



# iCSR REPORT

Thai Optical Group Public Company Limited

Filled in by

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This report prepared for use in the development listed companies of Corporate Social Responsibility Report Project as well guidelines for preparation of Corporate Social Responsibility Report (CSR Report) based on reporting framework for CSR report standard or Integrated CSR Report (iCSR) and the report was not mandatory for listed companies.

## Message from the Chairman

### Corporate Governance and Corporate Social Responsibility

Throughout the past years, Thai Optical Group PCL. and its subsidiaries (the Company) recognized the importance of developing products and services of the Company by promoting the development of good corporate governance and social responsibility within the organization and other stakeholders. As a result of collaboration with all sectors, the Company had been ranked for the good Corporate Governance level in 4 stars with Top Quartile in the year 2012 and 2013 from The Thai Institute of Directors Association (IOD). In addition, the year 2012 and 2013 the Company had been awarded "SET Awards" of the Best and Outstanding Investor Relations and the Best of Corporate Social Responsibility that organized by the Stock Exchange of Thailand and Money and Banking Magazine, as well as being awarded in the field of good Corporate Social Responsibility for the year 2012 and 2013 from Corporate Social Responsibility Institute (CSRI), etc.

The Company continues to enhance its performance and business operations with social responsibility and the environment under carefully supervision to reinforce value added to the organization and increase the competitiveness of its business. Nowadays, more foreign investors give priority to consider their investment in companies that have social responsibility and the environment.

As to Social responsibility aspect, the Company and its subsidiaries had proceed Eyeglasses to Community to provide assistance in vision healthcare to local community in association with three schools in communities surrounding the Company and its subsidiaries. In the year 2013, the Company had service project in measuring vision and donated eyeglasses to students and staffs of the school, Etc.

For operations within the organization, the Company and its subsidiaries have focused on implementation of good corporate governance practices together with social responsibility, as well as providing care and respect to employees by emphasizing on better quality of life in the workplace of employees. Moreover, the Company has improved employees' knowledge, skills, and providing appropriate welfares align with change in economic and society for employees to work happily. Besides, the Company not only instilled the idea of responsibility into employees for their responsible to stakeholders and social community but also set the objective plan for future business operations together with social responsibility in all processes (CSR in process) which are the heart and basis to meet business growth and mission in taking care of social community together with environmental sustainability.



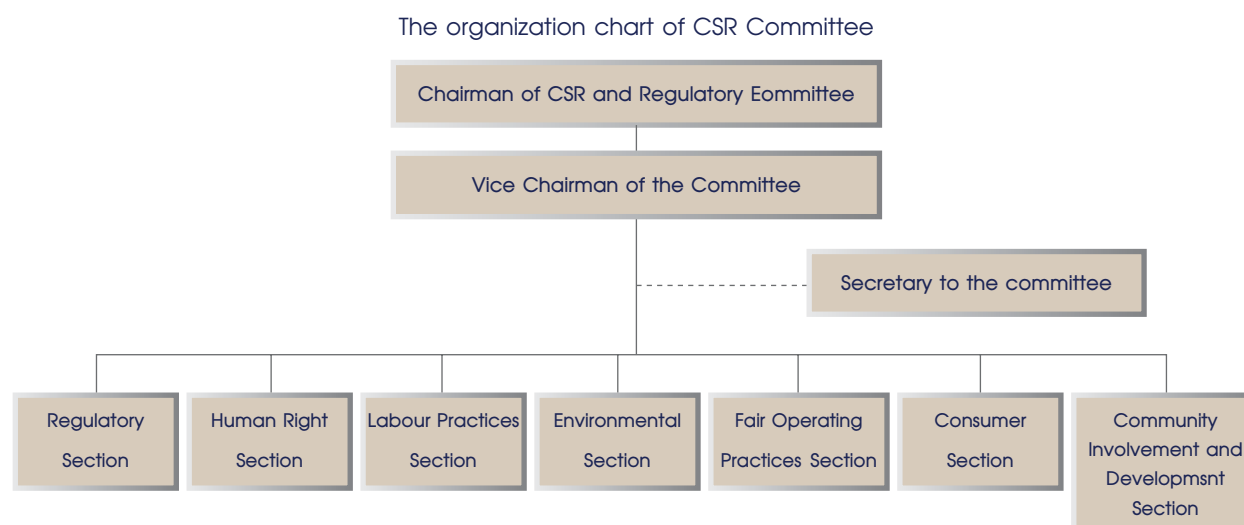
Mr. Sawang Prachartam  
The Chairman  
Thai Optical Group PCL.

## The Corporate Social Responsibility Policy. (CSR: Corporate Social Responsibility)

Thai Optical Group Public Company Limited (the Company) and its subsidiaries endure in the philosophy of doing commercial business complied with social responsibility. The Company determines to create balance between industry, environment, and community. In addition, the Company is persist to run business with transparency, accountability, ethics, respect for human rights and the interests of stakeholders in compliance with the law and other requirements or related international practice for continuing to develop the basis of social responsibility and sustainability.

The Company and its subsidiaries have undertaken the social responsibility strategy in order to define the operational framework and set target operation in accordance with its vision, mission and the social responsibility policy by operating both internal and external business together. The Company is seriously committed to create sustainable prosperity through all stakeholders of the Company as well as doing under good corporate governance and the quality standards of safety, social , environmental and transparency in comply with guidelines of sustainable development.

## Corporate Social Responsibility Strategy



The Company and its subsidiaries organize the CSR committee to oversee activities in comply with its policy. The said committee will include representatives from various departments within the organization.

## Identify Stakeholders

With a diverse group of stakeholders to the business , TOG has applied diverse tools to search of the expectations of each stakeholder group, such as open public hearing forums to gather employees dialogues /communities dialogues and arrange meetings with government /business partners / customers / shareholders, and then bring suggestions to use as guidelines for improving operations to meet the expectations of all stakeholders with properly and consistently, which will result in sustainable business growth on the basis of involvement and good corporate governance in TOGs' business.



