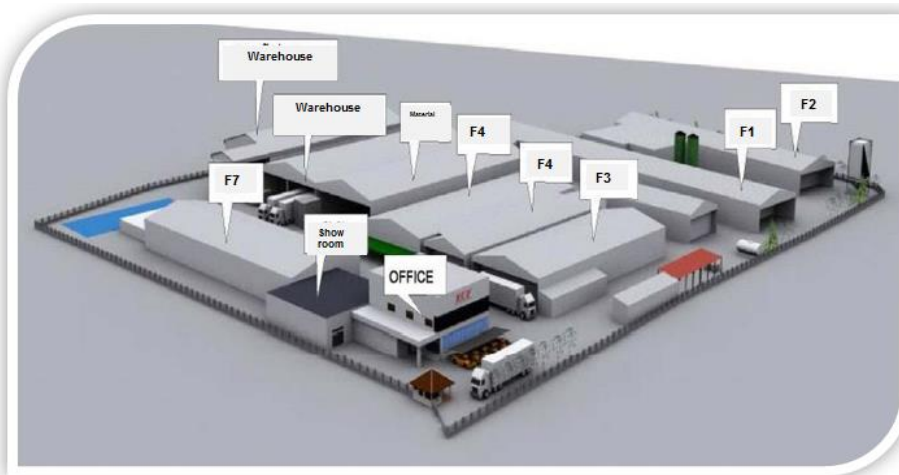


Performance on Quality Environment

Measures of procedures within the organization that represent environmental responsibility

The Company gives precedence environmental impact occurred from the Company's business process either directly or indirectly under control from environmental friendly production process of products and services in every procedure, and also cultivates its employees to be aware of environmental care whether being waste sorting, cleanliness inside the building area, plant and surrounding area.

Sample of Zoning of Responsible Area in Cleanliness Care



The Policy on the Effective Use of Resources

To ensure that the Company has the guidelines and reliable environmental and safety management systems, the Company has been proceeded to be certified of quality management system standard on ISO9001: 2015 (ISO 9001 - Quality Management System). In addition, the Company also annually inspects the environmental and safety performance and has a policy as an important principle to achieve the effective use of resources as follows:

1. Support a monitoring approach in the operations that may affect the environment.
2. Promote activities to enhance environmental responsibilities.
3. Promote the development and dissemination of environmentally friendly technologies.

In the manufacturing process of furniture, the Company gives importance on the pollution that may present during the production process, such as color spray, dust, etc. presently, the Company designs to spray painting in the closed rooms and applies the effective spraying technology to reduce the amount of pollutions to enter into the production process. For the raw materials used in the production that uses adhesives, which are the raw materials used to cover the surface of paper on particle boards, the Company decided to use water base glues that do not affect the environment.

The Effective Use of Resources

The Company consumes the energy to manufacture products, provide services and operate the office, consisting of 3 kinds of resources:

1. Electricity: supplied by the Provincial Electricity Authority for the office works and the production in the plant at the Head Office in Rayong Province and by the Provincial Electricity Authority for the works of marketing office at Lam Luk Ka Branch Office, Pathum Thani Province.
2. Fuel: includes diesel oil, gasoline, to be used in transportation of products and the Company's office cars.
3. Tap water: supplied by the Provincial Waterworks Authority for the office works and the production in the plant at the Head Office in Rayong Province and by the Provincial Waterworks Authority for the works of marketing office at Lam Luk Ka Branch Office, Pathum Thani Province.

The Company is aware of saving and reducing the use of energy resources with the policy to closely control the costs of electricity, fuel and tap water, under the objective to continuously minimize expenses.

During 2020, the Company consumed resource as following details:

Type of Resources	Amount		
	2019	2020	Difference (%)
Electricity	24,467,466.82	24,512,146.82	0.18%
Fuel	10,692,871.21	7,935,400	-25.79%
Tap Water	55,218.75	52,303.00	0.21%
Paper	165,063.00	118,500	-28.21%
Total	35,377,619.78	32,618,376.82	-7.80%

The above table showing the use of resources was found that in 2020, the Company could reduce the cost of resource utilization when comparing to expenses in 2019, decreasing 7.80%, this figure reflected that the Company is committed to environmental responsibility and being a part of driving force in encouraging employees to be aware of the cost-effective use of water, electricity and other resources.

