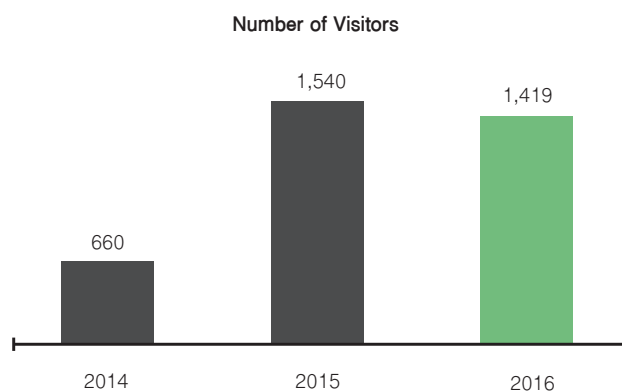
At the end of the campaign, the Company gave strands of rice and trees to all 15 schools within the network to be used for agriculture at the school and within the local communities, as well as for school lunch. This brought about an awareness and pride in agriculture. Moreover, the Company also executed other projects with local schools in 2016. We studied and tested melon planting at a school, which later began serving as a center of learning for the locals, giving them another option to generate income.



To celebrate the project's five years, the Company organized the Five Years of Sufficiency exhibition on November 19, 2016, by management of Saha Group. We showcased the project's performance throughout the past five years and exhibited products of the project and of 20 groups from around the park. The exhibition reiterated the importance of agriculture, knowledge diffusion, job creation, income generation for communities and participation with the surrounding communities.



This past year, the project welcomed 1,419 visitors, divided into 21 visiting groups from the public and private sectors, as well as local communities and educational institutions. Over the course of three years (2014 -2016), there has been a total of 3,619 visitors. The Company has prepared accompanying documents to help promote agricultural knowledge to be distributed.



Names of visiting groups to the Dr. Thiam Chokwatana Agricultural Self-Sufficiency Project in 2016

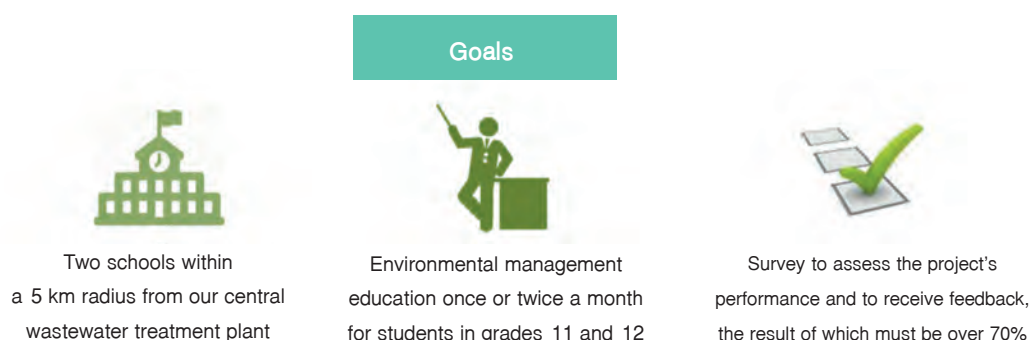
No.	Name of Organization	No. of Visitors in 2016
1	Students from the Faculty of Economics, Chiang Mai University	84
2	Thanulux Public Company Limited	23
3	Na In Wittayakom School, Uttaradit	100
4	The Suphan Buri Industrial Group	40
5	Lecturers of the Sukhothai Thammathirat Open University	5
6	Pandora Production Co. Ltd.	10
7	Thanulux Public Company Limited	38
8	Thai President Foods Public Company Limited Group 1	40
9	Thai President Foods Public Company Limited Group 2	70
10	Corporate Social Responsibility Work Team	15
11	Students from the Faculty of Economics, Chiang Mai University (additional)	89
12	Rajabhat University, Chiang Mai	60
13	Lamphang Vocational Education College	72
14	Mae Sot Sakae Lace Co. Ltd.	10
15	Lanna Production Co. Ltd.	8
16	Sub-District Administration Organization of Tha Phon, Mueang, Phetchabun	60
17	Students of the Network for Education Quality Enhancement of Muang Lamphun	320
18	Lamphun Technical College Students	80
19	Lamphun Vice Governor Group	52
20	Agriculture Office of Bang Hong District and Mae Tha District	100
21	Agriculture Office of Muang Lamphun District and Pa Sang District	100
Total		1,419

