

ECF

EAST COAST FURNITECH PUBLIC COMPANY LIMITED



Sustainability
Report 2018

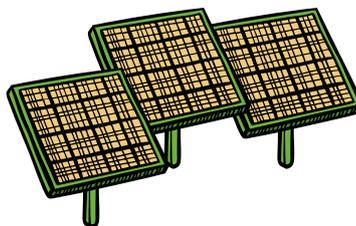




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Award Recognitions



Year 2017 Contribution Award
 NWC Small Group Activities Excellent Award
 East Coast Furnitech Public Company Limited May 11, 2018
 Nitori Holding Co., Ltd.

Mr. Arak Suksawad Managing Director
 East Coast Furnitech Public Company Limited
 Certificate of Honor
 President of the Executive Year Association 2016 - 2017
 March 14, 2018
 The Thai Furniture Industry Association



East Coast Furnitech Public Company Limited
 Plaque Branch 2
 Joint the Project Happy Workplace
 Under the project "Strengthen the organization of sustainable health
 Of Thai furniture industry group November 16, 2017
 The Thai Furniture Industry Association and Thai Health Promotion
 Foundation (ThaiHealth)

East Coast Furnitech Public Company Limited received Certificate of Honor
 Establishments that support the employment
 of disabled people for the year 2016
 February 9, 2017 Rayong Governor





East Coast Furnitech Public Company Limited
 Certificate of Honor
 Establishments with outstanding employment April 7, 2016
 National elderly Committee and Ministry
 of Social Development and Human Security

East Coast Furnitech Public Company Limited
 Certificate of Honor
 Joint the Project OPOAI 2014 May 19, 2015
 Ministry of industry



East Coast Furnitech Public Company Limited
 Certificate of Honor
 Certificate to participate in the project to
 support energy efficiency March 20, 2015
 Department of Alternative Energy Development
 and Efficiency Ministry of industry

Mr. Arak Suksawad East Coast Furnitech Public Company Limited
 Certificate of Honor
 President of the Executive Year Association 2012-2013
 February 26, 2014
 The Thai Furniture Industry Association



Message from the Managing Director



East Coast Furnitech Public Co., Ltd. is committed to management under the vision "To be the leader in furniture business in Southeast Asia and continue to create opportunity for business growth." The management team believes that sustainability arises from business operations that are concerned about the society, environment, community, and stakeholders focusing on the balance of economy, society, and environment.

In terms of 2018 sustainability performance, the company crafted business strategies that were geared towards balancing its impact on the economy, society, and environment in order to respond to every stakeholder group. The company emphasizes manufacturing and selling quality furniture as well as community engagement by organizing and supporting activities with and for the community such as donating medical equipment to Klaeng Hospital in Rayong, launching Nong Im Tong Pee Im Jai Project, and granting scholarships to students. The company recognizes that if people have a strong sense of community, they can bring about the company's and the country's economic sustainability.

The company has produced a sustainability report separately from an annual report as the executives recognize the essence of communication about sustainability performance which will promote a better understanding among stakeholders of the company's strategies, sustainability policies, and other activities.

Finally, on behalf of East Coast Furnitech PCL, I would like to extend our gratitude to our stakeholders including shareholders, employees, suppliers, competitors, community and others for their trust and confidence in the company. We promise to operate our business based on good corporate governance, fight corruption, and take care of our community, society, and environment for sustainable business growth alongside quality society.

Mr. Arak Suksawad

Managing Director

East Coast Furnitech Public Company Limited

About This Report



This sustainable development report of East Coast Furnitech Public Company Limited has been separated from its annual report for the first time in 2018. This report aims to present the company's performance in three facets; namely, economic, social, and environmental impacts and its good corporate governance during the period from 1 January 2018 to 31 December 2018, taking into account sustainable business operations and ability to respond to stakeholders' expectations.

Criteria for issue selection

1. Issue Identification: examine sources of information starting from sustainable development policy and information from internal and external stakeholders on issues that each stakeholder group expects or is concerned about. These issues may affect the sustainability of the company's economic, social, environmental, and good governance aspects. This examination was conducted to identify issues that are critical to the organization and stakeholders, using evaluation and weighting methods that the company has determined.

- **Inside the company:** executives' meetings, employee satisfaction and engagement survey, information gathered from the meetings, and information from employees' suggestions gathered by supervisors.
- **Outside the company:** shareholders' meeting, company visit by investors, Board of Directors meetings, suppliers and client visits, and formal and informal conversation. The company has used this information in analyzing stakeholders' expectations to identify the issues.

2. Prioritization: After identifying key issues that may affect the organization and stakeholders, weighted scores will be given by assessing the issues' impact on internal and external stakeholders. The company has designed the criteria to be in line with the company's context.

3. Scope of report: This report only presents the sustainability performance of East Coast Furnitech from 1 January – 31 December 2018 covering key issues of all of the company's activities but excluding those of subsidiaries or joint ventures. However, this report includes the performance of subsidiaries and joint ventures in the part of economic issues.

4. Report approval: This report was not certified by external parties but was certified by the Board of Directors on 27 February 2019, and the company currently has no plan to seek an audit by external parties.

5. Inquiries: This report was produced with an objective to present the organization's sustainability performance to all stakeholder groups and people interested in the company's information in order to communicate and create an understanding of the organization's business operations. If there are further inquiries or suggestions, please contact Investor Relations Department.



Investor Relations Department

East Coast Furnitech Public Co., Ltd.

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Tel : 02-152-7301-4 Ext. 202 or 212

Fax : 02-152-7305

Introduce “East Coast Furnitech”



Company's name in Thai	บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
Company's name in English	East Coast Furnitech Public Company Limited
Date of registration	October 12, 1999 as the Limited Company Later as of October 18, 2012, the Company has registered and transformed into Public Company Limited and changed the name to East Coast Furnitech Public Company Limited (ECF).
Registered company/ TAX ID	0107555000449
Securities Symbol	ECF
Type of business	A manufacturer and distributor of furniture made of particle board and rubber wood, foil paper for using as a raw material for furniture manufacturing, a manufacturer and distributor of dried rubber wood, a distributor of furniture by the branches of showrooms, and the service in cutting of pasting edge (PVC).
Registered Capital	354,137,269.00 baht
Paid-up Capital	239,851,270.50 baht
Head Office Location	37/9 Moo 10 Banbueng-Klaeng Road, Thang Kwian Subdistrict, Klaeng District, Rayong Province 21110 Tel 038-675-181-4 Fax 038-678-220
Branch Office Location	
Branch 1	No. 29/1 Moo 3 Soi Chongko-Chunnumnai Wang Chan Subdistrict, Wang Chan District, Rayong Province 21110 Tel 038-015-171 Fax 038-015-172 This branch is used as a factory for furniture manufacturing and assembly, sawmill for rubber wood and dried rubber wood, and production of foil paper using as a raw material furniture manufacturing.
Branch 2	No. 25/28 Moo 12, Bueng Kham Phroi Subdistrict, Lam Luk Ka District, Pathum Thani Province, 12150 Tel 02-152-7301-4 Fax 02-152-7305 This branch is used as a general management division and a warehouse. As of December 31, 2018, the Company also has other 12 registered branches used as the showrooms for display and distribution for ELEGA Brand.
Home Page	www.ecf-furniture.com and www.elegathai.com
Managing director	Mr. Arak Suksawad

VISION

"Committed to be the leader in furniture business in Southeast Asia and Create opportunities for continuous growth in business".

CORE VALUE

- Be Passionate and Determined
- Do More with Less
- Pursue Growth and Learning
- Build Open, Integrity, Honest Relationships with Communication



MISSION

Sustainability

The organization is developed to grow with sustainability such as the business expansion into the upstream business by being a manufacturer and distributor of MDF boards which is used in the furniture production helps to reduce the cost of major raw materials for the Company's furniture business / the expansion of business into the renewable energy business as an important tendency and a part of energy business establishment helps to continuously generate revenue and profit for the business in overall, etc.

Diversification

The risks from business operation are diversified, such as earning income from selling products in both domestic and international markets, having a variety of customer groups from exporting, modern trade stores, mid-to high level showrooms, wholesale stores and retail stores of furniture countrywide, the business expansion into other types of businesses including the energy business, the MDF board business (manufacture and distributor), etc., under the aims to diversify risks and to rely on other businesses apart from furniture business solely.

Adaptation

The Company is preparing its readiness to continuously establish a strategy of change and adaption in the business to create opportunities for stable and sustainable business operations starting from manufacturing furniture parts to manufacturing rubber wood furniture, particle board furniture and manufacturing foil paper to reduce the cost of furniture production, etc.

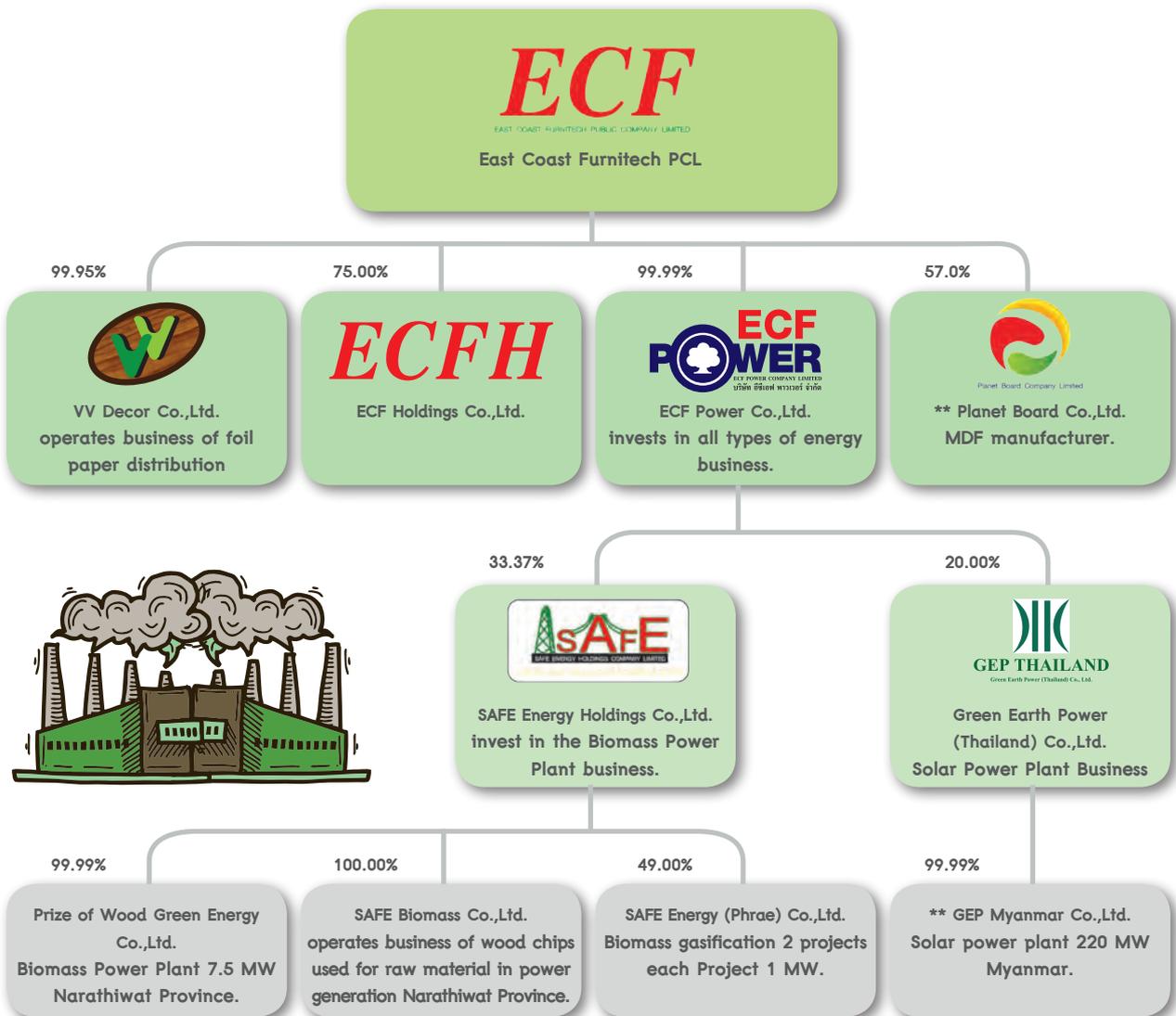


Long-Term Target



The Company formulates the long-term target by maintaining the growth rate of sales volume and profit from operation in furniture business group for continuous growth, aims to be the organization that develops our investment to reduce costs in the integrated furniture manufacturing business, sets target of returns from alternative energy business in the proportion for not below 30% of total net profit of the Company and its subsidiaries within 3 years, and diversifies the business operation risks by investing in other types of businesses with potentials and opportunities for continuous growth".

Business Structure of East Coast Furnitech Public Company Limited



** Company that are still in progress And still have no commercial income. In addition, the project of Safe Energy (Phrae) Co., Ltd. still has 1 remaining structure is a project in Sung Men District, Phrae Province. There is no commercial income as well

TYPE OF BUSINESS



East Coast Furnitech Public Company Limited (ECF) is a manufacturer and distributor of furniture made of particle board and rubber wood, foil paper, dried rubber wood using as a raw material for furniture manufacturing, a distributor of rubber wood furniture manufactured by ECF and of wood furniture manufactured by other domestic and oversea, and a service provider in cutting of pasting edge (PVC) using as a raw material for particle board furniture. In addition, the company has also set up a subsidiary to operate renewable energy.

Furniture business

Rubber wood furniture	Particle board furniture	Dried rubber wood	Foil paper
1. Dining Table 2. Living Room 3. Bedroom 	1. Multi-purpose shelves 2. Multi-purpose cabinet/showcase 3. Wardrobe 4. Computer desk/working desk 5. Television cabinet 6. Shoes cabinet 7. Dressing table, Bed	Rubber wood is a wood with many physical qualities similar to teak such as beautiful pattern, dye able, easy to decorate on wood, light weight and cheaper price when compared to other types of wood used to produce furniture. With such good properties, rubber wood is popular among people around the world in short time under the name of "White Teak".	ECF produces and sells foil paper which is used in coating the particle board for fine looking and ready for furniture manufacturing. In order to reduce the cost of producing furniture from particle board, which in addition to the use within the company's furniture manufacturing process. There is also the sale of skin-covering paper to outsiders under the VV-Decor Company Limited (VV-Decor), which is a subsidiary of the company.