However, for electricity expense, the Company installed the solar panels with a production capacity approximately 1 MW on the rooftop of the factory at head office, Klaeng District, Rayong Province, to utilize solar power in the production process, and we could be used it at a full capacity since 2019. In 2018, the electricity expense was 36,404,316.15 baht and after installing solar panels, this expense in 2019 was reduced to 24,467,466.82 baht, decreasing 32.79%, and in 2020, electricity expense was 24,512,66.82 baht, similar to that of 2019, the installation of solar cells is considered as a success of the Company to focus on the reduction of resource expenditures. In addition to benefit the Company in reducing expenses, it also

provides a positive effect on the environment because solar power is belonged to pure energy, that does not affect the environment. At the same time, the Company also has a policy to expand the sales of carbon credits from the said project in the form of reducible greenhouse gas to generate revenue for the Company.

Waste and Consumable Management

The Company gives precedence to management of waste and consumable derived from production process and employee consumption under clear waste sorting method and asks for collaboration of employee to sort each type of waste for management of wastes and consumables from processes under below details.

Wood chips and sawdust: the products remaining from the wood cutting process shall be used as the fuel for the boiler to generate renewable energy in the production process. If the quantity of wood chips and sawdust is high, the company shall sell them to a third party.

Dust the dust from polishing process using sandpaper or polishing machine, the company shall use filter bag. The filtered dust shall be sold to a third party to use as a raw material accordingly.

Residue of Spraying from the pigmentation process on the work piece, the company has a measure to prevent the impact caused by spraying color to the environment by using a pigmentation room with circulating water to reduce the color mist. The residue from this process shall be properly eliminated.

- **Paint residue** from the manufacture of covering paper; the residue of paint after printing process, the company shall bury such residue in the factory. At present, if the paint residues are still of good quality, the Company will mix them and reuse to reduce the effects caused by the paint residues and this is part of production cost reduction while maintaining good quality products in accordance with the standards set by the Company. From this process, the cost of new paint buying could be reduced up to 5%.

Waste materials such as rejected artificial leather or textile from production process, the company shall gather them to sell to a third party.

Glue it is the adhesive materials to attach the covering paper to the particle boards, the company shall use water base glue that can be melted by water, causing no environmental impact.

However, in last year, the Company has started the execution according to the Policy of Corporate Social Responsibility for social and environmental benefit with sustainable effect both toward social and business. In the following years, the Company will formulate the policy and practical guideline to express clearer social and environment responsibilities, advance more concrete activity organizing, and apply the acquired result from the policy and activity for analysis and evaluation under objective of development and improvement.

The Company's Environmental Conservation Guidelines

Internal training or sending employees to be trained on environment by other organizations

Solar Rooftop Project

Since the Company is a manufacturer and distributor of furniture, we have two factories in Rayong Province: one factory is located in Thang Kwian Sub-district, Klaeng District, where the headquarter is located and produces particle board furniture, our main product; and another factory is located in Wang Chan Sub-district, Wang Chan District, and produces and assembles rubber wood furniture including has a production lines of sawmills for processed and dried para rubber trees, and foil paper for furniture manufacturing. Electricity is the main energy for every step of furniture manufacturing process; therefore, the Company has thought to produce clean energy by choosing and using solar power or solar rooftop in the factory in Klaeng District. Our Solar Rooftop Project has an installed capacity of not more than 1 MW, after installation and utilization of solar power in production process, in 2020, the Company could save electricity fees up to 3,664,729. Baht; additionally, we are studying additional projects to install more solar rooftop inside the factory.

Apart from saving electricity costs for the Company, a solar rooftop also helps in environment conservation, because solar power is a clean energy that will not cause any toxic effect to the environment. In the future, we have plans to implement the Solar Rooftop project at the factory in Wang Chan District as well.