Project	Expectations	Performance	Communication Channels
Promotion of Environmental Activities among Stakeholders	<ul style="list-style-type: none"> - To promote wastewater treatment knowledge to students in nearby schools - To encourage schools to treat wastewater prior to discharging it into the environment - To educate students about wastewater treatment for residents and communities, so that they may apply it at home. 	<ul style="list-style-type: none"> - We executed the project with two schools in 2016. - Students' test score was 13.86 on average (92%) - Average assessment score for the project was 85% 	<ul style="list-style-type: none"> - Utility Department - Monthly meeting report



Description

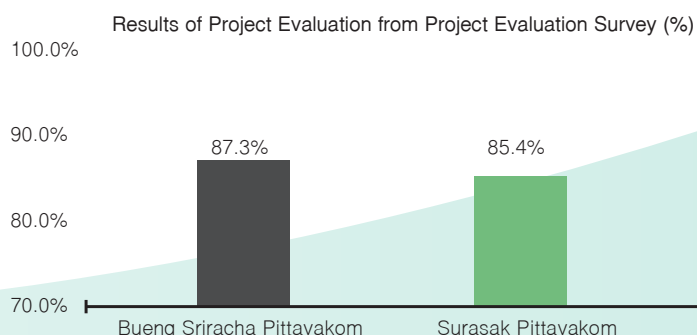
The Company has always been dedicated to community involvement by means of environmental consultancy and knowledge exchange throughout the operation of its industrial parks. In 2016, we undertook a project to promote environmental activities among stakeholders with two schools within a 5 km radius from our central wastewater treatment plant, namely Bueng Sriracha Pittayakom School and Surasakwittayakom School. We organized activities to educate their students about environmental management at least once a month, passing along our know-how of wastewater treatment to these educational institutes. We also supported education about environmental protection, safety and other aspects of benefit to these students.



The project lasted three months from June to August of 2016. The following are this project's topics of discussion.

Session 1	General environmental knowledge and vocabulary / industrial park's environmental management
Session 2	Workplace safety
Session 3	Residential and community environmental management
Session 4	First aid for exposure to chemicals / lab work
Session 5	Guidance for further education
Session 6	Field trip to Saha Group Industrial Park — Sriracha's plants and wastewater treatment plant
Session 7	Performance summary

Based on the project, we have discovered that students were interested in and cared about the environment. They have applied the knowledge obtained from the project in their daily lives. They also gained practical experiences in first aid, safety equipment and grease trap making. They participated in a question-answering competition for a prize. They also visited Saha Group Industrial Park to witness our environmental management in person. A total of 38 students from Bueng Sriracha Pittayakom participated in the test with an average score of 12.79; the highest score was 15 and the lowest was 9. Meanwhile, a total of 51 students from Surasak Pittayakom participated in the test with an average score of 13.86; the highest score was 15 and the lowest was 11. The Company received an 85% average from surveying both schools.





Project	Expectations	Performance	Communication Channels
Supporting Pracharat Project	<ul style="list-style-type: none"> - Adopting HM the Late King's development concept of "understand, access and develop." - Fostering collaboration among government agencies, the private sector, civil society, the academia and the people. - Allowing each of these sectors to turn their potential into a driving force from the foundation upward. - Supporting self-sustainability of communities and helping them learn about sacrifice and giving. 	<ul style="list-style-type: none"> - In 2016, we invested in Pracharat Raksamakkhee Social Enterprise (Thailand) Co., Ltd. 	<ul style="list-style-type: none"> - CSR Work Team - Investment Department

Descriptions

To support the government's Pracharat Project, the company has taken part in the E3 work team, focusing on grass-root economic development, which provides the support needed for the success of the project. We met with other institutes, foundations, organizations and private companies to drive three aspects of the grass-root economy forward, namely agriculture, manufacturing and community tourism. Having gained insights into issues, we will be formulating action plans.