Brand	Symbol	Distribution Channel
ELEGA		Used for distributing all solid wood furniture that produced by our own factory or imported from overseas. This brand is used for Showroom ELEGA
Finna House		Used for distributing furniture that produced under license from Disney. This brand is used for Showroom ELEGA.
a7		Used for distributing furniture to Mega Home
Hasta		Used for distributing furniture to Thai Wasadu
Costa		Used for distributing furniture to wholesaler and retailer all over the country.
My Fur		Used for exporting furniture to countries under AEC

Diagram About the Countries of Customers



Company showrooms



Sample of furnitures

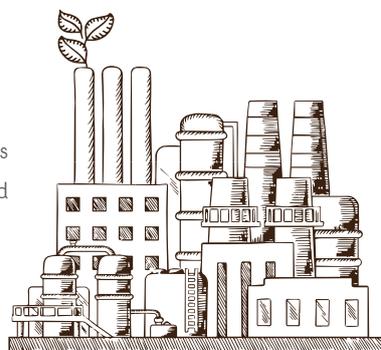


Alternative Energy Business

1. Biomass Power Plant

Presently, ECF Power Co., Ltd. ("ECF-P") as the subsidiary invests in SAFE Energy Holdings Co., Ltd. ("SAFE") shares at 33.37% and SAFE has invested in various companies related to biomass power plant business as follows

1. Prize of Wood Green Energy Co., Ltd. ("PWGE")



Project management by	Prize of Wood Green Energy Co., Ltd. ("PWGE")
Capacity	7.5 MW
Located at	Waeng District, Narathiwat Province
Commercial Operation Date	June 27, 2017
The fuel used in the production	Woodchips
Percentage of shares	99.99

2. SAFE Biomass Co., Ltd. ("SAFE-B") SAFE

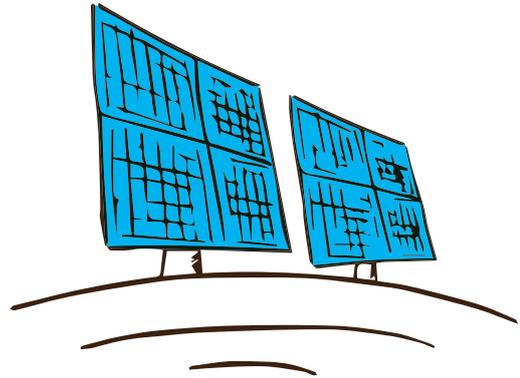
SAFE holding 100% of shares operate the woodchips plant to deliver woodchips as raw material for power generation for PWGE. SAFE-B commercial operation date June 27, 2017

3. SAFE Energy (Phare) Co., Ltd. (Original name was Bina Puri Power (Thailand) Co., Ltd. ("BINA"))

Project management by	SAFE Energy (Phare) Co., Ltd.
Capacity	2 MW share into 2 projects with 1 mw each.
Located at	Project No. 1 Long District, Phrae Province Project No. 2 Sung Men District, Phrae Province (under construction)
Commercial Operation Date	August 1, 2018 Project No.1 Long District, Phrae Province
The fuel used in the production	Corn cob, Woodchips
Percentage of shares	49.00

2. Solar Power Plant

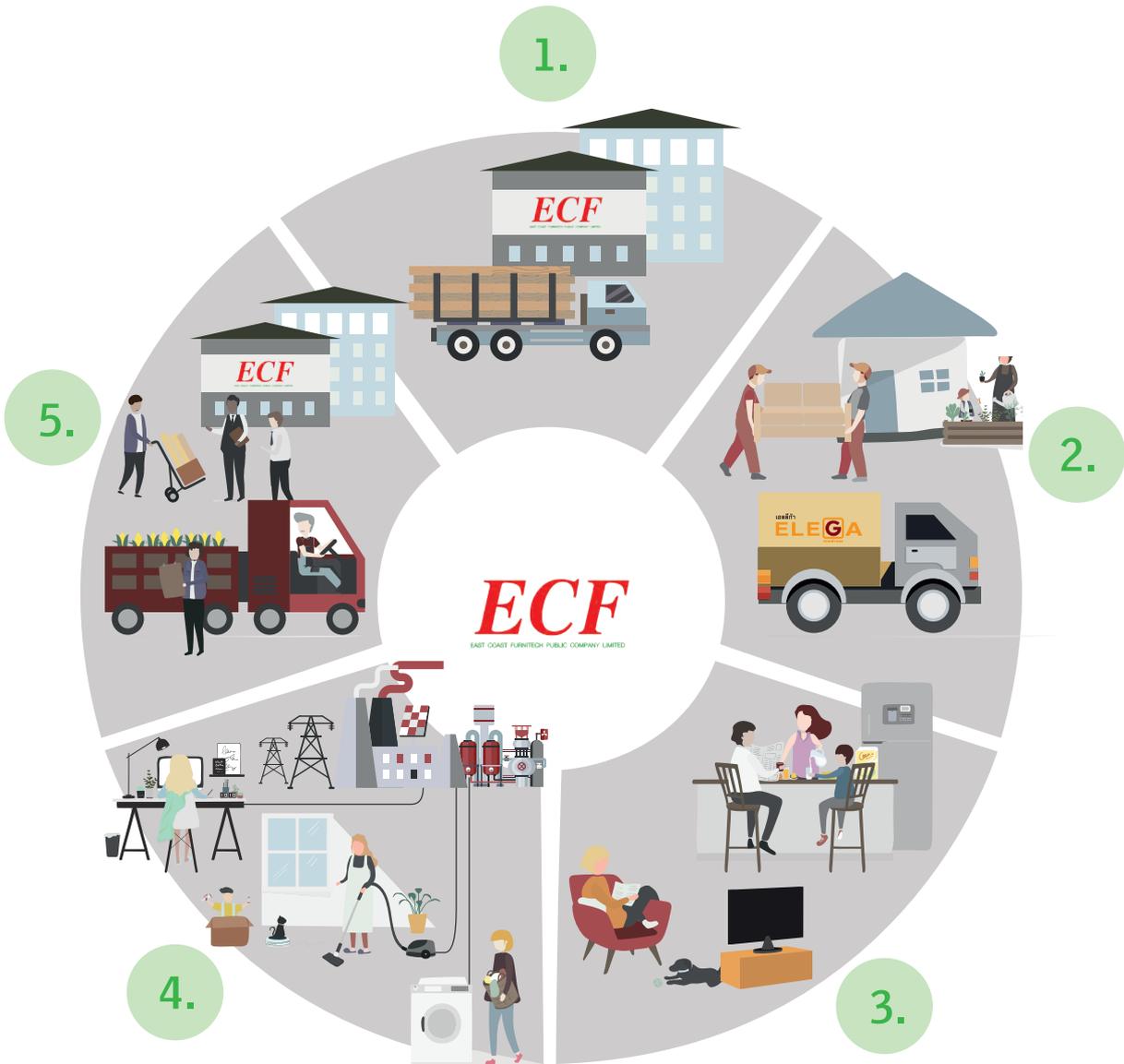
The company invested in the solar power plant business by investing under ECF Power Company Limited (ECF-P) as a subsidiary



Project management by	Green Earth Power (Thailand) Co., Ltd. ("Minbu Power Plant Project" or "GEP")
Capacity	220 MW share into 4 phases 50 MW each/ for 3 first phase and last phase 70 MW
Located at	Minbu City, Magway District, Republic of the Union of Myanmar ("Myanmar")
Commercial Operation Date	Under construction
Percentage of shares	20.00



Value Chain



1.

The suppliers delivering raw materials to be used in the production to the Company: The Company selects the suppliers delivering raw materials with quality and reasonable price, focusing on maintaining good relationships in the long term and supporting each other.

2.

The Company is a manufacturer and distributor of rubber wood furniture and particle board furniture, and foil papers by delivering quality products that can meet the needs of customers at a reasonable price.

3.

The customers are the recipients of the Company's products which are products that can facilitate the daily life of customers and are quality products at a reasonable price.

4.

The renewable energy business aims to create the sustainability of electricity for the society and the nation.

5.

The raw materials used in some electricity productions that are obtained from agricultural products and natural resources are used as raw materials for creating the sustainability of electricity for the society and the nation.

Sustainability Policy



East Coast Furnitech Public Co., Ltd. and its subsidiaries strive to conduct business for sustainable growth. The company also focuses on maximizing every stakeholder group's satisfaction as well as on corporate social responsibility in order to build a strong foundation for the company's sustainability. These aspirations are the guiding principles for the company's operations and for its mission to create an understanding among stakeholders. Accordingly, the company has created a sustainability policy which covers three main dimensions following the standards as outlined below:

Economics

1. Good corporate governance
The company operates based on transparency, complies with terms of trade, adheres to integrity, and promotes transparency in its management following international standards and taking into consideration responsibilities to stakeholders.
2. Development of value-added innovation
For operational efficiency, revenue increase, and business continuity
3. Efficient risk management
To uphold the precautionary principle in business operations for sustainability and to reduce the probability of failure

Social

1. Fair treatment of employees
Fair and equal management and treatment of personnel within the organization without discrimination of race, color, religion, gender, age, nationality, civil rights, gender orientation, or disability to provide a better quality of life for all employees, improve employee morale, cultivate a happy workplace, and efficiently move the organization forward

2. Hygiene and safety of employees
The company focuses on the hygiene and safety of employees and creating a work environment that is safe to perform job duties for employees, suppliers, customers, and relevant stakeholders with a goal to reduce work injuries to zero. The company also provides employees with annual health check-up to ensure good physical health of all employees.
3. Personnel development
The company encourages employees to always develop their knowledge, expertise, and potential in order to improve work efficiency and become part of societal development.

Environmental

1. Promotion of limited resource allocation for greatest efficiency and manufacturing waste reduction
The company continues to promote and operate for optimal resource use in every step of its operations, both in the use of water and electricity, and for waste reduction.
2. Eco-friendly business operations and impact recognition
The company places an emphasis on its every step to ensure that every business process is founded on environmental care and aspiration to replace used materials.

The implementation of sustainability development policy has been done by identifying key performance indicators (KPI) which can be tracked and evaluated for the company's operational efficiency in economic, social, and environmental aspects. This information is important in determining approaches for continuous and sustainable development. The company is confident that this policy will receive cooperation from employees and executives for the organization's sustainable development.





Major strategies for sustainable development

Economic

The company's key goal is to create a balance of its return or profit through sufficient and continuous approach based on good corporate governance, transparency and disclosure, appropriate risk management, and recognition of benefit sharing to all stakeholder groups. Its major development strategies are as follows:

- Increase competitiveness through quality products and services and responsibility under the motto **"Buy, manufacture, and deliver good products"**:

The company sets its goals to drive business growth, create sustainable value for stakeholders, build competitive advantage, and reduce its impact on the environment in all processes.

- Expanding business by investing in other businesses apart from manufacturing and selling furniture:

The company has a strategy to ensure its security by expanding its investment in other businesses with a focus on long-term value investing for the organization and stakeholders in order to increase revenue and ensure financial security. Before pursuing any new investments, the company conducts a careful feasibility study for the project and creates a risk management plan that complies with the related standards.

Social

The company is always aware that business will grow only under a good, quality, and safe society. The social responsibility of the company is, therefore, not limited to our people but also goes beyond to external parties and society at large.

- Develop the all-around to create good people:

The company clearly identifies basic characteristics that everyone in the organization has to have as well as required skills for each position. These specifications will become the guidelines for skill development and enforcement of related rules, regulations, and laws and will drive innovation through technology and learning organization in order to create good and talented people for the company and society.

- Create a work-life balance:

We recognize the importance of our employees. If our employees are happy in their professional and personal life, this will create a healthy work-life balance which will ensure success, security, and growth for our employees, organization, and society.

- Build trust with stakeholders:

The company treats its stakeholders with fairness and under good governance. It focuses on the effect that might result from its process and is willing to listen to the opinions of internal and external stakeholders through meetings and other channels for organizational improvement and mutual benefits. The company discloses information on its conduct, operations, and management which is transparent and accountable in its annual report, website, and quarterly as well as yearly business reports. It also presents past year's performance at the annual shareholders' meeting at least once a year.

Environment

The company prioritizes resource optimization and regeneration.

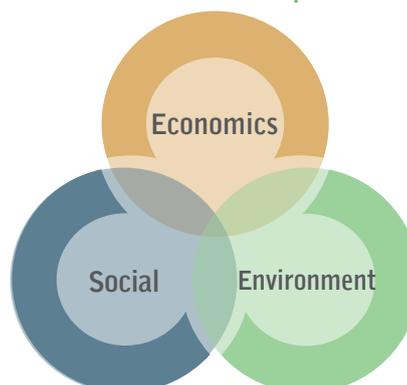
- Green space:

The company focuses on developments that increase employees' intelligence and spark actions in delivering outcomes that minimize environmental impact. The developments are intended to cover all business processes and promote product innovation development that aims to reduce environmental impact and improvements that aim to reduce greenhouse gas emission, creating environmental awareness at the individual level.

- Promotion of resource optimization:

The company promotes optimal use of resources in order for employees to recognize resource efficiency and promote resource regeneration. The company also puts up signs to promote water and electricity conservation in various spots of the company.

sustainable development





Connection of Stakeholders

The Company operates the business by adhering to good governance, respect to the right of the group of stakeholders consisting of shareholders, employees, executives, customers, business creditors, business competitors, community, society and environment. Care and reinforcement of collaboration based on roles and duties of each group are carried out with all of the aforesaid under the Company's concern on either both positive and negative impact, or both direct and indirect impact for maximum benefit.

Stakeholders	Expectation	Reaction	Connection Guideline
	<ol style="list-style-type: none"> 1) Sustainable high and firm return on investment. 2) Good turnover and continuous growth. 3) Transparent and fair management. 4) Prudent risk management. 	<ol style="list-style-type: none"> 1) Realize and emphasize on basic rights of the shareholders such as right to buy and sell or transfer of shares, right to receive profit sharing of the business, right to completely, adequately and timely acquire and access news information of the Company, right to attend the meeting for use of voting right in the Meeting of Shareholders to appoint or remove the director, appoint the auditor, and matters that may affect the Company such as capital increase or capital decrease, dividend allocation, and revision of Articles of Association, objectives or Memorandum of Association, etc. 2) Promote and facilitate the right of the shareholders as follows. <ul style="list-style-type: none"> • Deliver Invitation to the Meeting of Shareholders for advance acknowledgement prior to the meeting date at least 14 (fourteen) days by specifying date, time, venue and meeting agendas, regulations used in the meeting, resolution voting procedure, as well as complete information requiring for use in decision support by disseminating the information of Invitation to the Meeting of Shareholders on the Company's website in advance at least 21 (twenty-one) days to give the shareholders the opportunity to have adequate time for studying supporting information of the meeting in advance. • Significant information report that affects or may affect the privilege of the shareholders, and information reported in the accounting period, and information reported in accordance with circumstance, related laws and notifications without any acts in the manner of limitation of the shareholder's right to access the Company's information. 	<ol style="list-style-type: none"> 1) Ordinary and Extraordinary Meeting of Shareholders. 2) Disclosure of Data Information via SET Portal Straight Through System of the Stock Exchange of Thailand, and the organizational website. 3) Conservation and discussion on query response. 4) Arrangement of query channel via website.