Stakeholder	Practices and Strategies
Shareholders	Conduct business in compliance with good Corporate governance.
Employees	Knowledge development as well as treat fairly on human rights and safety.
Customers	Product development together with provide services to meet diverse needs and production with quality control standard.
Business partner	Comply with the competition honestly trade, contracts and ethics.
Distributor	Treat with equality, fairness, transparency in accordance with terms and contract.
Government	Transactions Practices with the government, Code of Conduct, Academically and Techniques cooperation.
Creditor	Treat to creditor with equality, fairness, transparency in accordance with terms and contract.
Community	Conduct business with integrity as well as supporting activities to improve the quality of life.

### Define the issues of corporate social responsibility

TOG has conducted survey from communities around factory and open public hearing forum to gather opinions, exchanging and talking with all stakeholders such as government, education and non-profit organization to bring about the exchange of ideas. TOG will acknowledge the expectations that will lead to continuous development by reviewing the significance issues and develop to make sustainable plan of the Corporate Social Responsibility Committee further.

### Conduct business with fairness and Anti-corruption

To achieve fairness in business Thai Optical Group Public Company Limited and its subsidiaries, have define practices to take care of stakeholders in Code of Conducts with regard to stakeholders responsibility such as shareholders, employees , customers, business partners, communities and environment. It is not only abide by law but also not engage in any violation, deprivation of the rights of those stakeholders. The Business Ethics Practices are as follow;

### Corporate Social Responsibility Policy

TOG is committed to create balance between industrial, safety, environmental ,community and take a stand to conduct business with transparency, accountability, ethical, respect to human rights, the interests of stakeholders and comply with law and other regulations or relevant international practice to develop of ongoing social responsibility and sustainable.

### Anti Corruption Policy

1. All directors, management team, employees of TOG are required to comply with anti-corruption policy and ethics of TOG, by not getting involve in corruption whether directly or indirectly.
2. Management team and employees of TOG have to well communicate thoroughly with all parties that have mutual benefit such as business partners, alliances and all other agencies properly.  
After that managers at all levels are responsible to ensure that the policy will be transmitted to cover all groups with acknowledging and understanding of this policy adequately.
3. Violations of this policy will be considered as serious offense in practice and may lead to disciplinary action or termination of the contract or relationship with TOG.
4. Those who get involve in corruption are unethical act to TOG, which shall be considered disciplinary action in accordance with the regulations as prescribed.

### Code of ethics for Investor Relations

Thai Optical Group Public Company Limited or TOG has set ethical business practices for Chairman, Managing Director, Directors, Executives and all employees, that have to comply with the policy. Besides the said code, Investor Relations shall also comply with relevant ethical of investor relations that is objective to prevent and restrain to break the law and regulation.

### Ethical Practices for Employees

This ethical practice is intended to protect the Company, employees, customers and distributors from any action that recognize illegal or inappropriate behavior. All employees shall abide by this practices in their work and behave with integrity together with ethical manner at all working times. In addition, it is individual responsibility to follow this practices that designed for Thai Optical Group Public Company Limited, the Subsidiary companies and any company that is involved. In order that, departments or distinguished companies may have set out more details of this practices that are able to behave consistently with each environment.

### Company Fraud Policy

The Company adheres to the business ethics which is important. The Company conducts business with employees, customers and shareholders with integrity and strongly adheres to moral as a result the Company is expected any business and person to treat to the Company as well. Any behavior that is not comply with the ethics, it shall not be accepted, whenever, the fraud behavior occurs then the Company will investigate immediately, and if it has proven that such act is wrongful then the company will be punished to the utmost including with termination of employment or cuts all trade relationships and legal litigation.



### The Copyright (Computer Program/Software) Regulations

Computer Programs/Software classify as copyright in works of literature that is protected by the Copyright Act B.E. 2537, so the Company will not allow users to arbitrarily install computer program on the Company's computer which is invalid and copyright infringement ,if any user violates such action, the Company will punish and can claim for damages in full with the user.