Use of Recycled Paper instead of Good Grade Paper for Product Assembly Manual

The product assembly manual is necessary and paper is also necessary to be used for manual production. In this process, the Company decided to use recycled paper to replace good grade A4 paper to help in tree cutting reduction for paper production and this also helps in reducing the Company's production cost for approximately 0.40 Million Baht per year.

At present, the Company is seeking the way to reduce the use of paper to minimize the environmental impact from the paper production process by printing the instruction on the product boxes, however, this method is limited to apply, it will be applied for the product that has uncomplicated assembly process.

The Use of Eco-Friendly Materials

The Company has changed to use the Edge Banding-typed or plastic materials for covering the edge of wood instead of original materials that are made from 100% PVC and plastic materials are environmentally friendly or Eco-Friendly grade that is biodegradable for minimizing environmental damages.

The Reduction of Chemicals in Production Process

The production process of furniture made from artificial woods such as particle board, which requires resins as admixture to combine woods in the compression process, such resin contains formaldehyde that will harm the users if its ratio exceeds the standard, the formaldehyde measurement standard is defined or it is called the European formaldehyde emission standards, divided into 3 main parts, the levels start from "E2" level that is harmful to the users because the release of formaldehyde is higher than the set value; "E1" level that is not more than 0.75 ppm; and "E0" level that is an advanced standard upgraded from E1. The furniture passed this process will contain formaldehyde not more than 0.07 ppm. All operational parts, especially the manufacturing part, are conducted of development to allow such standards to cover the global furniture industry in the future.

In order to minimize the impacts on both users and the environment , at present, the Company chooses to use wood in E1 level, which was found that the formaldehyde content is lower than E2 level, up to 1.0 mg/l, or can reduce formaldehyde from the use of materials up to 67%, additionally, it also presents positive impact on environment, users and employees' health, it is also good for cost reduction in the production process, decreasing the amount of costs up to 3.70 Million Baht per year.

Replacement of LED Light Bulbs in Factory

In the Production Department, it was found that there are more than 2,000 points of light bulbs in the production area, at present, the Company has gradually replaced with LED light bulbs because LED light bulbs has real white light which its temperature is similar to natural light, making the eyes comfortable and good for eye care, with longer lifetime, using lesser electricity, and importantly, LED light bulbs is eco-friendly because the fluorescent bulb consists of heavy metals i.e. mercury, etc. which are toxic to the environment, while the LED bulb does not contain any harmful heavy metals and importantly, its materials produced are recyclable.

Change to use Transparent Roof for Factory

At present, the Company has changed the roof of the factory from solid roof to be transparent roof by designing to allow natural light enter into certain areas in the factory to reduce the use of electrical light.

Use of Technology to Reduce Paper Use in Office.

The Company is in the process of developing the Application to support and facilitate sales and customer service for fast stock checking, presenting products through the Application. In addition, for the production, the Company has applied the Cloud system to collect all furniture designs, covering all types manufactured and distributed by the Company in order to facilitate the customers in both domestic market and international market, and shorten the work duration of Product Design and Development Department. In addition, it could significantly reduce the use of papers.

The waste sorting campaign titled "We, ECF, help in global warming reduction" know how to drop

How to separate and values of waste separation to create the awareness of environmental care, at present, the Company has set the guidelines for employees to control and manage wastes from activities, the wastes are divided into 4 types:

- 1.) Wet Bin (green) for wet wastes such as food waste, vegetable debris, fruit waste;
- 2.) Dry Bin (yellow) for dry wastes such as branches, leaves, toilet paper;
- 3.) Recycle Bin (blue) for recyclable wastes such as paper, paper boxes, metal scraps, beverage cans, bottles, glasses, plastics;
- 4.) Hazardous Bin (red) for hazardous wastes such as battery, phone battery, ink cartridge.



In addition, in order to encourage the awareness on the use of natural resources for utmost benefits, the Company posted warning signs and messages in many areas such as posting warning messages about the use of toilet paper in employees' toilets, placing the messages 'saving of water and electricity' at the water tap or power switch areas, in building areas, to encourage employee's awareness to reduce the use of natural resources.