Stakeholders	Expectation	Reaction	Connection Guideline
Shareholders		<ul style="list-style-type: none"> • Give the minor shareholder the opportunity to propose the matter for filling to be meeting agenda and/or nominate the person for being considered on election as the director of the Company in the Annual General Meeting of Shareholders. • Give the shareholder the opportunity to deliver the meeting-related inquiry in advance prior to the Meeting of Shareholders. • Give the shareholder who is unable to attend the meeting by presence the opportunity that enables to authorize another person to attend the meeting and vote in lieu of him/her. <p>3) Determine practical guideline for meeting agenda of Annual General Meeting of Shareholders in accordance with Corporate Governance Code, and give the shareholder the opportunity to inquire significant aspects as per details in each agenda.</p> <p>4) After completion of the Meeting of Shareholders, the Company shall disseminate voting result of each agenda in the Ordinary Meeting of Shareholders and Extraordinary Meeting of Shareholders in the following working day, and prepare minutes of meeting presenting proper and complete information via the Company's website within 14 (fourteen) days from the holding date of the meeting for verifiability of the shareholders.</p> <p>5) The Company shall apply technology in the Meeting of Shareholders in shareholder registration, vote count in each agenda, and announcement of voting result, so that the meeting can be quickly, properly and accurately proceeded.</p> <p>6) The Company organizes Company Visit Activities, and Meeting of the Analysts, and participates in Opportunity Day which is the activity that the listed companies meet the investors for increase in communication channel to the shareholders, analysts, and investors so that they can monitor and acknowledge information from the Company. In 2018, the Company held the Meeting of the Securities Analysts both in form of big group and sub-group for not less than three times, Opportunity Day Activity for presentation of overall operation for 2017 for one time, and Company Visit Activity for one time, Investor Seminar Activity organized by media for total of three times.</p>	



Stakeholders	Expectation	Reaction	Connection Guideline
Customers		<p>In this aspect, marketing team of the Company will regularly and yearly meet and convene the meetings with both domestic and foreign customers on the planned timetable for hearing problems and obstacles of cooperation in the previous period, finding improvement and development guideline to be better than before. In addition, in every year, the Company shall regularly and yearly organize the activity for customers in the group of wholesalers and dealers to visit to see product designs which are newly developed by the Company, and regularly and yearly organize sales promotion programs for meeting and sharing development guideline for goods, as well as hearing suggestions and discussing solving guideline for commercial problems among each other.</p>	
Business Partners and Business Creditors 	<ol style="list-style-type: none"> 1) Fair business doing. 2) Management under good governance and transparency of business operation. 	<ol style="list-style-type: none"> 1) Treat business partners under equality, fairness and main concern on mutual interest. 2) Select business partners that operate business according to law, and comply with manufacturing standard, and safety and environmentally friendly standard. 3) Keep business secret or business information of the business partner, without wrongful use of the said secret and information for personal interest or the related party's interest. 4) Create good mutual relationship and understanding, share knowledge, and mutually and continuously develop and add value to raw materials and goods ordered by the Company. In this aspect, purchasing team of the Company shall meet and convene the meeting with both domestic and foreign business partners on planned timetable to suggest problems and obstacles from cooperation in the past period to find improvement and development guideline to be better than before. 	<ol style="list-style-type: none"> 1) Regular holding annual meeting of the business partners. 2) Discussion for brainstorming in creative development of products. 3) Business partner company visit for hearing opinions and suggestions. 

Stakeholders	Expectation	Reaction	Connection Guideline
Business Partners and Business Creditors		<ol style="list-style-type: none"> 5) Purchase of goods and services from business partners shall be in line with business condition under strict compliance with the contract mutually entered with to create relationship that causes long-term interest for both parties. 6) Adhere to compliance with business agreement. In the event of failure to comply with, there are customer notification process for information in advance and mutual finding of improving and corrective guideline to prevent the occurrence of damage. 7) Not demand to receive or agree to receive property or any other interest apart from business agreement. The related party of acquisition and procurement activities shall not receive interest either directly or indirectly from business partners and shall be neutral without close relationship until it may affect the decision. 	
Business Competitors 	<ol style="list-style-type: none"> 1) Operate business and compete under transparency and fairness, and compliance with the framework of good competition and honesty. 	<ol style="list-style-type: none"> 1) Compliance with the framework of rule of fair competition, transparent business operation under fair business and competition, and avoid dishonest means to destroy business competitors. 2) Not destroy reputation of business competitors with malevolence. 3) Not violate intellectual property/copyright. 4) Not seek for secret information of business competitors by dishonest or improper means. 	<ol style="list-style-type: none"> 1) Meeting and discussion, opinion sharing, and cooperation in various agenda.
Creditors 	<ol style="list-style-type: none"> 1) Duly interest repayment. 2) Continuous communication and disclosure of information. 	<ol style="list-style-type: none"> 1) Strict compliance with conditions entered with financial institution creditor in accordance with borrowing agreement. 2) Equitable and fair treatment to all groups of creditors. 3) Manage to ensure the confidence of the creditor on financial position, and operating result of the Company, indicating the creditor's strict duty to repay debt on schedule, and maintenance of financial ratio in accordance with condition specified in borrowing contract. 	<ol style="list-style-type: none"> 1) Meeting and discussion. 2) Proper and punctual disclosure of financial operating information.

Stakeholders	Expectation	Reaction	Connection Guideline
Employees		<ul style="list-style-type: none"> 4) Mainly give precedence to maintenance of working environment under concern on work safety and quality of life of the employees. The objective is to reduce number of accidental incidence. Particularly in the event of the employee who perform duty in production process, the Company establishes practical guideline for safety in the way that every employee must wear gloves, mask, ear plug, and canvas shoes during duty performance all the time by mainly considering from work process responsible by each employee in the said work section, for instance, if performing in the noisy area, the employee must wear ear plug, etc. 5) Respect to human right, dignity and basic right in working, as well as not disclose or transmit information or secret of the employee to the third party or unrelated party. 6) Treat the employee under framework of laws, rules and regulations relating to duty performance. 7) Promote equality of labor employment, non-discrimination, and non-segregation of gender, skin color, race, religion, age, disability or any other status not directly relating to duty performance. 8) Encourage employee participation in orientation of direction in operation and development of the Company. 9) Provide appropriate welfare and privilege to the employees such as medical care, annual physical examination, life insurance for the employees and provident fund, etc. In part of physical examination of the employees, examination schedule starts from working commencement, and during working on regular and yearly basis. In part of alien labor, the Company shall arrange Social Security Office, Rayong Province, to enter to provide information and knowledge of social security work to alien labor. 	



Stakeholders	Expectation	Reaction	Connection Guideline
Employees		<p>10) Give the employees the opportunity to have communication channel for suggestion and complaint on working. Suggestions shall be considered and corrective method shall be determined for interest of all parties and creation of good relationship in cooperation.</p> <p>11) Promote participation of the employees of all levels in implementing social responsibility activities.</p>	
<p>Community and Society, and Environment</p> 	<ol style="list-style-type: none"> 1) Not operate business that causes social impact and damage. 2) Help supporting business activities for society. 3) Comply with the principle of human right and anti-corruption. 	<ol style="list-style-type: none"> 1) Emphasize and take responsibility toward nearby community and society, and support public benefit activities of the community, as well as develop environment of the community and society for better living condition. Moreover, the Company also returns to community and society through regular donation of money for charity. 2) Not operate the business that causes social impact and damage, and not violate the right of other person who resides in community and society. 3) Formulate preventive and corrective measure for impact occurred with community and society as the result of the Company's operation. 4) Promote conservation of culture and local customs and tradition. 5) Cooperate with the agencies in development of surrounding community and society to be livable or have improved level of quality of life than before. 6) Operate the business in consistency with environmental laws, regulations and policies under concern on natural resource and environmental impact. 7) Promote environmental management system from saving consumption of resources, and establish treatment, restoration, substitution, monitoring and prevention of natural resource and environmental impact on sustainability basis. 	<ol style="list-style-type: none"> 1) Regular survey and discussion for hearing opinions and requirements of community and society on yearly basis. 2) Participation in community and society development.

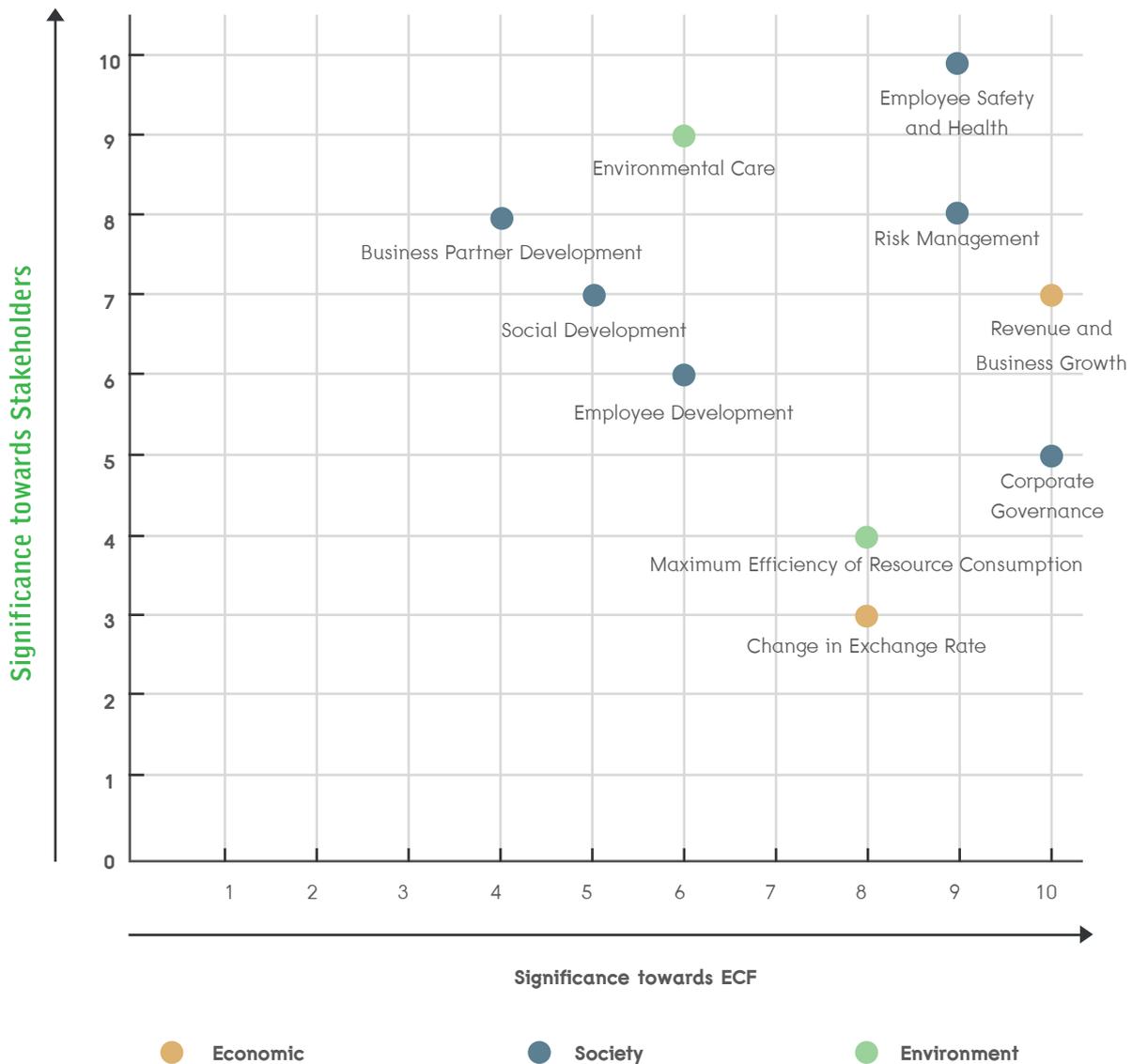
Stakeholders	Expectation	Reaction	Connection Guideline
Community and Society, and Environment		<p>8) Culture consciousness and promote educating and training to the employees of all levels in respect of environmental preservation.</p> <p>9) Promote environmentally friendly use of technologies, machines and raw materials used in production process. For environmentally friendly practical guideline in the production process of the Company, as main raw materials are rubber tree woods, and particle boards, scraps remaining from production process, and management procedure for mitigation of impact from production process of the Company.</p> <p>In the past to present, the Company has never received complaints or had disputes with the community in nearby area in the issue relating to environment or impact from production process of the Company at all.</p>	





Selection of Significant Issues Affecting Sustainability

The Company selects significant issues affecting sustainability by considering from business management strategy in sustainability, and issues emphasized by the stakeholders. The process of priority from work units which are connected with stakeholders and executives of the Company is established. This year is the first year of the Company in presentation of the said nature of information. The Company also establishes the guideline of annual consideration and review of significant issues. In 2018, the Company considered and analyzed various issues that are important for the group of the organizational stakeholders in the areas of economic, society, and environment in form of Materiality Matrix, under focus on business operation in framework of good corporate governance, revenue generation and business growth, together with focus on staff safety and health.





Corporate Governance

Good corporate governance or corporate governance is the prescribed principle which should be always performed by the Company. At present, it has been well known that if the business requires sustainable grow, the operation of the Company and related parties must not ignore interest and social, environmental and stakeholder impact and not for specific business profit or interest of some groups of persons anymore. The Company has therefore prepared code of business conduct, business ethics and Corporate Governance Policy in writing to be the practice of the directors, executives, and employees in business operation. The Company has also recently updated Good Corporate Governance Policy on October 31, 2018 through approval of the Board of Directors' Meeting No. 11/2018 in accordance with international standard criteria which is suitable for current situation and condition.

Nevertheless, the Company realizes on self-conduct in accordance with the principle of Good Corporate Governance Policy as prescribed by the directors, executives and employees. The Company therefore communicates Good Corporate Governance Policy and the manual

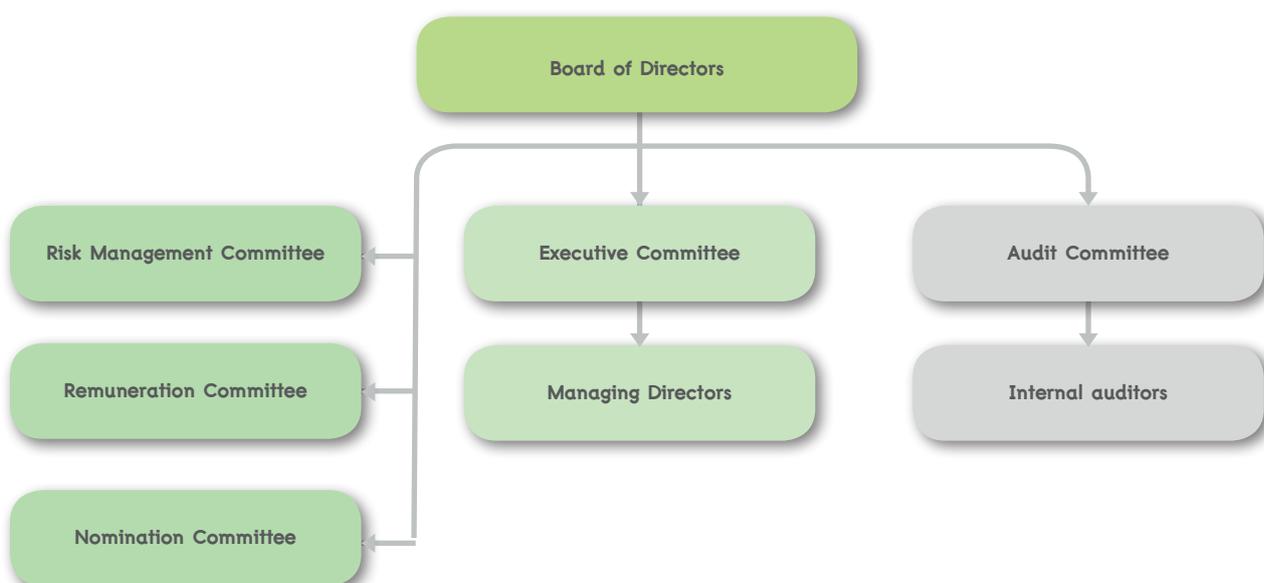
of business ethics and code of conduct Business Code of Conduct Manual of the Company to the directors, executives and employees via the following channels.