In 2016, the company provided financial support to the efforts by becoming a shareholder in Pracharat Raksamakkhee Social Enterprise (Thailand) Co., Ltd., holding 1 million baht of shares with 100 million baht of registered capital. This investment has been used to manage and disseminate know-how and create market connections within the country. It has also been used to develop product's packaging, logos and certification standards, as well as intellectual property registration. All of this was done through many projects, as such Household Rice Mill Project, Local Thai Cumberbund Project, Pracharat Raksamakkhee Store Project and Hometown Development Project 2. Throughout 2017, the company will continue to promote an understanding of Pracharat among companies in the Saha Group, allowing them to collaboratively push for the success of the project in accordance with our concept of **"Good People. Good Products. Good Society."**



Environmental Dimension

No.	Project Name	Status
1	Air Quality Measurement	Ongoing
2	Noise Pollution Measurement	Ongoing
3	Consultancy for Plants' Over-the-Limit Wastewater Disposal	Ongoing
4	Environmental Management Know-How Distribution	Ongoing
5	Wastewater Disposal Management	Ongoing
6	Ozonization of Huai Yai's Raw Water	Began in 2016
7	Industrial Chimney Control	Began in 2016

Issue : Pollution Prevention

- The park is equipped with a plan, management and control of air, noise and water pollution attributed to our plants' waste management processes, as well as of the use and disposal of hazardous chemicals.
- The goal is to prevent problems of pollution from occurring in the environment and communities, as well as to improve the quality of the environmental management system of the park and its plants.

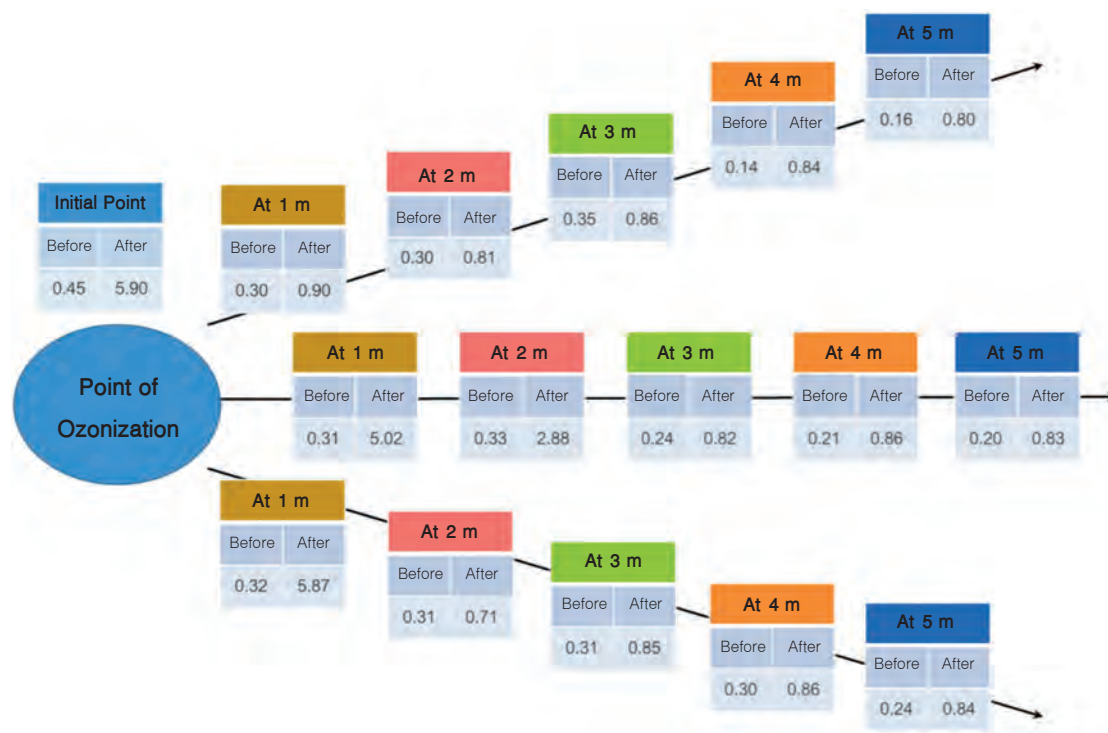
Project	Expectations	Performance	Communication Channels
Ozonization of Huai Yai's Raw Water	<ul style="list-style-type: none"> - To control and oversee the production of water supply of the park, ensuring efficiency - To prevent and manage the lack of raw water - To improve the quality of raw water in Huai Yai, a natural source near the park - To maintain the water source and reduce pollution problems in communities 	<ul style="list-style-type: none"> - We improved the average COD of water with 22 mg of ozone per liter. - We reduced the use of water from East Waters by 521,735 m3. - We saved 2.61 million baht raw water sourcing expenses. 	<ul style="list-style-type: none"> - Utility Department - Monthly meeting report