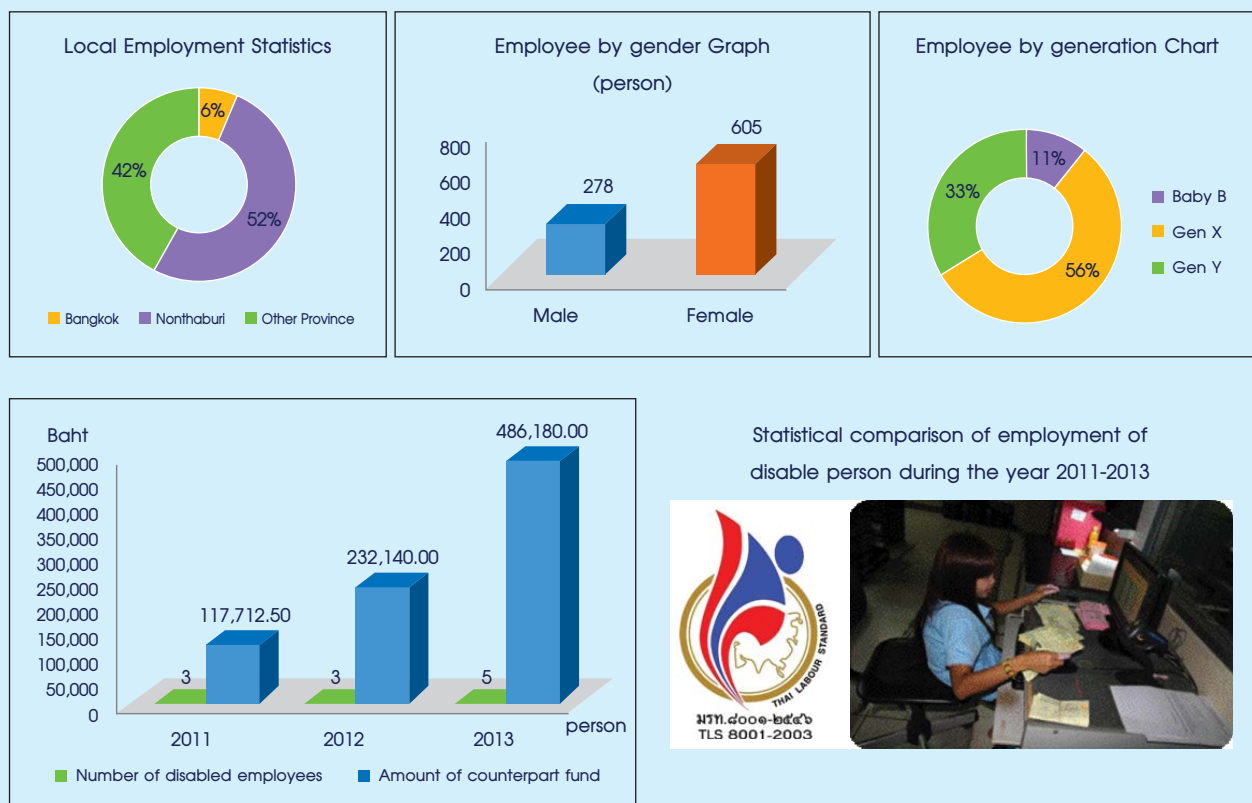
### Treating Employees Fairly

Thai Optical Group Public Company Limited and its Subsidiaries recognize the value of human resources and intend to persuade employees to take pride in their organization together with have better quality of life so the Company has promoted participatory working atmosphere and provide career advancement opportunities equally. Employees will be encouraged to develop their knowledge and ability together with receive remuneration and welfare fairly under TLS. 8001-2010 and Human Resource Management System.

### Recruitment and Selection

The recruitment and selection of employee of the Company and the Subsidiary companies are systematically operate based on ISO 9001: 2008 and TLS 8001-2010 for acquiring competent employees who have attitude conform to the culture of organization by providing opportunity for local labors to join the organization. And ,the selection process will be conducted by the committee that will select with transparency according to worker's ability as well as meeting the needs of each section. The committee will select base on fairness and regardless of gender, race, religion, disability and expression of personal attitudes.

Charts showing statistics of employee for the year 2013



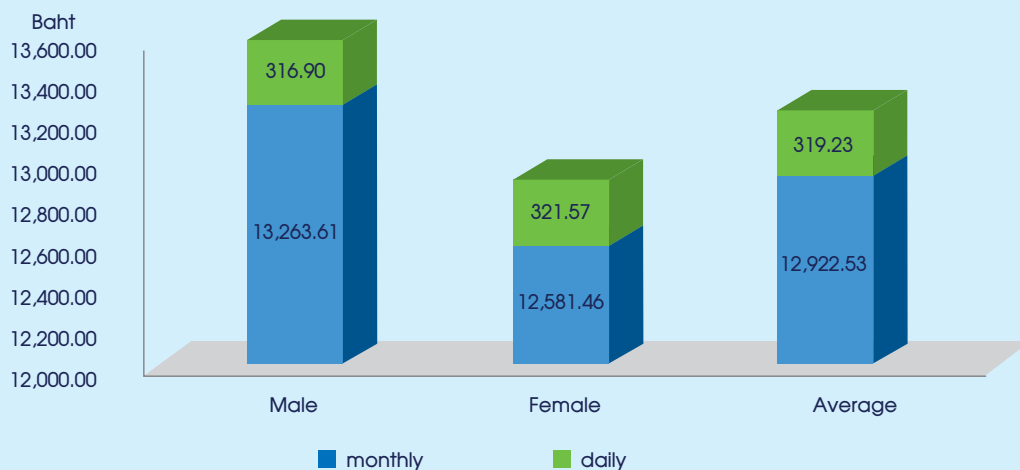
### Practices on Employment of People with Disabilities

The Company and its subsidiaries are committed to treat employees fairly and equally together with opening the opportunity to disable person to join the organization. Disabled employees will be encouraged to develop their skills and better quality of life as well as receiving welfare, benefit and join activities without discrimination. In the year 2013, employment of disable person of Thai Optical Group PLC., has increased from previous year but it is also below threshold of labor law in Article 33 about 4 persons, however the Company has fulfilled by remitting to "A FUND FOR EMPOWERMENT OF PERSONS WITH DISABILITIES" under Article 34. As a result, recruitment section has increased channel to recruit disabled people such as website, educational institutions, open booth for recruiting disabled people. The Company is continuously recruiting people with disabilities, as in the year 2014 the company set the goal to recruit disable persons to reach threshold of labor law in Article 33 which shall not less than 9 persons.

### Compensation Management

The Company and its subsidiaries have focused on human resources that are important to drive the Company, therefore it is necessary to maintain competent employee in order to achieve excellence business. KPI (Key Performance Indicator) is an important measuring tool of effective compensation management that reflects the quantity and quality of work (Performance - Based Pay) as well as provides fairness remuneration to motivate and encourage efficiency in the performance of employees further.

The Chart shows the salary comparison ratio of man and woman (Classified by employees of the year 2013)



### Welfare and Benefits

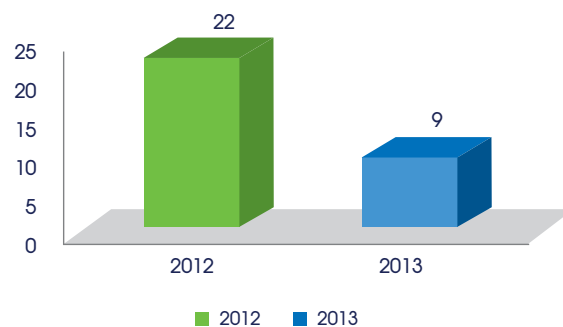
The Company and its subsidiaries emphasize on the quality of life of all employees, with the balance of both private life and working life so the Company has provided welfare and promoted qualities of lives of employees hereto;



### Labor Relations

Thai Optical Group PLC., considers the importance to manage labor relations effectively as well as taking care of benefit of all employees with equality by treating them as members in family such as providing consultation, fairness to solve problem, etc.