- Via the Company's website: www.ecf-furniture.com
- Notification via e-mail
- Notification via public relations board of the Company

In terms of monitoring the adherence to the guidelines for promoting the compliance with Business Code of Conduct and Business Ethics, the Company assigns Department Head, Manager, Director, and the Internal Audit Unit to perform this duty with the guideline established by the Company. The Company's directors, executives and employees commit to maintain the highest standard on honesty and ethics by adhering to the designated guidelines. In 2018, the Company was not found of any serious problems due to non-compliance with the Business Code of Conduct and Business Ethics that affect the Company's image or damage the corporate in monetary form.

Corporate Governance Committee

The Company's Corporate Governance Committee consists of the Board of Directors, Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee, and Executive Committee.



The members of the Board of Directors shall be the persons with knowledge, competence, vision, experience and independence in performing duties for real highest benefit of the Company and all groups of shareholders, for instance, without business relationship with the Company, and without any of other relationships that may influence the independent exercise of discretion and performance of duties.

Roles and Duties of the Board of Directors

Formulate strategy, business plan and budget

Consider Review of Vision, Mission, Objectives, and Strategies approving business plan, and budget, and approving investment in various projects.

The Board of Directors' Meeting No. 11/2561 held on 31 October, 2018 has a resolution to consider and review the Company's Vision, Mission, Objectives and Long-term targets according to the details of the 2018 Corporate Governance Policy of East Coast Furnitech Public Company Limited

Monitor operation

Audit the use of budget to be consistent with the objective of investment in each project, and monitor operating result based on setting plan or target.

Supervise for properness and completeness

- Control to hold Annual General Meeting of Shareholders on schedule.
- Establish reliable accounting system, financial reporting, and auditing.
- Prepare financial statements at the ending date of the accounting year of the Company.
- Monitor the subsidiaries to disclose information.
- Consider the appointment and alteration of the person to assume the director of the Board of Directors and/or executives.
- Consider determining management structure of the Company.
- Consider the report of connected transaction or transaction with conflict of interest and transaction of acquisition or disposal of the Company.

Roles and Duties of the Audit Committee

Audit and control for properness

- Audit the subsidiaries to properly disclose information and financial report.
- Audit the Company and its subsidiaries to have Internal Control System.
- Verify the compliance of the Company with Securities and Exchange Law and other related agencies.

Consider approving

- Consider the report of the connected transaction or transaction with conflict of interest, and transaction of acquisition or disposal of the Company.
- Consider, select and nominate the independent person to perform duty of the Company's auditor.
- Prepare the Audit Committee's Report and disclose in Annual Report.

Roles and Duties of the Risk Management Committee

Formulate and govern

- Formulate Policy and Operating Framework of Risk Management of the Company
- Govern risk management of the Company to attain target and succeed based on objective.

Consider Assessment Report

- Consider key risks of the Company, and provide suggestion, preventive method, degree mitigating method, and monitor and assess.
- Report risk supervision and assessment result.

Roles and Duties of the Nomination Committee

- Select the qualified person to nominate as new director, or nominate Managing Director.
- Prepare training plan for directors and top executives.
- Prepare development plan for the Managing Director, top executives, and succession plan.

Roles and Duties of the Remuneration Committee

- Consider the form of remuneration payment the criteria of remuneration payment for directors and Managing Director
- Assess performance of the Managing Director and propose the directors of the Company
- Consider determining annual remuneration of the Board Committees and the Managing Director

*For additional details of roles and duties of each set of the Committee and responsibility, read in Annual Report 2018.

Self-assessment report of the Board of Directors

For 2018 with average evaluation results based on full score of 100 percent as follows:

Category	Team Evaluation Result	Individual Evaluation Result
1. The Board of Directors	95.69	98.06
2. Audit Committee	100	99.17
3. Risk Management Committee	100	96.88
4. Nomination Committee	100	95.83
5. Remuneration Committee	95.83	100.00

Corporate Governance Structure

Board of Directors

1. General Terdsak	Marom	Chairman of the Board/Audit Committee Member/Independent Director
2. Assoc. Prof. Dr. Montree	Socatiyanurak	Chairman of the Audit Committee/Independent Director
3. Assoc. Prof. Songklod	Jarusombat	Audit Committee Member/Independent Director
4. Dr. Ekarin	Vasanasong	Independent Director
5. Mr. Chalee	Suksawad	Vice President
6. Mr. Wanlop	Suksawad	Director
7. Mr. Arak	Suksawad	Director
8. Miss Tippawan	Suksawad	Director/Company Secretary
9. Mrs. Waraporn	Suksawad	Director

Audit Committee

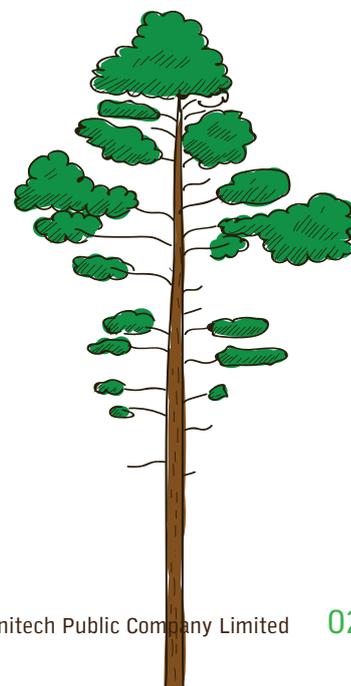
1. Assoc. Prof. Dr. Montree	Socatiyanurak	Chairman of the Audit Committee
2. General Terdsak	Marom	Audit Committee Member
3. Assoc. Prof. Songklod	Jarusombat	Audit Committee Member

Risk Management Committee

1. Assoc. Prof. Dr. Montree	Socatiyanurak	Chairman of Risk Management Committee
2. Assoc. Prof. Songklod	Jarusombat	Risk Management Committee Member
3. Mr. Chalee	Suksawad	Risk Management Committee Member
4. Mr. Arak	Suksawad	Risk Management Committee Member

Nomination Committee

1. Assoc. Prof. Songklod	Jarusombat	Chairman of the Nomination Committee/ Independent Director
2. Mr. Chalee	Suksawad	Nomination Committee Member
3. Mr. Arak	Suksawad	Nomination Committee Member



Remuneration Committee

- | | |
|---|---|
| 1. Assoc.Prof.Dr. Montree Socratyanurak | Chairman of Remuneration Committee/Independent Director |
| 2. Mr. Chalee Suksawad | Remuneration Committee Member |
| 3. Mr. Arak Suksawad | Remuneration Committee Member |

The Company establishes the policy for determination of element of the Board using Board Competency Matrix which is classified into three main topics being used as consideration support, consisting of knowledge relating to industry, and experiences relating to business operation of the Company, skills and experiences and knowledge in various fields, such as accounting, finance, law, etc., including behavioral competency, such as teamwork, coordination, boldness, etc. If considering from such Matrix, when the element of each director is taken into consideration on the perspective of the Board, all topics are covered. The Nomination Committee then will consider that the element of the Board is proper, and covers adequate knowledge, experiences, competencies and skills which are useful and efficient for operation in part of the Board of Directors.

Results of the Board Competency Matrix

Assessment topics	Assessment (percentage)
Knowledge about the industry And experience	82.86
Skills/experience	76.36
Behavioral ability	91.11



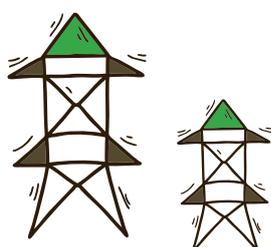
In part of corporate governance, the Company establishes Corporate Governance Policy for 2018, business operation ethics, and code of business conduct for directors, executives and employees, and policy for prevention and governance on use of inside information which is disclosed in the Company's website: www.ecf-furniture.com on the page of Investor Relations in topic of Good Corporate Governance.

In addition, the details of other policies relating to Corporate Governance Code are as follows.

Policy and Practical Guideline for Non-Infringement of Intellectual Property or Copyright of Other Persons

The Board of Directors clearly establishes a policy on no performing any acts of infringement of intellectual property and determines the following practical guidelines.

1. The Company establishes the policy for use of information technology system of the Company and its subsidiaries under audit on use of software program systems in the employee's working in order to prevent use of software that infringes copyright or is not related to working, etc.
2. As the Company must design and develop products every year to be offered to customers, the Company provides the principle to Research and Development Department that unlicensed intellectual property of other persons shall not be infringed, imitated or used.
3. The achievement or information as the right of the third party that is acquired or will be used inside the Company shall be verified to ensure non-infringement of other person's intellectual property.
4. Self-conduct shall be in accordance with laws relating to intellectual property and copyright, such as trademark-related law, patent-related law, copyright-related law, or other related laws, and promote training for knowledge provision to the employees in intellectual property-related law.



The Company gives the opportunity to notify complaint in the event of detection on infringement of intellectual property at:

Letter sent to:
 Asst. Prof. Dr. Montree Soaktiyanurak
 The Chairman of Audit Committee/Independent Director;
 or Mr. Arak Suksawat
 Managing Director; or
 Company Secretary Office
 East Coast Furnitech Public Company Limited
 25/28 Moo 12 Buengkamproi, Lumlukka,
 Pathumthani 12150
 E-mail sent to Company Secretary Office :
cg@eastcoast.co.th or Human Resource Department :
hrrayong@eastcoast.co.th

Conflict of Interest Prevention Policy

The Company establishes a policy on prohibition of directors, executives and employees to take the opportunity from the status of the Company's director, executive or employee for exploitation, and formulates to be the following policy and practical guidelines.

1. Take action with conflict of interest or connected transaction prudently, honestly, fairly and reasonably under transparent process in approval on entry into transaction by taking the Company's interest into account. The directors of the Company, and stakeholders have no right to vote for approval on the matter of which he/she has both direct and indirect interest or conflict of interest, and shall properly and completely disclose information in accordance with the rule of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.
2. In the event of necessity to perform transaction for the Company's benefit, the said transaction shall be performed as if transaction which is performed with the third party that commercial agreement is made in the similar manner as the reasonable man should perform with the general contractual party, with commercial bargaining power which is free from influence of the director and executive status, or the related

party, and must not be involved in considering the approval. In addition, the criteria of information as prescribed by the related agencies as practice shall be complied.

3. Any acts which are in conflict with business interest of the Company are prohibited. The said acts include cause of the Company's loss of interest or lesser benefit than it should be, or sharing of the Company's benefit.
4. Any acts which are competitive with the Company's business or operates the business in the similar nature of business as the Company, are prohibited.
5. The directors, executives, staffs, and employees of the Company, and spouse and child of the said persons, are prohibited from exploitation of the personal business with the Company, for instance, any act for sale of goods and services to the Company. If the said act is performed, clarification document shall be prepared and information shall be disclosed for the Company's acknowledgement in every case.
6. The directors of the Company and executives shall report stakeholding report of their own and the person that may have conflict of interest in accordance with prescribed criteria.
7. The Board of Directors shall monitor and supervise the Company and its subsidiaries to comply with the Securities and Exchange Law, regulations, notifications, orders or rules of the Stock Exchange of Thailand, SEC, and Capital Market Supervisory Board. In addition, the Company shall disclose the information which is entered into connected transaction under the rules prescribed by the Stock Exchange of Thailand, and of related agencies.

Protection and Fairness Policy for Stakeholders and Employee as Informant or Whistleblower of Corruption, Right Violation or Breach of Law, Rules and Regulations of the Company and Code of Conduct (Whistleblowing Policy)

According to whistleblowing of clue or complaint at all stakeholders, the whistleblower can contact or complain in the matter that may be corruption, right violation, or the matter that may be problematic to the Board of Directors via the following channels.

- 1) Asst. Prof. Dr. Montree Soaktiyanurak
The Chairman of Audit Committee/Independent Director; or Mr. Arak Suksawad
Managing Director; or
Company Secretary Office
East Coast Furnitech Public Company Limited
25/28 Moo 12 Buengkamproi, Lumlukka,
Pathumthani 12150
- 2) E-mail sent to Company Secretary Office :
cg@eastcoast.co.th or Human Resource Department :
hrrayong@eastcoast.co.th
- 3) The Company's website in topic of "Complaint Channel"

After the Company is notified about information of corruption, right violation or the matter that may be the problem, the Company's action processes after receiving complaint are as follows.

1) Gather fact and consider detail of fact.

After receiving complaint via various channels, the Company shall gather fact relating to corruption, right violation or matter that may be problematic. The investigation working group shall be established by considering from the related parties, such as top most superior/supervisor in work unit that receives complaint, and Human Resource Department Manager and/or other persons who are considered as appropriate. The investigation working group shall start gathering information, evidence and investigate fact in details.

2) Find the conclusion of action measure

The investigation working group shall conclude action measures in order to mitigate the damage for the affected person.

3) Report the result

The Company Secretary Office is responsible for reporting result to the complainant for acknowledgement. In the event of the significant issue, it must be reported to the Managing Director and/or topmost executive of the work unit that receives the said complaint (in the event where topmost executive of the work unit does not participate to be the investigation working group) depending on the degree of importance and seriousness of the complained matter.

Protection and Fairness Policy for Employee as Informant or Whistleblower of Corruption, Right Violation or Breach of Laws, Rules and Regulations of the Company and Code of Conduct

After the Company is informed of the offence and corruption information, the Company's action processes after receiving complaint are as follows.

1) Gather fact and consider detail of fact

After receiving complaint via various channels, the Company shall gather fact and set up the investigation working group for corruption to consider from the related parties such as topmost superior/supervisor in work unit that receives complaint, Human Resource Department Manager, and/or other persons who are considered and deemed appropriate. The investigation working group for corruption shall start gathering information, evidence and investigate fact in details.

2) Find conclusion of action measure

The investigation working group for corruption shall find the conclusion relating to action measure to mitigate damage for the affected person. Any punishment action shall not be taken with the employee who is the informant with honest intention.