Description

With an awareness of the importance of an industrial park's pollution management and the significance of minimizing impact on the immediate environment, Saha Group Industrial Park - Sriracha initiated a project to improve the quality of water from the Huai Yai source. Huai Yai is a body of water near the industrial park whose pollution index was rather high, preventing us from using its water in our reservoir. The Company saw the need to improve the park's raw water management and to prevent pollution from deteriorating natural water sources. As such, in 2016 the Company employed an ozonization system, comprising an ozone detector, an ozone generator and an ozone system to treat polluted water in Huai Yai for eight months from April 23, 2016 to November 25, 2016.

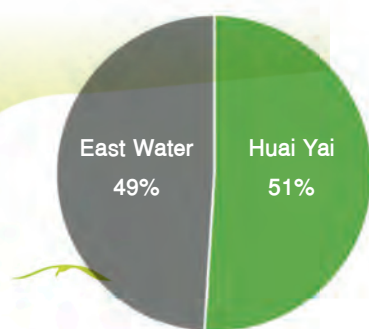
Based on our dissolved oxygen (DO) measurements across a distance of 5 meters from the ozonization point, we found that the average DO increased from 0.28 mg/L to 1.85 mg/L.



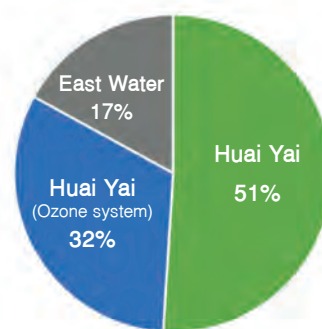


Furthermore, the chemical oxygen demand (COD) readings improved from 43 mg/L to 22 mg/L. These improvements have enabled the park to use more of Huai Yai's raw water for our water supply, accounting for 83% of the raw water, an increase from the original 51% ratio. Ozonization has to cut down sourcing raw water from East Water by 521,735 cubic meters.

Raw Water Ratio - No Ozonization



Raw Water Ratio - With Ozonization





By improving the quality of water from the Huai Yai source, we have been able to reduce water supply production costs at Saha Group Industrial Park - Sriracha by over 2.61 million baht. This shows that ozonization of the Huai Yai source also contributes to the enhancement of our competitiveness and cost reduction, in addition to serving as an anti-pollution measure and helping improve the quality of the environment for communities and society. It allows the Company to grow while taking better care of the environment in a sustainable manner. Below is a summary of the project.

Details	Performance
Project duration : April 23 - November 25, 2016	8 months
Total raw water	1,638,891 m ³
Reduction of East Water's raw water usage	521,735 m ³
Raw water management costs saved	2,608,675 baht
Huai Yai's initial average COD	43 mg/l
Hai Yai's average COD after ozonization	22 mg/l



Project	Expectations	Performance	Communication Channels
Industrial Chimney Control	<ul style="list-style-type: none"> - To solve air pollution problems in the industrial parks - To improve air quality inside the park and of the surrounding areas - To educate plant operators about air pollution problem prevention - To improve the quality of life of our employees and of the locals 	<ul style="list-style-type: none"> - We awarded five plants with good chimney control. - We helped solve air pollution problems by improving problematic chimneys. 	<ul style="list-style-type: none"> - Utility Department - Monthly meeting report



Description

Since the discover of chimney problems of factories at Saha Group Industrial Park-Sriracha, which contributed to air pollution problems, the Company has formed a consultancy panel in 2016, comprising its own experts, to oversee the problems and advise these factories on suitable solutions. They also oversaw at-risk factories and air pollution complaints as well. Their objective was to solve problems and prevent future pollution problems. They visited each factory at least five times.