Statistical comparison of complaint during the year 2012-2013 from the complaint cabinet of Thai Optical Group Plc.





### Complaints Management

Thai Optical Group PLC., is always willing to listen to opinion of all employees by providing various channels such as employee dialogue hearing, complaint cabinet, the welfare committee as well as employees can directly send complaint letter with seal to Deputy Managing Director or the Company's directors. And, the Company is also set complaint system including employee and witness who send complaint will have been justified in all cases, together with an inspection Committee which has been set up as a case. In addition, employees can report complaint to their supervisor directly or supervisor at higher level which is based on the concept that supervisors at all level must be dependable for employees.

### Building relation and Involvement activities

The Company and its subsidiaries consider the importance of building relationship and involvement among employees by arranging activities that creates unity and relation and emphasis on the involvement of employees at all levels such as New Year Party, Exhibition week, etc. As a result, all employees have the opportunity to join activities both working and over hours time for their personal development, community and social development which shall be supervised under "The CSR committee". Employees can join various activities such as Sports, Entertainment, Recreation and CSR activities supported from management. Other than the said statement, employees are also encourage to create teamwork effectively among employees. In the year 2014, the Company has set goals that employee participating in CSR activities shall not be less than 10 % of employees in the organization.



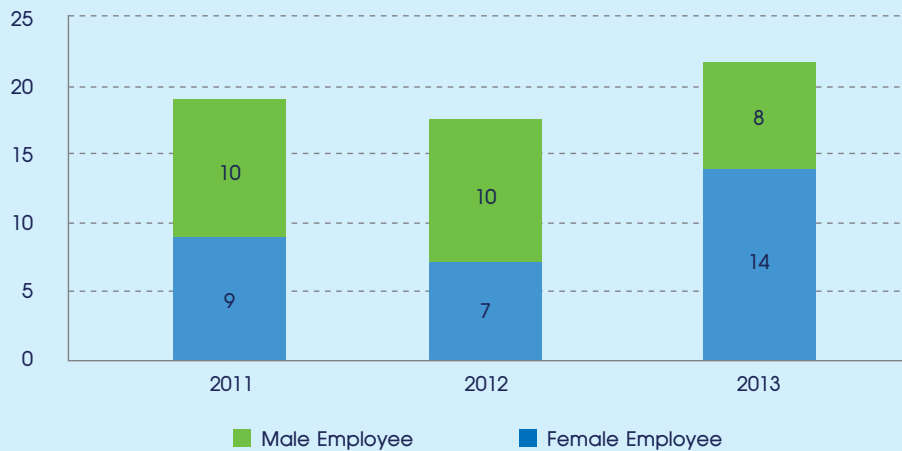
### Developing and Promoting employees

To build readiness in physical, mind and knowledge of employees in order to have potential that will lead TOG to achieve sustainable business excellence, TOG is always dedicated to develop knowledge, consciousness, mental and health of employees by various training courses such as classroom training, on-site training, pass-on experience, organize activities and etc.

- **Functional Training course**  
Focus on developing skills, knowledge, and abilities of employees in accordance with functional Competency that employees are able to apply knowledge in their work such as Sales promotion, Human Resources, Purchasing, Accounting, Sales and Marketing, increasing production efficiency, Information Technology(IT),and etc.
- **Business Management course**  
Employees at supervisor level will learn and develop their skills in comply with Managerial Competency such as development program of Leadership, Development Others, Planning & Organizing, etc.



Statistical comparison of average training hours per person per year which separated by gender during the year 2011-2013



### Management Approach

All new employees have to attend orientation course for new employees, the course will be conducted as integrated activity such as Walk Rally including with intervene knowledge in activity for ice breaking behaviors and to improve knowledge about Company's policies, rules , organization culture as well as provide knowledge to employees , such as ISO 9001:2008, ISO 14001 Version 2004, Energy management systems, and so on. In addition, Thai Optical Group Public Company Limited and its subsidiaries have defined five "Core Values" or ACTIF which is the organizations' values that employees should have commitment to perform for achieving success (Budget / Time / Quality ), to standardize work system , sympathize, collaboration and believe in teamwork, initiative to present new idea for improving performance, acceptable and flexible with organization changing and sustainability.



## Operation safety, occupational health and working environment.

### Management Approach

Safety is an important priority in all employees of the organization while they are working in the workplace all the time. As a result, the Company organizes various activities to promote safety and conscious mind among employees. In addition, the Company is enhanced performance from safety in the workplace by organizing project to promote the safety and operational security as follow;

- **Wire Broadcasting Project**

This project provides knowledge about safety such as safety at work, off work and healthcare.

The activity is to create awareness of safety to all areas.

- **Safety Exhibition Activities**

In order to create conscious mind and educate about safety through activities, exhibition and playing games about the knowledge that has been arranged.

- **Safety Patrol**

To walk in the workplace for inspecting risks that may occur while working and improve it further, together with checking individual in wearing protective equipments of workers.