3) Report result

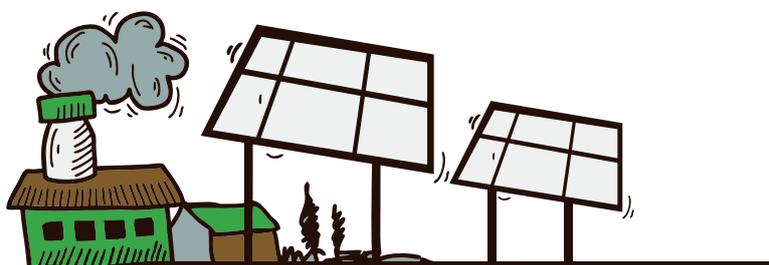
The Company Secretary Office is responsible for reporting the result to the employee for acknowledgement if the employee who is the complainant performs self-disclosure. In the event of significant issue, the Company Secretary Office shall also report to the Managing Director and/or topmost executive of the work unit that receives the said complaint (in the event where topmost executive of the work unit does not participate in the investigation working group for corruption) depending on degree of importance and seriousness of the complained matter.

Care and Protection for Whistleblower of Complaint

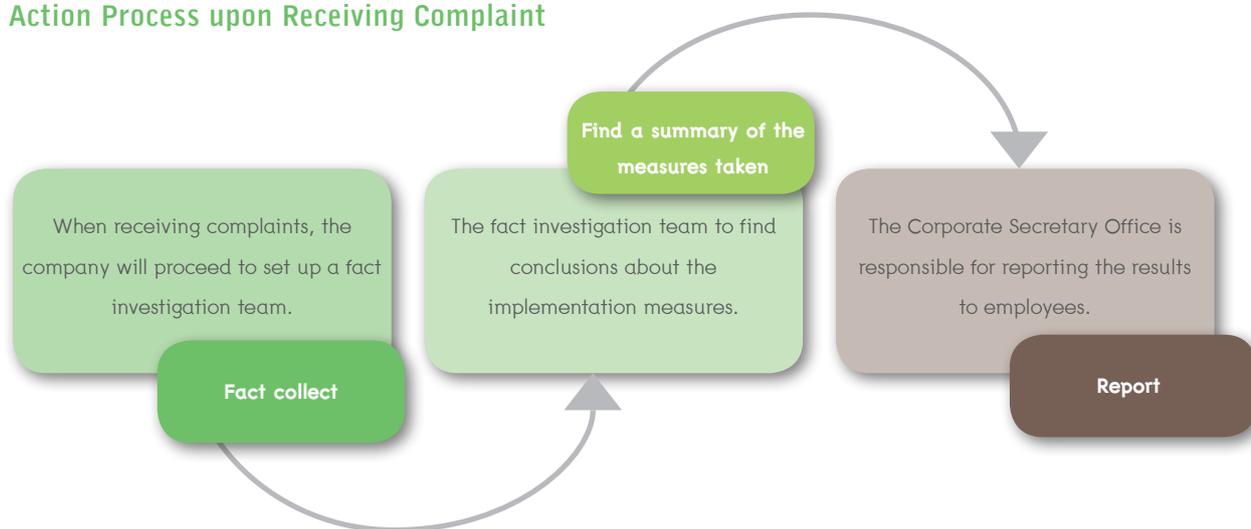
Should any person in the Company behaves to persecute, threaten, discriminate or use disciplinary action by improper or unfair procedure in relation to complaining of the whistleblower of complaint and other related persons of corruption investigation from the said complaint, it shall be deemed that that person commits disciplinary offence and must be liable and reimburse damage to the Company or affected person from such act, or may be illegal accordingly.

In last 2018, the Company assessed corruption risk and detected none of corruption risk which is classified as material risk for the business. The Company establishes practical guideline of internal control system whether in information system, document preparation system with verification on check and balance, and work process for monitoring, supervision and control for prevention. Moreover, the Company also monitored the previous occurred corruption risk, or analyzed the assessed risk with tendency of corruption. The finding indicated that the Company has had adequate internal control. In last year, none of information of complaint relating to illegal behavior and corruption which is infamous conduct, significantly affecting inside the organization, was not detected.

In last 2018, the Company did not receive any complaints about corruption, right violation or breach of laws, rules and regulations of the Company, and code of conduct, or occurrence of circumstance relating to negative reputation of the Company as the result of the operation of the Board of Directors, executives. No director or executives resigned due to lack of good corporate governance or inadequate and improper internal control system as well as no legal dispute both in respect of labor and relating to business operation with stakeholders of all parties at all.



Action Process upon Receiving Complaint



Risk Management Policy

1. The Company operates business under acceptable risk to achieve the Company's objective and satisfy the stakeholder's expectation.
2. Risk management is determined as part of annual plan preparation.
3. The duty of every executive and employee is to take responsibility for identifying and assessing the risk of his/her own responsible work unit, and define appropriate measure for contingent risk management.
4. Risks that affect all of the Company's objective attainment shall be executed as follows.
 - 4.1 Timely identify risks such as type, significance level, corrective guideline, person in charge, etc.
 - 4.2 Assess the opportunity of risk occurrence and impact from such incidence occurrence.
 - 4.3 Manage risk to be consistent with the criteria of risk management under concern on related expense and gained benefit.
 - 4.4 Monitor, supervise and assess to ensure that the Company's risks are properly managed.
5. Risks that may entirely affect business plan and strategy of the Company in various areas in high and very high level shall be reported to the Executive Committee, Risk Management Committee, Audit Committee and the Board of Directors for acknowledgement.

Corruption Risk Assessment Process

The Company arranges corruption risk assessment so that the internal organization can identify, assess and prevent potential corruption risks to ensure that corruption risks are executed and managed without delay. The executives of all internal work units are responsible for cooperation in providing information of potential corruption risks in their own work units as per the details of the following process.

- 1. Risk Identification.** The head of each work unit both of the Company and its subsidiaries shall identify potential corruption risks.
- 2. Risk Assessment.** Upon risk identification by the assessor, risk shall be assessed on impact on objective attainment or impact on damage that will occur by considering the level of the likelihood of risk and the level of contingent risk impact.
- 3. Risk Management.** The strategy or activity for risk management shall be determined to be consistent with the degree of risk tolerance of the Company, to assess whether the existing risk management is adequate in order to contribute to mitigate the likelihood of risk and contingent risk impact.

4. Control Activity. It is the implementation of policy or practice for use in controlling, such as approval, review, reconciliation, duty segregation, planning for entering to audit work system under surprise check, and job rotation on specified period, to ensure the proper and timely execution of risk management.

5. Risk Monitoring and Reporting. For monitoring and improving risk management activities for continuous operation, corruption risk information shall be collected and presented to the Risk Management Committee. The Risk Management Committee shall assess, analyze, sequence degree of risk, and formulate guideline and strategy of corruption-related risk management so that risk is in acceptable degree under appropriate cost and expense, and report risk assessment result to the Audit Committee, and the Board of Directors for consideration and acknowledgement.

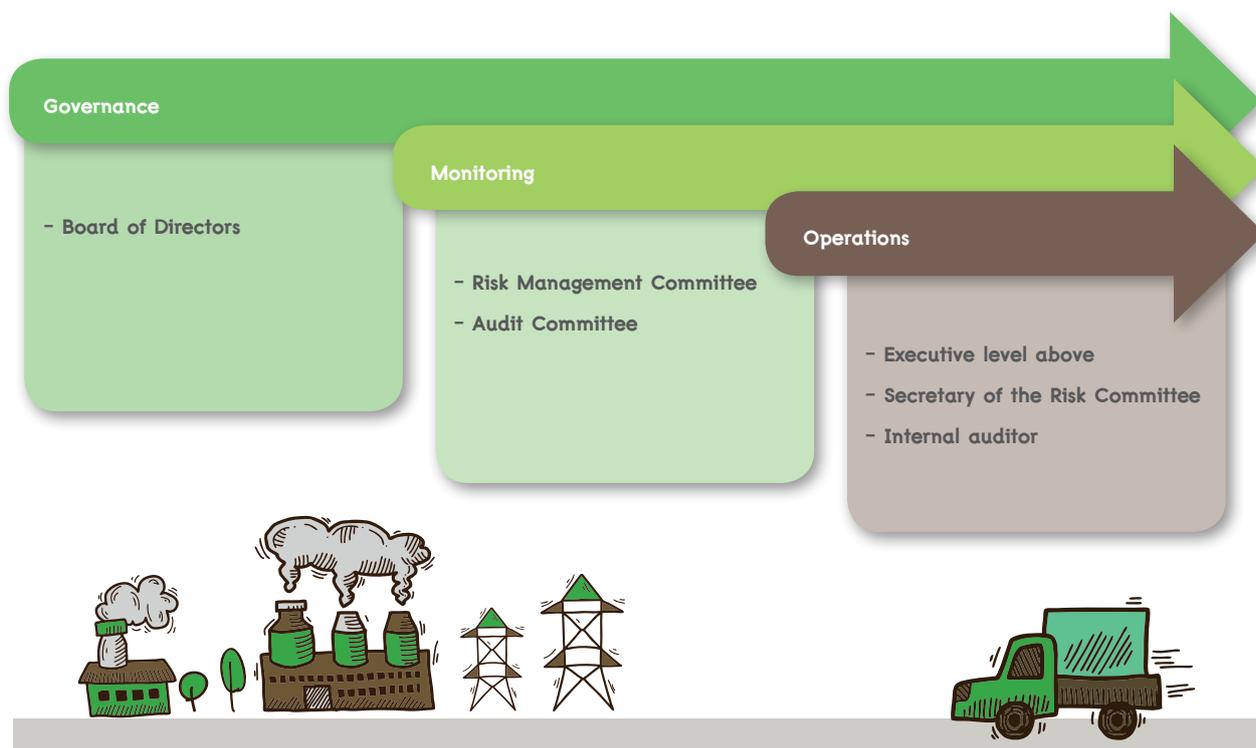
6. Communication. The risk management shall be communicated under consent of the Audit Committee and the Board of Directors, and notify the related departments for acknowledgement, such as Internal Control System Audit Department, Accounting and Finance Department, etc., in order to prepare work manual and communicate all members in the department for acknowledgement and practice all over.

7. Result Monitoring. The Company formulates the guideline of operating result assessment monitoring in accordance with Anti-Corruption Policy under consent of the Audit Committee and the Board of Directors, and regularly and annually monitor the operating result in accordance with work manual once a year.

8. Reporting. The Audit Committee shall regularly and annually report operating result in accordance with work manual for acknowledgement of the Board of Directors.

In 2018, the Company and its subsidiaries had none of legal dispute or breach of laws in the corruption-related matter that is under investigation, legal proceedings or judgment at all.

Structure of Corporate Risk Management



For practical guideline on governance and control for prevention and monitoring corruption risk, the executive of the Company shall determine the internal audit unit to be the advisor of the executive for corruption risk assessment, and collect corruption risk assessment result for preparing document of corporate corruption risk, covering the guideline of contingent risk management. The executive shall be responsible for monitoring the operation in accordance with such risk management plan to be proposed to the Risk Management Committee, and assessing adequacy and efficiency of internal control system occurred during risk assessment whereas the work unit is directly related to such risk, and finding additional internal control measure to mitigate risk to be the acceptable level of the organization.

Anti-Corruption

The definition according to the anti-corruption policy

Corruption means any practice or omission of duty according to the work position including bribery, in any form to propose, promise, give, commit, demand or receive of money, property or other benefits that are improper to government officials, government agencies, private agencies or any persons in charge, whether it be direct or indirect, to ask such person(s) to act or ignore his/her/their duties for acquiring or maintaining a business or recommending business to the Company in particular or for acquiring or maintaining any other benefits that are improper to the business.

The Company pays attention to improve the internal management process to ensure the operational transparency and verifiability; we always believe that doing business with integrity, honesty and verifiability will benefit the Company by obtaining the confidence from customers, shareholders, including all groups of stakeholders. In 2018, the Company prepared to participate in the declaration of Private Sector Collective Action Coalition against Corruption (CAC). The current process is the Company has published the anti-corruption policy via the Company's website (www.ecf-furniture.com) and created a system to prevent corruption in the organization. In addition, the communication and publication of the anti-corruption concept are on the process for the acknowledgement of the Company's stakeholders, the Company has issued a letter to its business partners and customers to refrain from giving/receiving any compensation either in the form of cash, items or gifts, including

prohibiting to receive/pay any bribes for the Company's business benefits. Additionally, any partners and customers who are unfairly treated also have the opportunity to complain and all unfair treatment will be corrected, the Company also hold the meetings to continuously communicate all employees to be aware of this policy and guidelines for anti-corruption.

The Board of Directors has assigned a policy to declare the Company's intention to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption or CAC, which is a way to solve corruption problems in cooperation among private companies that wish to create pressure for changes in the government sector by collaborating to refuse payment in all forms of bribery and against the use of corruption as a barrier to competition and free-trade practices. All companies that declare their intention to participate in the CAC program shall prepare or review their own internal control system in accordance with the guidelines specified in the self-assessment form (71 questions) and allow the third parties. (Chairman of the Audit Committee or a certified public accountant) to verify the accuracy of the information before submitting an application to the CAC Council for consideration and approval. At present, the Company is in the process of planning to prepare the self-assessment form (71 questions), if the progress is achieved at least 80%, the Company will further enter the process to declare its intention and participate in the CAC program.

The Company has established the guidelines for receiving complaints and whistleblowing of any offense or any action that is tended to misconduct and corruption of the Company's personnel to those involved and the Company in causing damages to the Company.

The Company's directors, executives, employees at all levels shall not ignore or neglect when seeing the corruption that is related to the Company, he/she must notify his/her supervisor or the person in charge for acknowledgement, cooperate in the examination and investigation of facts. In addition, the Company has also provided channels for receiving complaints from external parties as well.

The Company will provide fairness and protect employees who reject the corruption or notify about corruption, the Company will not demote, punish or give negative effect to those employees who reject the corruption and will also maintain the confidentiality of those involved in the verification and investigation of corruption acts.