Visit 1	Project discussion
Visit 2	Factory visit and learning about each factory's air pollution mitigation
Visit 3	Summary and consultancy
Visit 4	Follow-up in case of additional
Visit 5	Visiting the mitigated systems and closing the project

After giving mitigation suggestions, the Company also assessed participating factories against the following criteria:





The top five factories with the highest score received a certificate from Mr. Boonsithi Chokwatana, Chairman of Saha Group, on October 20, 2016. The Company also gave further suggestions to factories who did not pass the assessment to find further solutions.



Impact of Business on Social and Environmental Responsibilities

- None -

Corporate Social Responsibility after Process (CSR-after-Process)

Project	Expectations	Performance	Communication Channel
Happiness for Thai Youth	<ul style="list-style-type: none"> - To promote basic hygiene for children and youth - To enhance students' presentation skills - To promote healthiness and basic hygiene 	<ul style="list-style-type: none"> - Saha Group Roadshow participated by 4,513 students - Exercise presentation, Thai way of life and environmental filed trip and good health diary 	<ul style="list-style-type: none"> - Basic hygiene handbook - Winnie and Smart mascots - Saha Group Trade and Export Exhibition

Description

The Company, along with others in Saha Group, signed a memorandum of cooperation for social development of Thailand with three ministries, namely the Department of Social Development and Welfare of the Ministry of Social Development and Human Security, the Department of Basic Education of the Ministry of Education and the Department of Religious Affairs of the Ministry of Culture. The MoC is aimed at bringing happiness to Thai youth in this third consecutive year. Its objective was to promote basic hygiene of adolescents. It was also aimed at helping these young adults choose safe and suitable products, as well as to allow them to pass on the knowledge to the people around them.

In 2016, the Company organized Saha Group School Roadshow to help children and youth realize the importance of maintaining good hygiene. It encouraged them to exercise, strengthening their physical well-being through muscular movements and bringing about mental, emotional and social development. A total of 30 schools, or 4,513 students, participated in the roadshow. The focus was on students in grades 5 and 6 of public and private schools in Bangkok and the vicinities. We also held a health diary competition with 16 other schools. Anubanphibunwes School won this competition. Furthermore, the Company held a dance exercise competition to promote confidence and creativity, using the song Strong & Healthy. The goal was to promote exercising and good hygiene among teenagers. A total of eight schools received prizes from this competition, in which Bangkok Christian College was the winner.



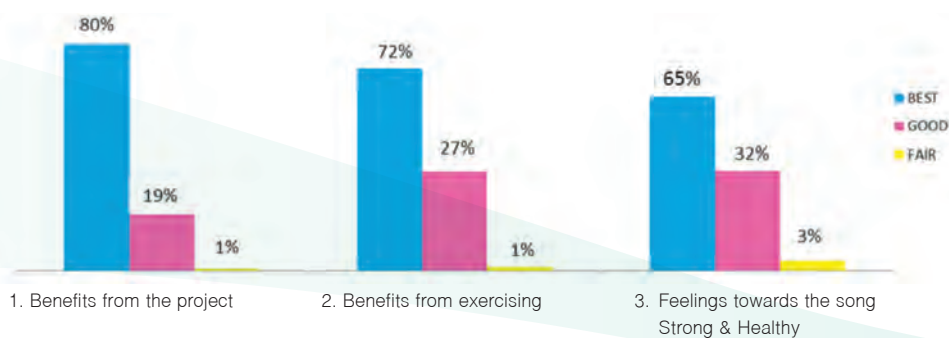


Furthermore, a field trip with a focus on the Thai way of life and the environment was organized for the winning school, during which the students biked on a eco-tourism track, helped reforest the area, studied tie-dyeing methods and herbal incense making by the Bang Nam Phueng Housewives Group of Bang Kachao, Samut Prakan, on August 31, 2016.