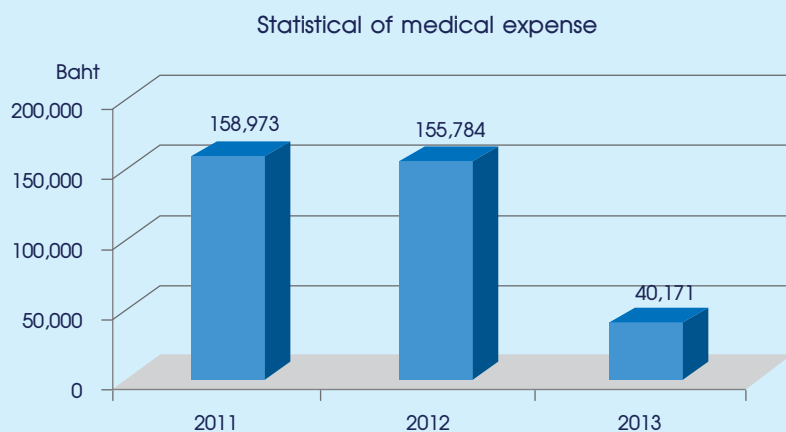
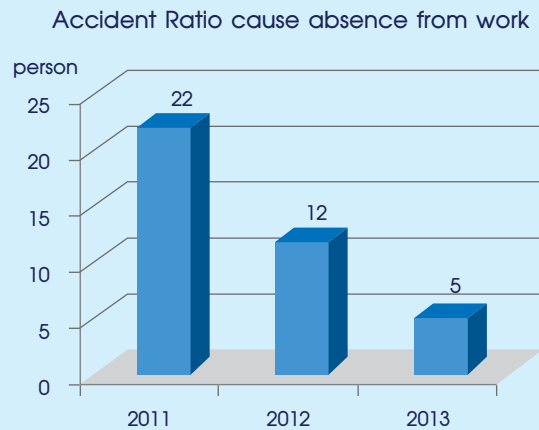
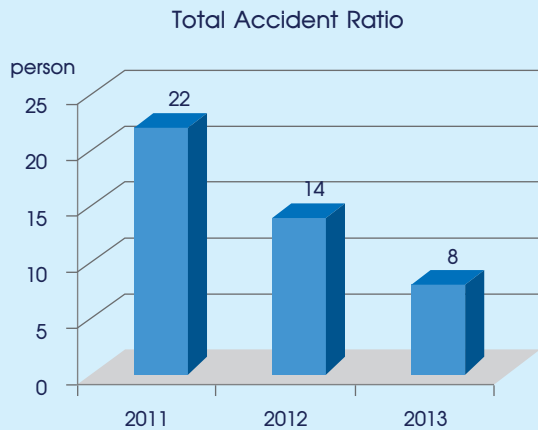


- **Compliance with laws**

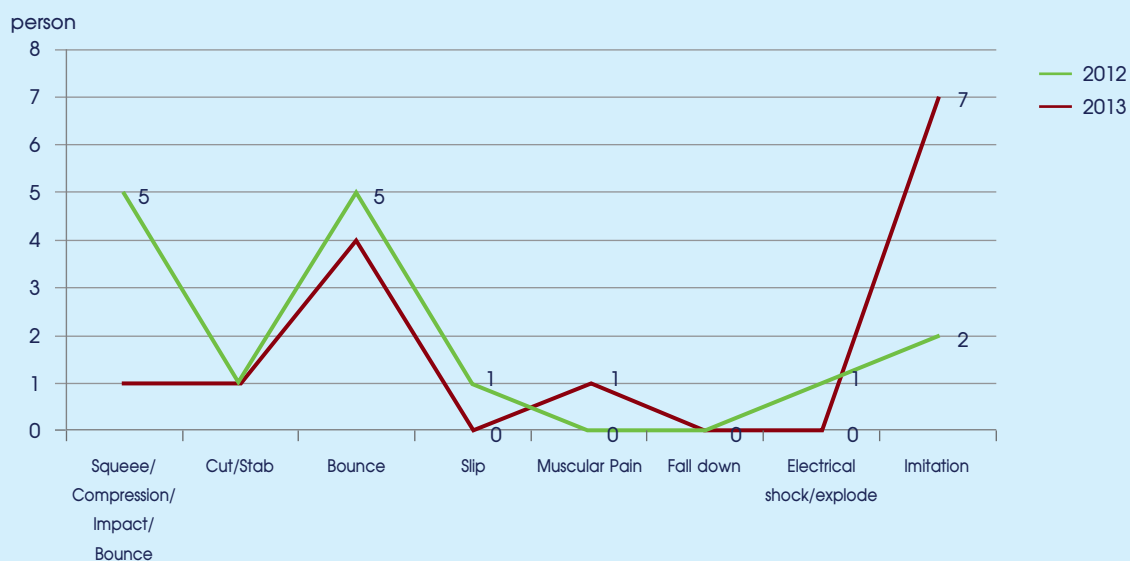
1. To measure the environment and the intensity of chemical in the workplace.
2. To check emergency equipment such as Fire extinguishers, Sprinkler systems, Fire alarms, etc.
3. To check health to employees who have risk.
4. To check system such as electrical system, building, pulley, elevator, etc.
5. To provide training and knowledge about safety such as contractor training, new employees, fire fighting, fire evacuation and driving forklift, etc.



Promoting safety and operation safety project which resulted  
in decreasing in accident statistics as chart bellowing;



Statistical comparison of accident categorize by type of accident.



Regarding to the comparison of accident statistics separated by the types of accidents, it showed that the year 2012 the accident of squeeze, compression, impact and bounce, have high statistical value so the solution is to provide knowledge to prevent accident with workers as well as maintenance machines to be high safety. In the year 2013, there was adrastically increased in caused by chemical irritation among workers which made the Company to provide knowledge and set the course "Safety, Occupational health and Working environment for new employees" to be informed accuracy preventive in comply with law, together with inspect to wear personal protective equipments during operating time which the Company expects that the accident will decrease in the next year.

### Customer and Business Partner Responsibility

Apart from legality, Thai Optical Group Public Company Limited and its subsidiaries have a policy that all employees have to perform in regard to business ethics which relate to customers or business partners.