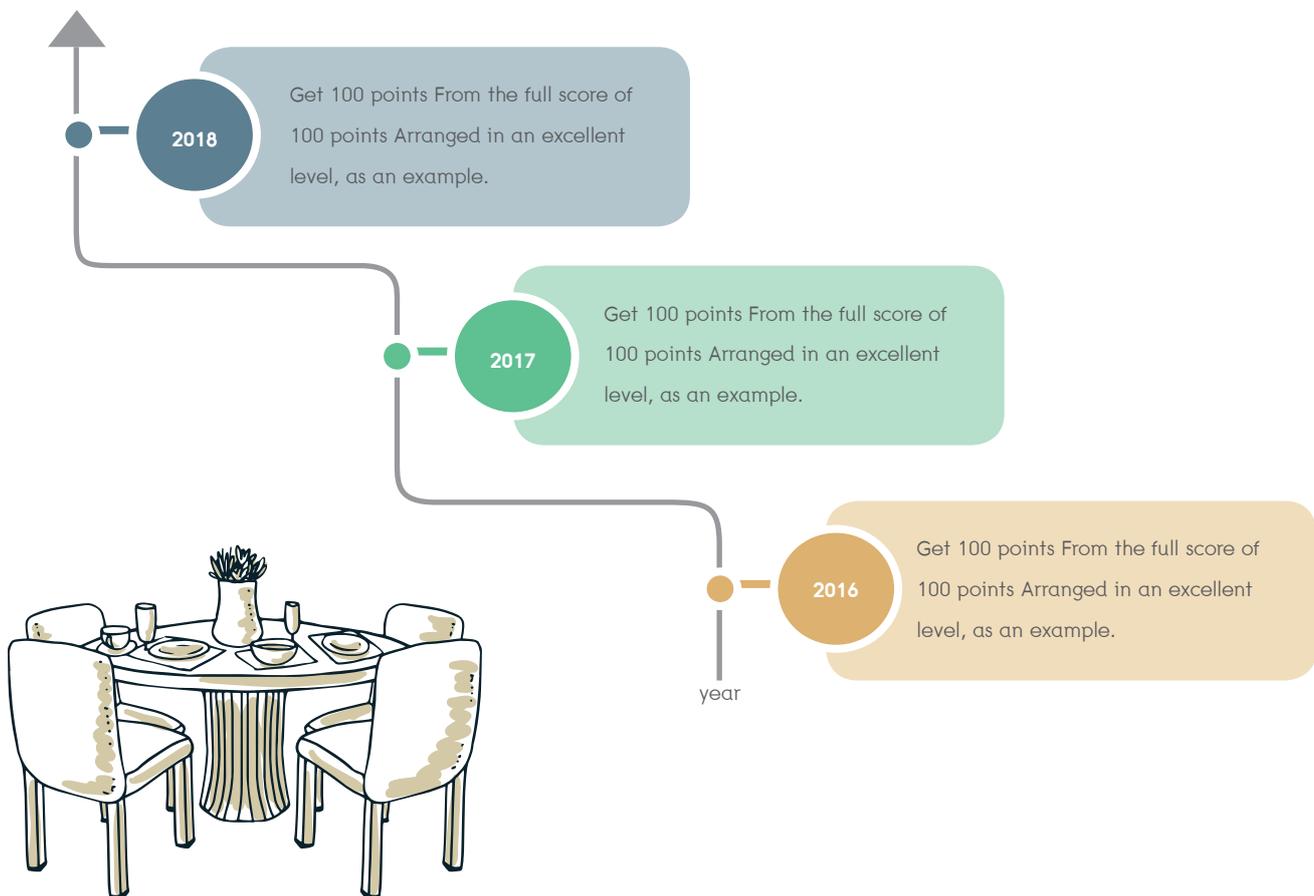
Corporate Governance Assessment Result Report (CGR)

By the Thai Institute of Directors Association (IOD)

Year	Level	Symbol
2018	Very Good	
2017	Very Good	
2016	Good	

The result of quality assessment of annual general meeting of shareholders (full score 100)

By the Thai Investment Promotion Association and the Securities and Exchange Commission, Thailand.



Performance on Quality Economic



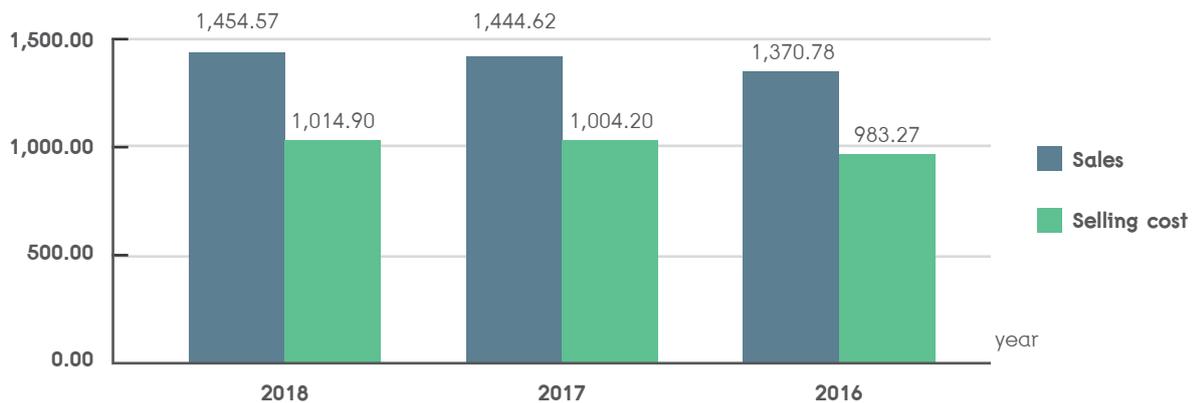
Creating Economic Sustainability

Creating economic sustainability within the company itself. Considered an important part of the country's sustainable development because the business operations of the company are all impacted both positively and negatively to the stakeholders. The company therefore places great importance on the economic operation. By focusing on effective cost management Increase the competency of production process including creating revenue growth and good returns to the stakeholders of the company and also for the ability to manage satisfaction of stakeholders to achieve balance and sustainability continue.

1. Performance for the year 2018

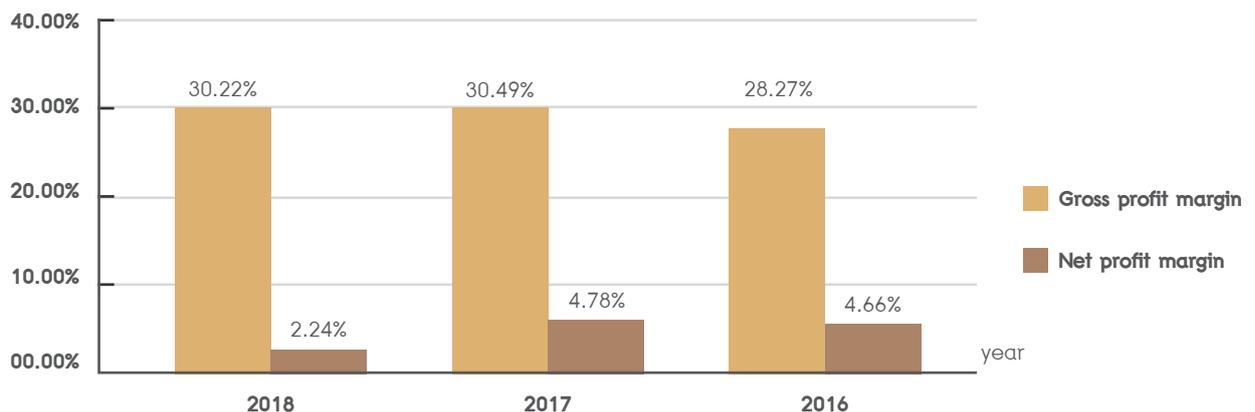
Sale income and the cost of sales (million baht)

(million baht)



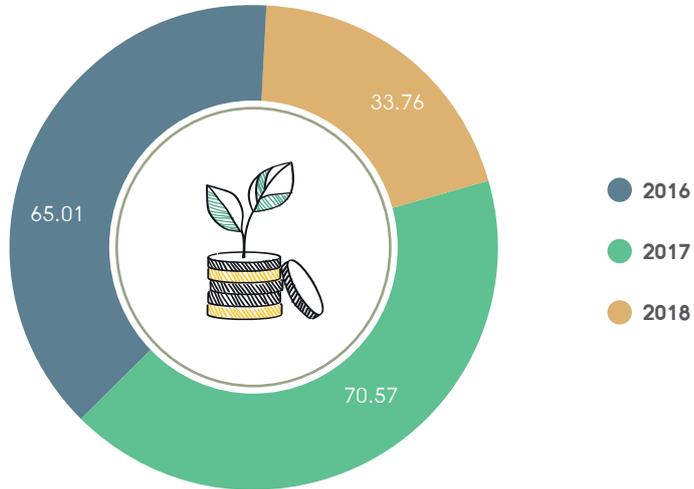
Gross profit margin and net profit margin (percentage)

(percentage)



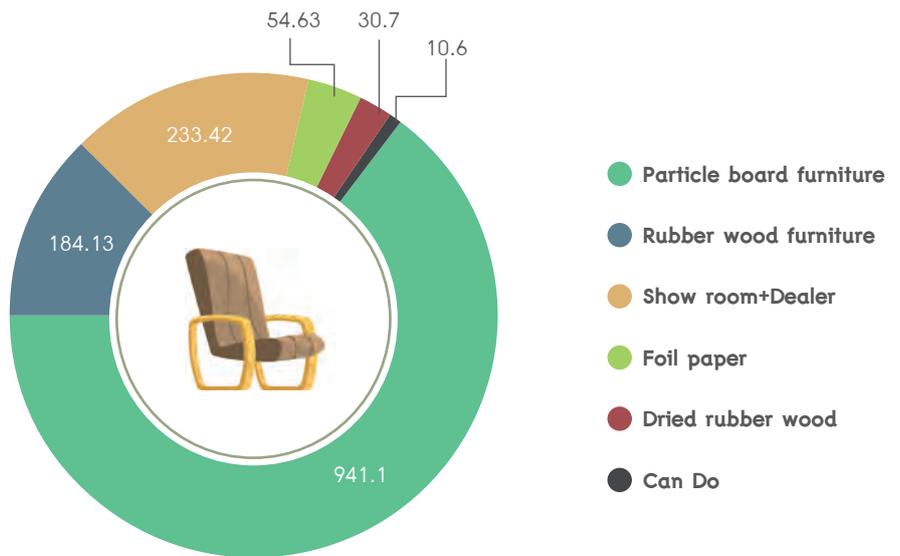
Net profit

(million baht)



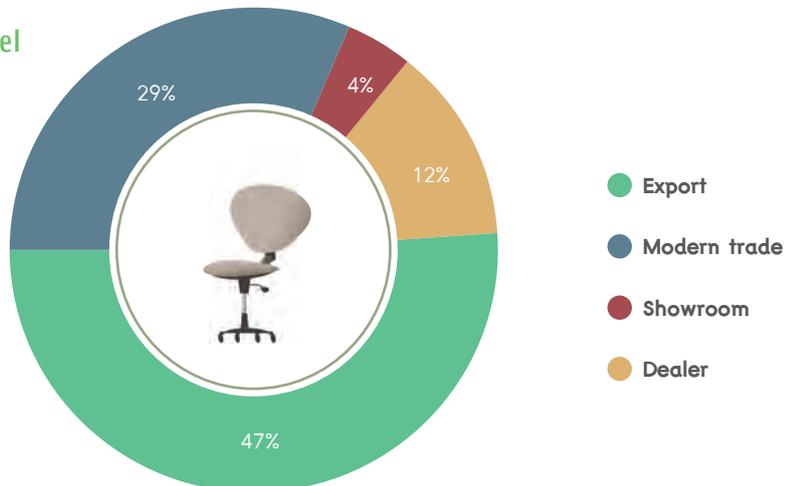
Proportion of income from product groups

(million baht)



Furniture distribution channel

(percentage)



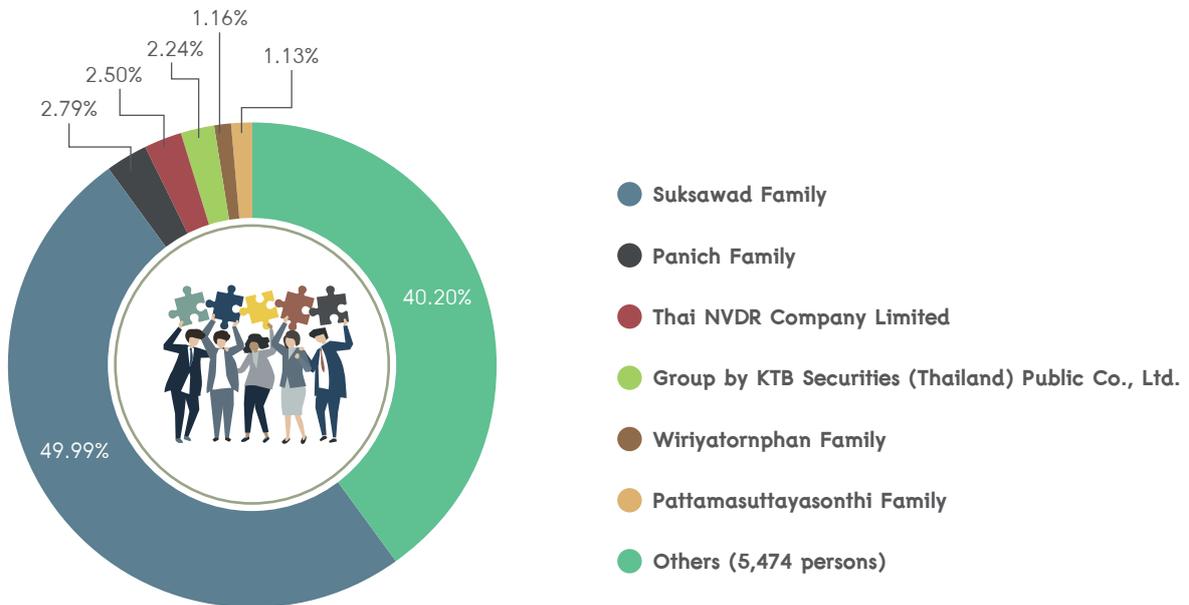
2. Value distribution to stakeholders

Value distribution to stakeholders		
Value distribution to shareholders	Personnel investment	Economic value
Dividend payment of 0.0603 baht per share.	Employee compensation 264.29 million baht Training fee Seminar 0.90 million baht Directors' remuneration 3.92 million baht.	Create cost and expenditure for circulation in the economy 1,461.66 million baht Tax paid to the government 13.21 million baht.

3. Shareholding information

As at December 31, 2018, the market value of the securities could be generated at 2,187.44 million baht.

With a total of 5,474 minority shareholders. Representing 40.20% of the total number of shareholders.





Performance on Quality Society

Performance on Employees

1. The Survey Result of 2018 Employee's Engagement to the Company

The Company realizes the importance of employees, therefore, allows employees to participate in expressing opinions to be beneficial to the sustainability development for both employees and the Company via the survey, 76% of the office employees responding the survey and their opinions can be summarized as follows:

The Survey Result of the Employee's Engagement to the Company

Based on the survey of employee's engagement to the Company, it was found that the rating is in medium level to very high level. If separately analyzing on each topic, it was found that the scores of the employee's engagement to create the Company's good image, the employee's engagement to make the Company progressive and their self-dedication to make the Company successful are 73.03%, 72.37% and 70.39%, respectively.