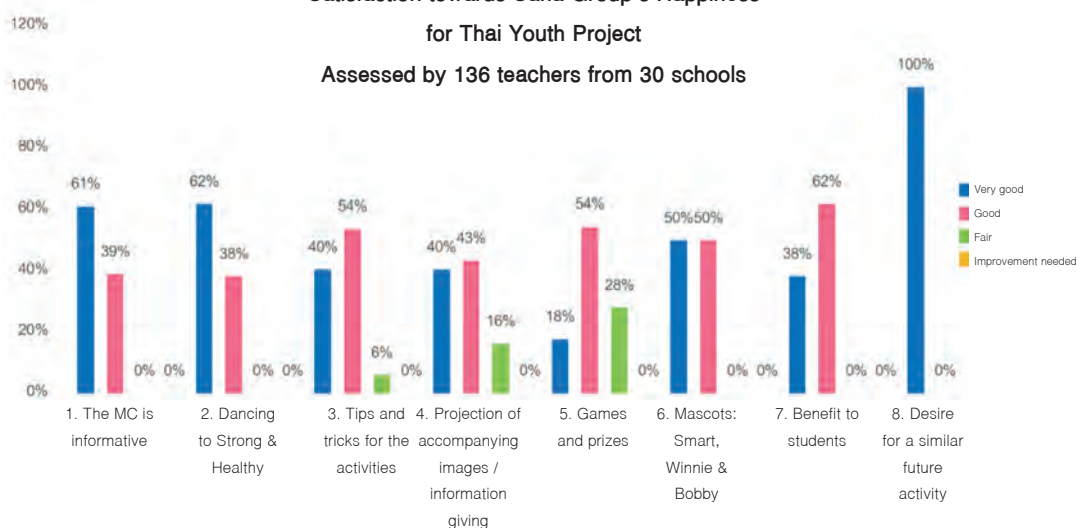
Based on the satisfaction survey of 941 students and 136 teachers from 30 schools, we found that over 95% of students and teachers were satisfied or highly satisfied.

Satisfaction towards the Happiness
for Thai Youth Project 2016
Assessment of 941 Students' Diaries





**Satisfaction towards Saha Group's Happiness
for Thai Youth Project**
Assessed by 136 teachers from 30 schools



Project	Expectations	Performance	Communication Channel
Songkran Accident Insurance	<ul style="list-style-type: none"> - To promote social responsibility of safe driving - To use the insurance system as a mechanism for risk management - To promote our employees' safety and protect our employees and heir family 	- 911 employees participated in 2016.	- Companies in Saha Group through Saha Personnel Management Group

Description

The Company participated in the campaign to prevent and reduce the number of accidents during Songkran in 2016 by the Office of Insurance Commission (OIC) and the life insurance sector. Its objective was to promote an awareness of safe driving among Saha Group's employees and to use insurance as a mechanism for risk management, encouraging safety of and protecting our employees and their family. The said insurance had a premium of only 100 baht and provided a one-year coverage in the case of death. A total of 911 employees participated in the project. These were divided into 418 employees in Bangkok office and 493 employees in Saha Group Industrial Park - Sriracha.



Corruption Prevention

The Company disclosed the related details **under the Section of Business Ethics in the Topic of Anti-Fraud and Anti-Corruption.**

Corporate Social and Environmental Responsibility Education

The Company saw the importance of corporate social responsibility, an understanding of which had to be promoted among management and employees of all levels. There was a need to align their understanding with that of ours. We provided corporate social and environmental responsibility education to them in 2016 through the following courses:

1. Sustainable Energy & Technology
2. Verification and Prevention of Weed in Water Sources
3. ISO 2015 :14001 Introduction and Requirements
4. Color Reduction Treatment for Pulp and Paper Wastewater
5. Oil Recovery from Contaminated Water
6. Eco Industrial Town Development
7. Strengthening Capabilities of Wastewater Treatment Plant Operators
8. Understanding of Environmental Laws of the Industrial Sector for Green Industry Development

Awards and Recognition

- We became a certified member of the Collective Action Coalition against Corruption on October 14, 2016.
- We received Level 3 Green Industry certification from the Ministry of Industries through incessant development and improvement, along with corporate social responsibility inside and outside our industrial parks for sustainable development.
- We received a certification for being an industrial operator who adheres to environmental governance in 2015 on August 7, 2015, allowing the surrounding communities to expression their opinions, which led to the ability to solve problems and a network of communities, operators and the government in a sustainable and content manner.
- We received the CSR-DIW Continuous Award 2016 by the Ministry of Industries on July 28, 2016. This award is a testament to our commitment to developing our organization towards sustainability and placing importance on green technology. It also illustrates our environmental development and corporate social responsibility.
- We received certification for the use of CoolMode clothing from Thailand Greenhouse Gas Management Organization.

For inquiries or suggestions, please contact

Corporate Social Responsibility Work Team

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