#### Competitive strategy

The Company and its subsidiaries do not concentrate on price competition, but look on reasonable price that must suit with the quality of product, which will make customer be satisfied with the Company's products. The Company and its subsidiaries apply three main strategies in the competition hereto;

- **Product quality**  
The Company and its subsidiaries give importance on the quality of products by the system of quality control at all stages of production, which will verify all lens both powers of lens and the thickness of lens, color and stain which make product of good quality and its shelf life longer together with having the same standard in every production cycle. As a result, customers trust in the product and return to continue order. In addition, it is to retain existing customers and expanding new customer base who demand product with high quality. The Company and its subsidiaries have prepared standard for product quality such as ISO 9001:2008 from TUV CERT / International standards from U.S. FDA and European Union (EU) which is able to sell products around the world.
- **Services**  
Regarding to, good production planning and having adequate inventory stocks which make the Company and its subsidiaries are able to support orders in large number as well as delivery on time. Moreover, the Company is always listening to customer feedback in all aspects to develop and improve products and services.
- **Product Category**  
Optical lenses of the Company and its subsidiaries will cover all type of lenses including Rx lenses (prescription lens) which do not have production by any general independent manufacturer lenses factory yet. So, the Company and its subsidiaries are sole independent optical lens manufacturer that provide a variety of products in all categories which provide customers with convenience, economical and easy to control order by One Stop Shop purchasing.

#### Target Customers/Business Partners

Target customers of the Company and its subsidiaries are wholesalers, group of large retailers and lens manufacturers such as semi-finished lenses in each country which those manufacturers do not own factories but demand high quality products under their trademark/brand.

- **Customers**  
We strive to comply with business terms and conditions to our customers for the quality and efficiency of lens production from the Company and its subsidiaries, including with commitment to provide accuracy, timely and continue to enhance communication for building relation with customers.



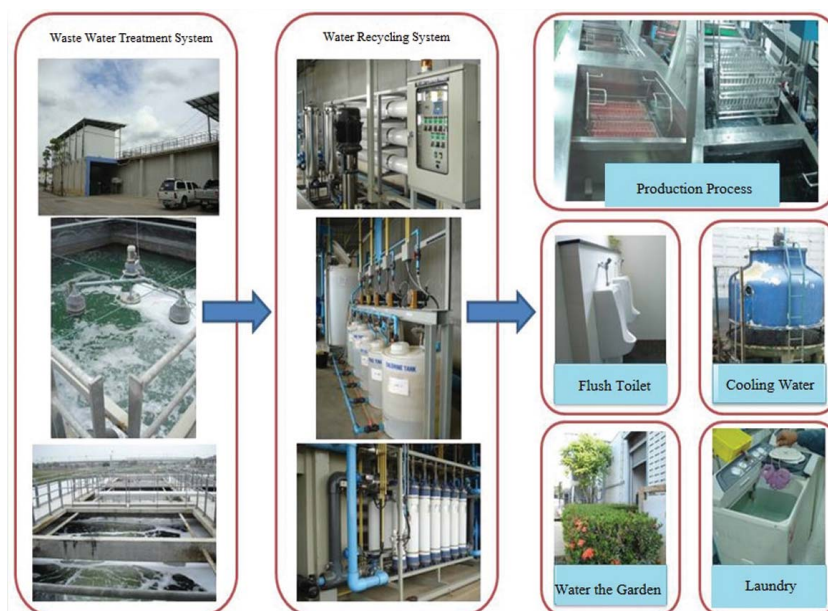
- Suppliers/ Business Partners and Contractors

1. We are committed to obtain standard goods and services which under the principle of equally competition to receive information. We have set criteria for evaluation and selection suppliers/ business partners and charter party by preparing in the appropriate contract forms. Moreover, we have provided monitoring systems to ensure that the entirely performance is in compliance with the terms and conditions of the contract as well as prevent fraud and misconduct in all stages of the procurement process. In addition, we have principle payments to suppliers/business partners and contractors on time in accordance with payment terms that has been agreed.
2. We are committed to develop and maintain sustainable relationships with suppliers/ business partners and charter party, that all parties have clearly in the quality of products or services that are worthy with value of money, technical quality and mutual trust.
3. Prohibition employees to receive any personal benefits from suppliers/business partners and charter party.

### Process Development

To reduce the social impact and environmental impact from production process and business service.

The Company and its subsidiaries have intention to provide good workplace environment and well-being for the Company's employees and the surrounding communities, together with maintaining a good environment as well as focus on using natural resources efficiently including with social and environment responsibility by complying strictly with safety and environmental legislation and take measure to reduce the environmental impact from operations of the Company and its subsidiaries continuously. In addition, the Company has prepared the standard for monitoring performance seriously and consistently such as environmental standards ISO 14001 from TUV CERT / Green Industry Standard from Department of Industrial Works/ Good Environmental Governance from Industry Office of Nonthaburi, etc.



### Pollution Prevention

The company is focused on the implementation and management approach to prevent spillage, leak and systematically disposal of waste as require by law that cause pollution to water and air. The Company has Waste Water Treatment system, Water Recycling system that brings waste from production to reuse. There is Air Pollution Treatment system to filter chemical vapors, dust from lenses production before it will be released to the outside. The waste for disposal outside will be done by the outsourcing company which has the legal license. In the past year, the Company had not received complaint or litigation in any way.





#### Guidelines for Sustainable Energy Management

Thai Optical Group Public Company Limited and its subsidiaries have realized the importance of energy conservation and environmental impact by all activities of the Company that employees at all levels and all departments must be aware and give importance of energy and environmental management, the Company has also prepared energy management policy to guide employees practice.

Regarding to, proportion of energy using in the year 2013, the Company found that electrical energy is primary energy in use so in the year 2014 the Company has set target to reduce energy consumption by not less than 3% of total energy consumption. In the year 2013, the Company had begun to measure, improve and development of data collection continuously.