(percentage)



1. Participate in creating a good image for the company.
2. The atmosphere worked together like a family.
3. You enjoy the work done on a daily basis.
4. You feel that your organization is making progress.
5. Dedication to work to help the company succeed
6. Feeling love and caring for the future of the organization

The Survey Result of the Employee's Satisfaction towards the Company

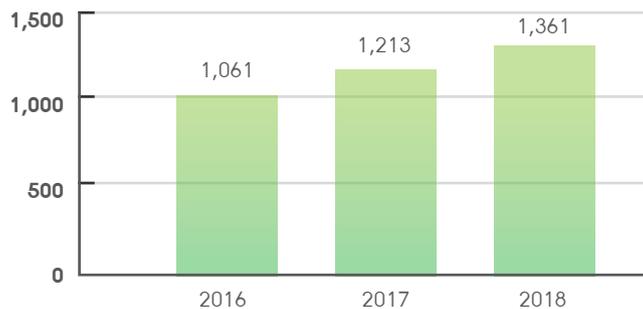
Based on the survey of employee's satisfaction towards the Company, it was found that the rating is in medium level to very high level. The top score is belonged to the employee's satisfaction towards the supervisor's ability at 80.26%, the second and third ranks are the clarity of roles, duties, responsibilities between supervisor's department and related departments; and the security of life and properties all the time that the employee performs his/her duty in the Company, respectively.

(percentage)



- 1. The ability of the supervisor
- 2. Clarity, duty, responsibility
- 3. Received care from the company
- 4. Feel safe in life and property while working in the company.
- 5. Income, remuneration and welfare
- 6. Always receive accurate information from the Company's Communication.

Count of Employees (persons)



*Details of the count of employees disclosed in the Company's 2018 Annual Report

The Respect on Human Rights

The Human Rights means the basic rights that all humans are supported or protected from being discriminated, just because of the differences in terms of physical, mental, race, nationality, religion, sex, language, age, skin color, education, social status or any others as prescribed by each country's law.

The Company becomes aware of human rights principles, therefore, set up the following guidelines:

1. Respect the human rights without the classification of hometown, race, sex, age, skin color, religion, status, family, education or any other status that is not relevant and affecting the operations by honoring each other and treating each other with equality.
2. All employees shall be protected in terms of safety at work, clean, safe and hygienic workplace.
3. Employees are granted of the political liberty and rights but they shall not use the position they hold or the Company's properties, equipment or tools for political purpose, we have the policy of political neutrality, we shall neither sponsor, nor support specific political parties.
4. The Company shall solve any potential conflict based on rule of law.
5. The Company shall not conduct our business that involves child labor abuse. All employees shall be at least 18 years of age.
6. The payment of labor wages and compensation is based on fairness. Every year, the Company shall organize an annual meeting in which the employees shall hear the annual policy, including ideas, working principles, living principles from the Company's executives, and many activities will be conducted to strengthen and promote the love and harmony in the workplace.
7. The respect on human rights is always monitored and any act that is in the scope of human rights violation related to the Company's operations will not be disregarded or ignored. When any employee noticed such act, he/she has to report to his/her head or the person in charge to acknowledge and also gives his/her cooperation to investigate facts. If having any questions or inquiries, employees should consult with their head or the person in charge through designated channels.
8. Any person violating the human rights is considered to violate the Company's Code of Ethics and must be considered of disciplinary punishment according to the Company's regulations. In addition, that person may be punished by law if such action is illegal.

Until now, the Company has never received any complaint regarding human rights violation.

Employee's Compensation and Welfare Policy

The Company has a policy to consider the compensation for employees and workers mainly based on the growth rate of the annual performance, then, consider the increase ratio of compensation to cover the annual inflation and finally, consider the individual increase based on the level of diligence, intention, dedication and ability to perform duties. From the above-mentioned considerations, all is based on the principle of fairness to maintain and motivate employees to work for continuous effectiveness and efficiency.

Operational Guidelines

1. The Company evaluates wages as appropriate for each job position.
2. The Company has provided a clear performance evaluation system to create the fairness for employees by using the Company's KPIs as the performance indicators.



Basic Right Gained by Employees	Employee-Classified Welfare		
	Full time employees	Contract Employees	Probation Employees
Salary	/	/	/
Overtime Pay	/	/	/
Holiday	/	/	/
Leave (sick leave, personal affairs leave)	/	/	/
Medical fee (health insurance)	/	/	
Annual health Examination	/	/	
Assistance to the Casualty or Sick Employee due to working for the Company	/	/	/
Provident Fund	/	/	
Employee Uniform (particularly for three shirts per year)	/	/	
Child Scholarship	/		
Funeral Allowance	/	/	/
Expense of Patient Gift	/	/	/
Discount of Product Price for Employee	/	/	
Domestic Travelling Expense and Oversea Travelling Expense due to the operation of the company	/	/	/

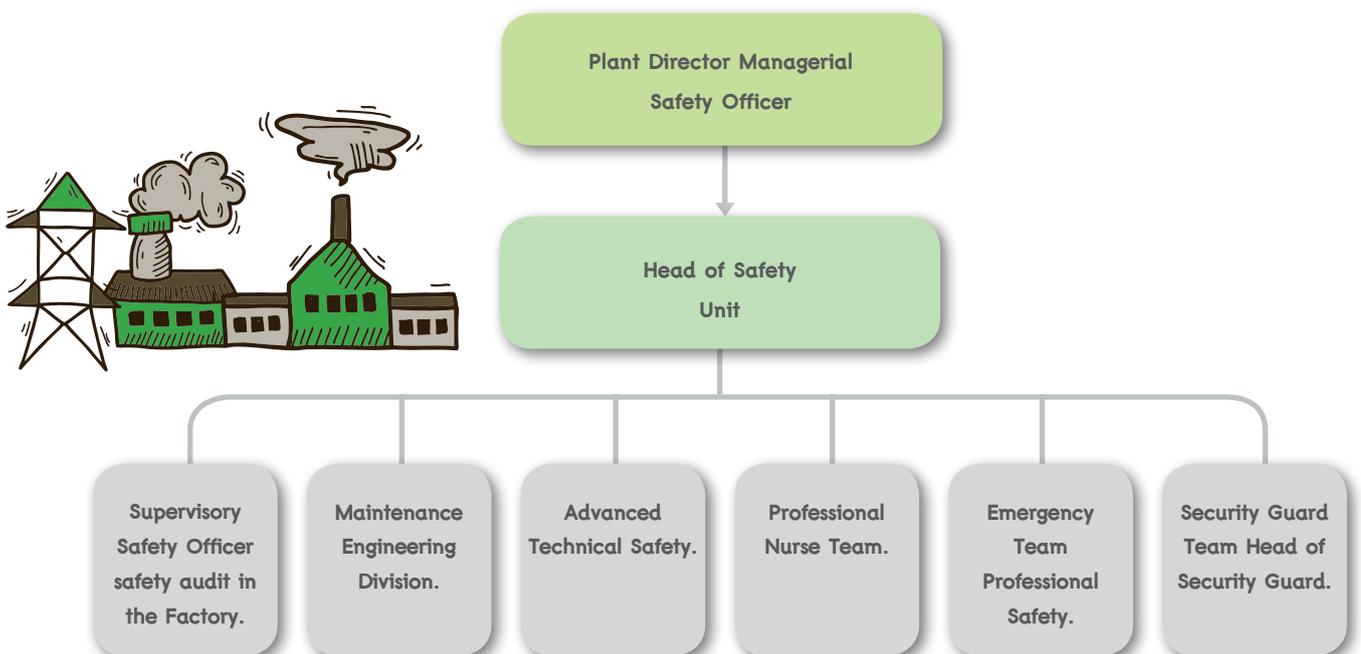
Give scholarships to employees' children



Safety, Occupational Health and Working Environment Policy

1. The Company shall strictly observe rules, regulations, announcements, orders and standards of safety, occupational health and working environment as prescribed by the official.
2. The Company shall support and promote safety, occupational health and working environment, and arrange adequate and appropriate budget.
3. The Company shall continuously promote safety by arranging training, providing knowledge, reviewing and drilling, as well as organizing activity in various forms for safety awareness creation to the employee to be prepared all the time.
4. The Company shall prepare and supply effective personal protective device for use of the employee and wear for protection based on appropriateness for nature and operation of the employee.
5. The Company pays attention, surveys and monitors safety issue and strict the employee to observe the rule of the Company's safety as well as strictly looks after and controls the employee to wear and use protective devices as determined by the Company.
6. The Company shall always improve and develop internal environment of the Company and workplace and cleanliness around the Company's area for safety and good and hygiene environment, leading to quality of work life and good health of the employee all together.
7. The Company gives precedence to the collaboration of the employee in observance of rule related to safety, occupational health and environment, and success of accident prevention whereas the said collaboration shall be deemed as a factor of performance assessment.
8. The Company deems that work safety as well as proper operating method is the duty of the employee and supervisor in every level that must be practiced and responsible.
9. The Company deems that every employee participates in accident prevention and environmental preservation. The Company is glad to accept suggestion and opinion of the employee and take them for consideration as well as improvement and correction of faults as appropriate for safety to the employee as much as possible.
10. In the event that the employee gets occupational accident, the Company shall take care and consider assisting the employee who gets accident to be able to properly live.

Structure of Safety, occupational health and working environment Unit



Summary of Number of Occupational Accidents for 2017-2018

Severity/Damage	Number of Times		Treatment			
			First-Aid		Referral to Hospital	
	2017	2018	2017	2018	2017	2018
Insignificantly Injured (No Day Off)	21	18	20	18	1	-
Injured (Day Off)	4	6	-	-	4	6
Total	25	24	20	18	5	6

Safety promotion activities

First Aid and Rescue Training



In addition, the Company maintains a safe working environment for its employees and the property of employees, customers, and visitors by consistently improving and checking both fire system and water hazard protection system. The Company also employs a team of engineers who have been trained and registered as building and equipment inspectors to take care and control the implementation to meet the requirements of law. The engineering team is mainly responsible in checking the stability of the building, electrical system, air conditioning system, hygienic and environment system, fire prevention and suppression system, building safety management system as well as checking the efficiency of equipment in the building in annual basis.

Safety Promotion Activity

Fire Training

**Employee Health**

The Company gives precedence to health care of the employee since good health is the significant factor that the employee can effectively perform his or her responsible duty. The Company has arranged for medical examination such as annual medical examination service and vaccination service, etc.

Personnel Development Policy, Activities, No. of Training Hours

The Company pays attention to personnel development in order to increase employees' working ability and efficiency by establishing the clear and consistent personnel development plans as an annual training plan for working skill enhancement. The employees are trained by the in-house training and the training programs organized by the related government agencies and private training institutes. In addition, the Company has also provided of welfare to employees to create employees morale and encouragement and the welfare will be continuously reviewed to improve many benefits as appropriate.

The personnel development is aimed as the important basis by the Company as follows:

1. The Company encourages directors and executives to attend the training and seminars in relevant and appropriate courses to continuously develop knowledge and understand their roles, duties and responsibilities as the Company's directors and executives.
2. Employees are participated in determining the working direction of their own department, expressing opinions and views in working to improve their works to be more efficient and effective.
3. The working atmosphere is stimulated to allow everyone to engage in the Company's success and the employee compensation is considered from the Company's overall success and individual spirit and dedication to work.
4. Employees are encouraged to create knowledge from work operation, the improved working manual is prepared to be consistent with the actual working that changes all the time.
5. Employees are encouraged to travel and attend the trade fairs both domestically and internationally to keep up with the situations of production, product development, marketing and to learn about consumer behavior that is changing all the time in order to be used in the Company's work process by updating and adapting to quickly cope with every situation in the changing furniture industry.
6. Employees are encouraged to development the Company's products by adding value for sustainable growth and continuously creating the consumers' awareness and being demanded by the consumers.
7. Employees are promoted to develop and encourage to have a working attitude to continuously create the working development and progress, such as the production process must be continuously improved, the marketing must continuously generate more revenues from selling products. The department controlling the Company's expenses must manage to continuously reduce the costs and expenses while manage to reach the maximum efficiency.

Practical Guidelines

1. Human Resources Department is responsible in assessing demands and needs for the Company' personnel development and set up an annual development plan as well as complete the budget. The personnel development plan must comply with the actual demands and needs in accordance with the Company's development plan and must be approved by the department head. Each department is required to submit the annual development plan to the Human Resources Department in advance.
2. The Human Resources Department must monitor the training plan, if there is any change or modification of the development plan, the relevant parties must be notified for acknowledgement.
3. The Human Resources Department must control the development budget to be limited within the given budget plan.
4. The Human Resources Department will perform as a training administrator, every department that will organize the training must cooperate and coordinate with the Human Resources Department in terms of date, time, venue, training materials and equipment to be used, etc.
5. The Human Resources Department is responsible for evaluating and monitoring the results of completed training courses.

In addition, the Board of Directors determined to have a succession plan for the succession preparation of Managing Director and top executives, the Nomination Committee considered and planned the policies on the succession plans to prepare the readiness in the event that any executive is unable to perform his/her duty, the succession plan will help the Company's operations to be continued and effective. The succession is planned for the positions in various functions with personnel who have knowledge, ability and experience to be able to continuously perform duties instead of the vacant positions or to promote to a higher position, as following details:

1. The executives in secondary level have the opportunities to work with high-level executives in their own working line, and to attend the meetings in assigning the policies from top executives.
2. Personnel with specific capabilities are provided of more capabilities in managing other areas to prepare themselves for higher job positions.
3. The executives in secondary level with potentials are assigned to be successors.
4. The executives in secondary level are provided of opportunities to attend the training on organizational leadership concepts, creation of consciousness in responsibility level and the honesty towards the Company as well as the guidelines for managing personnel in their own work line.
5. The executives in secondary level are developed by having the opportunities to present plans and performance results to top executives.

For the employee level, the Company has a policy to maintain employees with high potential by assigning policies in considering and selecting the qualified candidates to be successors and notifying those persons for acknowledgement. The plans are also prepared to maximize the scope of responsibilities, decision authority, and send them to participate in training courses that are consistent and suitable for the potential development of such persons and the future position. This plan will create the Company's confidence that the personnel are prepared their readiness to immediately replace when the position is vacant and to prevent the operational risk to smoothly support the continuous business expansion in the future.

Development of Work Skill and Knowledge and Competency

The Company has formulated the guideline for the employee skill and proficiency development as well as determination of training hours as follows:

Guideline	Method	Total Number of Hours (per year)
On-the-Job Training	Determine necessary training standard of each position and arrange the head of each work unit for employee during actual working to perceive and understand proper work method.	<ol style="list-style-type: none"> 1. Production Unit in the Factory (not below 50 hours) 2. Marketing Unit (not below 10 hours) 3. Accounting - Finance Unit (not below 30 hours) 4. Human Resource Unit (not below 20 hours) 5. Company Secretary and Investor Relations Unit (not below 30 hours)
In-house Training	Determine the competency-based courses under below classification. <ul style="list-style-type: none"> - Basic Course for Employee - Specific Position-Based Competency Course - Management Competency Course - Other courses 	
Public Training	Delivery of employee for training in the course organized by the external institutions	



Overall Operation of Training for 2018

Course	Number of Training Hours
In-house Training	320
Public Training	210

Targets of Employee Training and Development

Objective: The Company considers the employees as the valuable resources and they are important to the Company's progress. Therefore, the Company commits to develop and increase the capability of all employees to grow together with the Company.