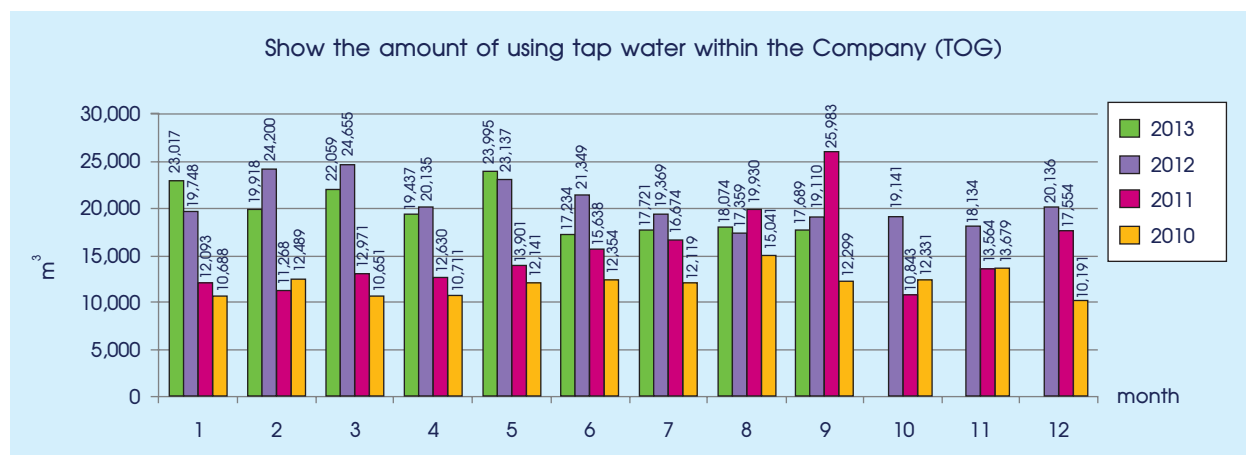
#### Efficiency Energy Consumption Management.

- The Company has used energy consumption data collection system with Energy Management Software for recording and analyzing energy capacity. The Company is also provides the opportunity for employees to participate in the formulation of energy conservation practices in the area of operations continuously.
- Set up pressure regulator to adjust pressure suitability for using in the production line that use wind system to reduce air leakage.
- To adjust time for open/close CHILLER and repair Max machine by changing the new compressor to withstand the tropical conditions and the machine can maintain the temperature automatically.
- Set Principles in purchasing equipments and machines that are Eco-friendly and Energy saving.
- Cleaning the evaporator coil both heating and cooling together with inspection its performance in every 2 months.
- Installation blower's sensor machine to save energy.
- To supply of electrical equipments that save energy.
- The second page paper project: 3R (Reduce Reuse Recycle) Project that bring consumables from production to reuse.
- Increasing green space to reduce CO2 gas.

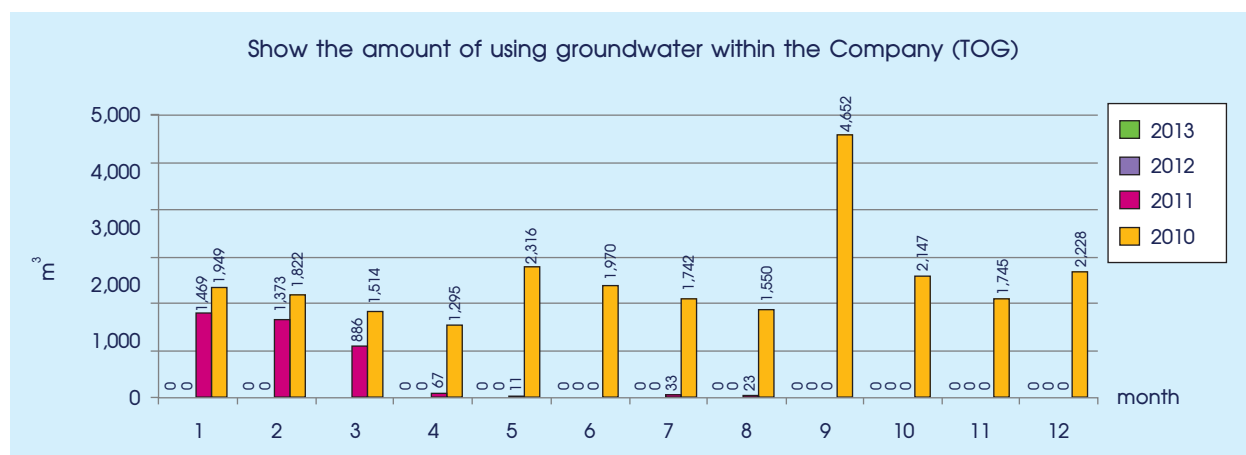


The Company has set a goal to improve operation and development the project for energy consumption efficiency and environmentally friendly by not less than 6 projects in one year.

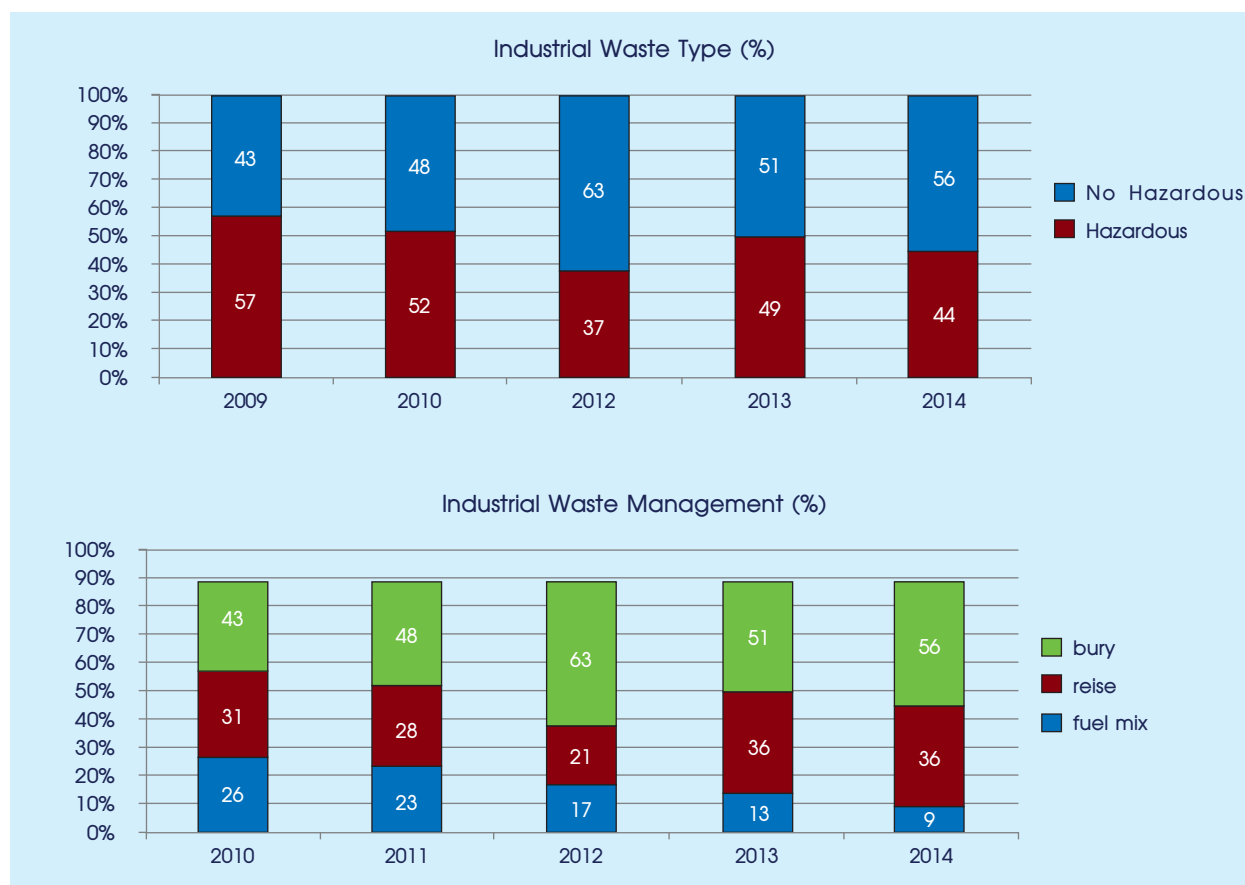
- Water resource that Thai Optical Group PLC. had used since 2009 to 2013 came from two sources, i.e. tap water and groundwater, since the year 2012 the groundwater was not used any more but only tap water is completely used.



- Waste that can not be treated by the Company in the entire production preocess that will be delivered to be eliminated by domestic waste management company who have authorized by Department of Industrial Works, there is no export waste to be eliminated outside the country.



From the year 2013 to present, the Company carried waste total of 385 tons which classified as hazardous waste 172 tons, representing 44 percent of all waste that were contained used solvents, contaminated chemical materials, contaminated sulfuric acid, chemical deterioration, and waste packaging as well as carried disposal of non-hazardous waste of 214 ton, representing 44 percent of all waste that were contained reject lenses, Glass mold and Sludge. The disposal of such waste were treated and eliminated by properties of those waste with technical basis for 56 percent of all waste that was taken to the landfill and 36 percent of all waste that brought back to reuse again while the remaining waste of 9 percent was used to make the fuel mix.



### Mutual Social Development

The Company and its subsidiaries focus on promoting and engaging with various sectors such as government, local organizations, communities, civil society with guidelines to build cooperation with other organizations for developing economics ,social relations and activities that will develop communities in aspects under the guidelines of CSR-DIW of Department of Industrial Works such as improving Income, Education, Religion and Culture, Health and Safety and Environment for well-being of the community and society.



#### Improving income to the community (data of the year 2013)

• Paid local tax	713,822	Baht
• Supporting products and service of the community		
- Food, snacks, drinks for receptions	75,000	Baht
- Gardening	96,000	Baht
- Pest control	31,030	Baht
- Contracting for the construction	3,480,000	Baht
- Allow people from communities to sell food in the factory	626,600	Baht
- Shuttle Employees Bus	483,600	Baht



#### Education

The Company and its subsidiaries are committed to support and develop knowledge to improve the ability of employees and community with Pho-Rak school Project with schools around the factory and in Nonthaburi province that the Company 'employee will provide various knowledge to groups of Housewife and Community group. The Company can draw capabilities of its employees to help and benefit to the surrounding community such as Environmental management, Energy conservation, Intellectual property rights, Threat of drug, Growing Hydroponics vegetables, Sufficiency Economy and etc. In addition, the Company provides scholarship to students in each school both near and far from the factory, including opening house to government unit, other organizations, educational institutions to visit production process of the Company and environmental management.



### Religion and Culture

The Company and its subsidiaries are intended to instill ethics and morality to all employees especially in implement to conduct in daily life on what is good and right by supporting activities both within factory and cooperation with the surrounding communities such as make merit and give food to the monks on the Buddhist day, donation for preserving Buddhism and Islam including with join “Buddhist Lent Day” activity of the community, etc.

### Environmental

The Company and its subsidiaries are committed to knowledge dissemination and campaigning on environmental by persuading the Company’s employee and the surrounding communities took part in the activity by setting up the environment team of the Company and its subsidiaries to provide knowledge about Care for environment, Energy Conservation, Generating income from garbage, Garbage bank, Sorting of waste, Opening house to allow representatives from government unit, community leaders and community representatives to visit environment management within the factory, etc..

### Health

The Company and its subsidiaries are committed to promoting good eye health to employees and people in both near and far communities, as a result the Company has provided various projects such as “Eyeglasses to community project” to educate and eyesight care to members in the community, “Happy Family Day”, to reduce the cost of living in the field of eye care by cooperating with business partners to sell special price products for employees and members of the community.

### Social

The Company and its subsidiaries are committed to support drug prevention and solving drug problems in the workplace and the community as a result the Company has to follow the guidelines approach of Standards to prevent and resolve the problem of drug in organization, together with being received certified standards by the Department of Labor Protection and Welfare, Nonthaburi province (DLPW). Moreover, the Company is also support for the Sports anti-drug project within the factory and cooperate with Sub district Administrative Organization (SAO) to organize sports against drugs activities in the community.