Benefits to employees: Gain more knowledge, capabilities and skills, have better work efficiency and have a good career opportunity and progress.

Benefits to the Company: The Company has better business competitiveness and create employee engagement towards the Company.

Employee Development and Care

In 2018, the Company participated in the project for development and promotion of knowledge management to support Happy Work Place in order to create balance between personal life and working for organizational personnel under target of sustainable happiness creation and preparedness to share happiness into external society. The mechanism of Happy Work Place consists of happiness box in 8 respects as follows:

- 1) Happy Body: The Company campaigns the employees for health care, exercise promotion, and useful eating so that the employees are healthy with happy and joyful mind, affecting effective operation of the employees.
- 2) Happy Brain: The Company promotes the employees to always seek knowledge and develop oneself from source of learning and opportunities, leading to skill development and affecting job progress. The Company also regularly organizes training course for the employee.

- 3) Happy Family: The Company foresees the significance of the family institution. When the employee has warm and secure family life, it will promote the creation of family connection and good relationship between employee family and organization.
- 4) Happy Heart: The Company campaigns generosity and hospitality to be the promotion of generosity and helpfulness in workplace so that the employee will have love and harmony such as article sharing and cultivation of giving society.
- 5) Happy Money: The Company supports the employees to know about saving and financial management in order to have savings, know to spend and not to owe debt, to be the promotion of saving spending with savings for use in reserve.
- 6) Happy Relax: The Company promotes the employees to know about relaxation on something to be the creation of enjoyment, relaxation of fatigue and work stress, helping the employee to have good morale, and resulting in the employee's opportunity of good mutual relationship creation such as mutual grouping for eating and discussing in relaxed atmosphere.
- 7) Happy Society: The Company promotes social coexistence both in the Company and surrounding society to be the promotion of love and harmony, hospitality toward the workplace community and residential community, and assistance of surrounding society. If the surrounding society is happy, the organization which is in that society will be also happy.
- 8) Happy Soul: The Company arranges the activity related to the holy days and important traditions for employee participation and faith in religion, cultivation of living morality to be the promotion of virtue and ethics for employees so that the employees will be happy, peaceful in mind and peacefully coexist.



“Happy Credit” Project

The objective is to release debts for its employees by affixing the collaboration between East Coast Furnitech Public Company Limited and G Capital Public Company Limited to prepare "Happy Credit" Project for easy borrowing, comfortable amortization, special condition granting to the employees with more than 2 years and over service duration. It is the credit granting that helps reduce obligation of the employee who participates in the Project for decrease in amortized installment and loan interest. The knowledge provision and financial management skill development are executed to the employee whereas the employee who participates in the Project shall comply with the rule of the Project and shall disclose actual financial information. Such project has been commenced for execution in 2016 and still continued.

“The Training Project Providing Knowledge on Financial Management to Employees”

The Company is aware of the well-being of employees, it cannot deny that money is important and is one of important living factors. The objective of this project is to enable employees to systematically manage their money, the Company believes that a good financial management is a tool to help and prepare the readiness and lead life to financial security. The project has been organized in both the Head Office of East Coast Furnitech Public Company Limited in Rayong Province and the Marketing Office of East Coast Furnitech Public Company Limited, Branch 2, in Pathum Thani Province.

The Project “Financial Wise”

East Coast Furnitech Public Company Limited with the collaboration of Thai Life Insurance Public Company Limited, held a seminar on 22 June 2018 at the Head Office of East Coast Furnitech Public Company Limited in Rayong Province, which was lectured by Ajarn Jakkapong Mespan, the Money Coach, to provide knowledge.



Project “Finance Needs to Plan”

The Marketing Office of East Coast Furnitech Public Company Limited, Branch 2, in Pathum Thani Province, organized a training program on financial management for employees, on 7 December, 2018 at Bueng Kham Phroi Subdistrict Administration Organization, Lam Luk Ka District, Pathum Thani Province, honored by a lecturer from the Financial Consumer Protection Center, Bank of Thailand to provide knowledge to employees.



Employment of Disabled

The Company has hired the disabled employees with physical impediment to work in the production process and prepare fittings (the equipment used in the assembly of furniture products) in order to have the opportunity and return equivalent to ordinary employees in accordance with Empowerment Of Persons With Disabilities Act, B.E. 2550 (2007), aiming to protect disabled people to be employed or earn a living without unfair discrimination due to physical and health reasons. The Act requires the government agencies and employers or business owners to employ disabled in accordance with Section 33, at present, the Company has a total of 14 disabled employees or sends money to the Empowerment of Persons with Disabilities Fund under Section 34 or choose to make concessions under Section 35. The Company is currently in the process of Section 35 to use the area in front of ECF Park, located in front of the Company's Head Office in Rayong Province, to allow the disabled to enter this area for selling lottery. The Company also takes care of employees who are suffering health problems by moving them to take responsibilities as their potential and ability to minimize the impact on employee health as least as possible.

Relationship Activities among ECF People

Songkran Day Activities

The Company encourages employees to continuously maintain the good traditions of Thailand by organizing the activity of pouring water on the hands of revered elders and ask for blessing with the Company's executives and also organizing the Miss Songkran Contest. On that day, all employees were united to dress in Thai clothes and flower-patterned shirt, making the event extremely lively.



New Year's Day Activities

The Company organized the activity to give food offerings to 9 Buddhist monks for employees' good luck, at Head Office in Rayong Province and Branch 2, the Marketing Office in Pathum Thani Province, additionally, the Company also organized the gift exchange activity to create good relationships to each other and organized a party at night with lucky draws activity for employees.

Make Merit



Gift Exchange Activities



“ECF Night Party”



Performance on Community

The Company pays attention to participate and support in the activities related to development for the enhancement of community quality in neighboring areas to have a better living, the team overseeing this function will be assigned to the Human Resources Department by working together with the Investor Relations Team to explore the needs and satisfaction of the community. The community development project consists of 5 areas as follows:

- 1. Education :** The Company annually provides scholarships to students who have good studying but lack of funds, to schools located surrounding the Company's office area.
- 2. Environment :** The Company organized the activity to plant the mangrove forest in the area near the Company's Head Office in Klaeng District, Rayong Province and also organized the activity to clean restrooms and surrounding areas of the temple located near the Company's office.
- 3. Health :** The Company annually provides medical devices to Klaeng Hospital, Rayong Province, this hospital serves people in the area and the Company's employees working in the Head Office due to its close location.
- 4. Economy & Occupation :** The Company purchases latex pillows from villagers and communities in the southern provinces, that produce latex pillows and the purchased latex pillows will be packed and marked the Company's brand to sell through the Company's distribution channels. This activity helps to contribute support villagers in the South to earn income.

Creative Activities for the Community

"Join with ECF to Give Medical Equipment to Patients" Activity at Klaeng Hospital, Rayong Province

In previous year, executives and employees of East Coast Furnitech Public Co., Ltd. jointly donate to buy an infant radiant warmer and five 3-crank hospital beds with a total value of 660,000 baht and gave to Klang Hospital, Rayong Province for helping the hospital. The hospital built additional patient service buildings and needs many items of medical tools and equipment which have high budget, such as Respirator, Pulse Oximeter, Blood Pressure Monitor and many facilitating equipment for patients.

Klaeng Hospital is a hospital located in the same area as the Head Office of East Coast Furnitech Public Company Limited, it is the hospital where the Company's employees visit for using the services.



"Children are Full up...We are Delighted" Activity

At Wat Chaeng Lam Hin School, Lam Luk Ka District, Pathum Thani Province

The objectives are to promote and educate the hospitality and happiness to be givers and to participate in the volunteer activity to sacrifice for others. The Company and employees jointly organized the activity to give lunch for students including donating things such as toys, schooling equipment. This is another creative activity for the society that ECF people continuously organize.



"Volunteer Spirit to Clean the Temple's Restrooms" Activity

Wat Mun Jindaram is one of the most important temples in Pathum Thani Province, with a spacious area and is the temple where most people residing in Pathum Thani Province always visit to do religious activities as well as to pray buddha images and ask for blessings. Since there are a lot of people who visit to engage in business at Wat Mun Jindaram, resulting in the increasing burdens of monks and novices to make more cleanings. For this reason, the Company, therefore, deemed appropriate to organize the Project of Volunteer Spirit to Clean Wat Jindaram as a good model to encourage employees to create awareness and participate in maintaining and cleaning the important areas of the community.



"Lunch for the Elderly at Banglamung Home for the Elderly" Activity

The Company encourages the creation of a sense of giving to employees for the happiness of employees including the happiness of being a recipient, this activity is a part that helps to make our society more livable.



"Sharing Merits, Build Houses in Prasae People Style" Activity

Because the Prasae community does not have only golden fields but also is a source of forest and river, balancing the ecosystem, these things will not exist if lack of care and conservation from the community. The event of " Sharing Merits, Build Houses in Prasae People Style" is another activity that reflects the strength of community people, East Coast Furnitech Public Company Limited is honored to attend the event and donated 50,000 Baht to support the Sufficiency House Fund, Chak Don Subdistrict, to further support the strength and sustainability for the community.



Supporting beverages for officers performing duties to public service points during the festival

The Company supported beverages at public service points during many festival periods as a part of reducing accidents from sleeping while driving or being drunk while driving when people travel to their hometown.

**Creating the income sources for people in the community**

The Company built the ECF Park under one of main objectives to create a source of income for people in the community, the ECF Park is located on Ban Bueng-Klaeng Road, suitable to be used as a place for distributing souvenirs and local products. The Company has allowed people in the community to rent space for selling products in ECF Park. It is also considered as a bus park area with service and selling product areas such as coffee shops, convenience stores, restaurants, clean restrooms and service stations for charging electric vehicles etc.



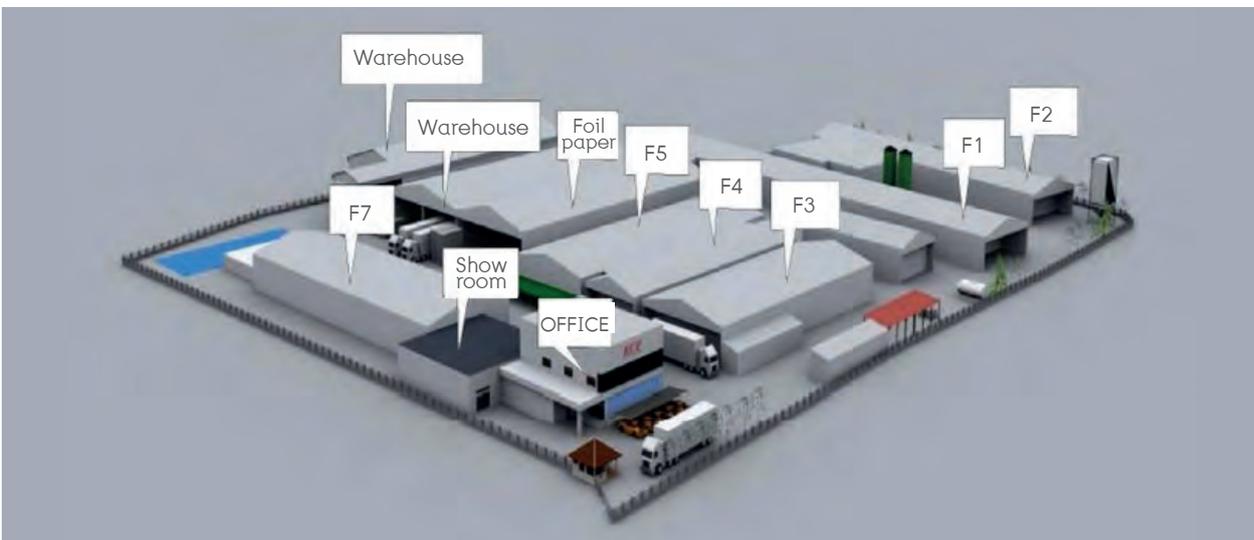
Performance on Quality Environment



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 2018, the Company consumed electricity, fuel and tap water as following details:

Type of Resources	Amount
Electricity	35,916,700 Baht
Fuel	12,211,876 Baht
Tap Water	44,663 Baht

**Information of Head Office and Branch 1 only.

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.
- **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

The Company sent employees to attend the training program on the Industrial Waste Management under the Concept of "Correctness, Discipline, Environmental Awareness, Preparation to Enter into EEC" under the Green Industry Level 2 Project organized by the Industrial Waste Management Division, Department of Industrial Works.

Solar Rooftop System

Since the Company has the plant area for furniture production, it helps to save the energy costs, the Company, Therefore, has the idea to make the Solar Rooftop Project which has been conducted within the plant area. The installation of the Solar Rooftop system can save the electricity cost for approximately 1,000,000 Baht per month. The Solar Rooftop system not only helps to minimize the electricity costs but also helps to take care of environment conditions because the solar energy is a clean energy that does not cause any poisonous reactions to the environment.

Publishing Product Assembly Manuals with Recycled Paper to Replace Good Grade Paper

In the past, the Company required a lot of papers to publish product manuals, presently, the Company turned to use recycled paper to replace good grade A4 paper, and this could help to reduce the cutting of trees for paper production. It also reduces the Company's production costs, approximately 0.40 million baht per year.

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.

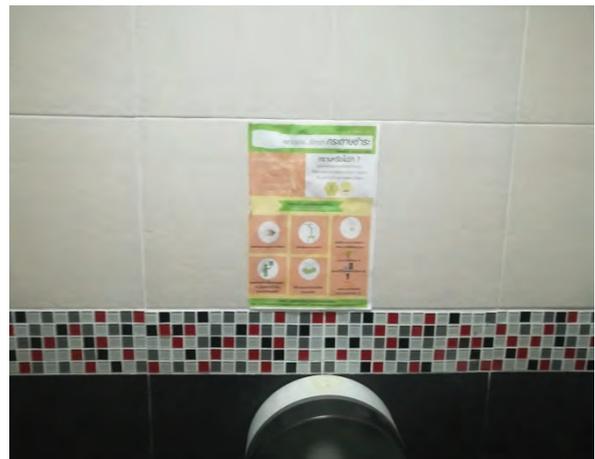
The Waste Sorting Campaign Titled "We, ECF, Help in Global Warming Reduction" Know How to Drop

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 etc.
2. Dry Bin (yellow) for dry wastes such as branches, leaves, toilet paper etc.
3. Recycle Bin (blue) for recyclable wastes such as paper, paper boxes, metal scraps, beverage cans, bottles, glasses, plastics etc.
4. Hazardous Bin (red) for hazardous wastes such as battery, phone battery, ink cartridge etc.



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.



In addition to many projects as aforementioned, the Company also has a project to reduce the use of foam in the packaging process. At present, such project has been implemented in some products.



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ECF

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เอลดีทัว

ELEGA
FURNITURE

Costa
CASA

FINNA
HOUSE

