

Corporate Social Responsibility Report 2013

This report has been written with an objective to illustrate corporate social responsibility programs of Home Product Center Plc. covering economics, social, and environmental aspects. This is the national approach towards social responsibilities of a corporate that embraces all key areas of universal principles including Good Corporate Governance Principle of Stock Exchange of Thailand (SET) and Corporate Social Responsibility Guidelines of Securities and Exchange Commission (SEC). The report is an annual update of the Company as of December 31, 2013.

Scope of this report covers overall policies, procedures, and activities relating to economy, society as well as environment on a sustainable basis for Home Product Center Plc. The Company set up CSR working team committing to strengthen linkages between the business goal and corporate impact on economy, society, and environment. The team also monitors and evaluates the outcome in order to efficiently plan and operate as well as communicate with all stakeholders.

As this CSR report is being compiled for the first time, there will be no comparative information in a significant change of data.

In order to strengthen linkages between business operation and social responsibility context, the Company categorized a group of people or an individual that gets affected by or has an impact on business operation or activities related to the organization into “inside-organization stakeholders” i.e. employers, management, staff and “outside-organization stakeholders” i.e. customers, vendors, government organizations, account payables, and shareholders. Roles and responsibilities of each individual are set up to emphasize a clear linkage of business operation.

Stakeholders and Business Linkage

Inside-organization Stakeholders

1. Management <ul style="list-style-type: none">• Manage based on good corporate governance principles• Develop organization in term of growth and stability• Have Visionary	2. Staff <ul style="list-style-type: none">• Constantly and growth opportunity in career path• Fair and competitive remuneration in comparison with labor market• Favorable working-environment and safe• Training and coaching in areas related to work responsibility to add value to staff and organization
---	--

Outside-organization Stakeholders

1. Customer <ul style="list-style-type: none"> • Sell standardized goods under publicized • Do not take advantage of customers and service all customers fairly • Standard price • Support services both pre and post sales • Listen and respond to all feedbacks and complaints 	2. Vendor <ul style="list-style-type: none"> • Comply with trading rules and conditions including respect human rights • Open to competition, liberal and fair trade led by auction process • Emphasize on production standard • Operate with integrity • Focus on environmental management
3. Shareholder <ul style="list-style-type: none"> • Manage with good corporate governance principles • Add value to the Company • Give appropriate returns on an investment 	4. Accounts Payable <ul style="list-style-type: none"> • Strict to repayment schedule and required conditions • Maintain debt to equity ratio not to exceed requirements on bond issuance
5. Government <ul style="list-style-type: none"> • Support and comply to all laws and regulations • Cooperate with government agencies on activities and campaigns 	

CSR Working Team

Presently, “Corporate Social Responsibility” is being emphasized as one of the important agendas as well as business operation. In this regard, Securities and Exchange Commission (SEC) requires that all listed companies disclose information showing awareness on social and environmental impact and relevant parties on the Annual Registration Statement (Form 56-1) and Annual Report. Hence, to be able to efficiently and transparently disclose business procedures in relation to social responsibility, the Company set up a working group of people as follows:

1. Mr. Nat	Jarlitchana	Senior Vice President - Marketing
2. Mr. Weerapun	Ungsumalee	Senior Vice President - Operation
3. Mr. Vathuny	Visuthikosol	Senior Vice President - Business Development
4. Ms. Siriwan	Paimsethasin	Senior Vice President - Merchandising
5. Mr. Nitat	Aroontippaitoon	Senior Vice President - Human Resource and Loss Prevention
6. Ms. Wannee	Juntamongkol	Senior Vice President - Accounting and Finance
7. Ms. Orapin	Sirijitgasame	Vice President – CRM Marketing Management
8. Mr. Sansern	Ruengson	Vice President - Human Resource

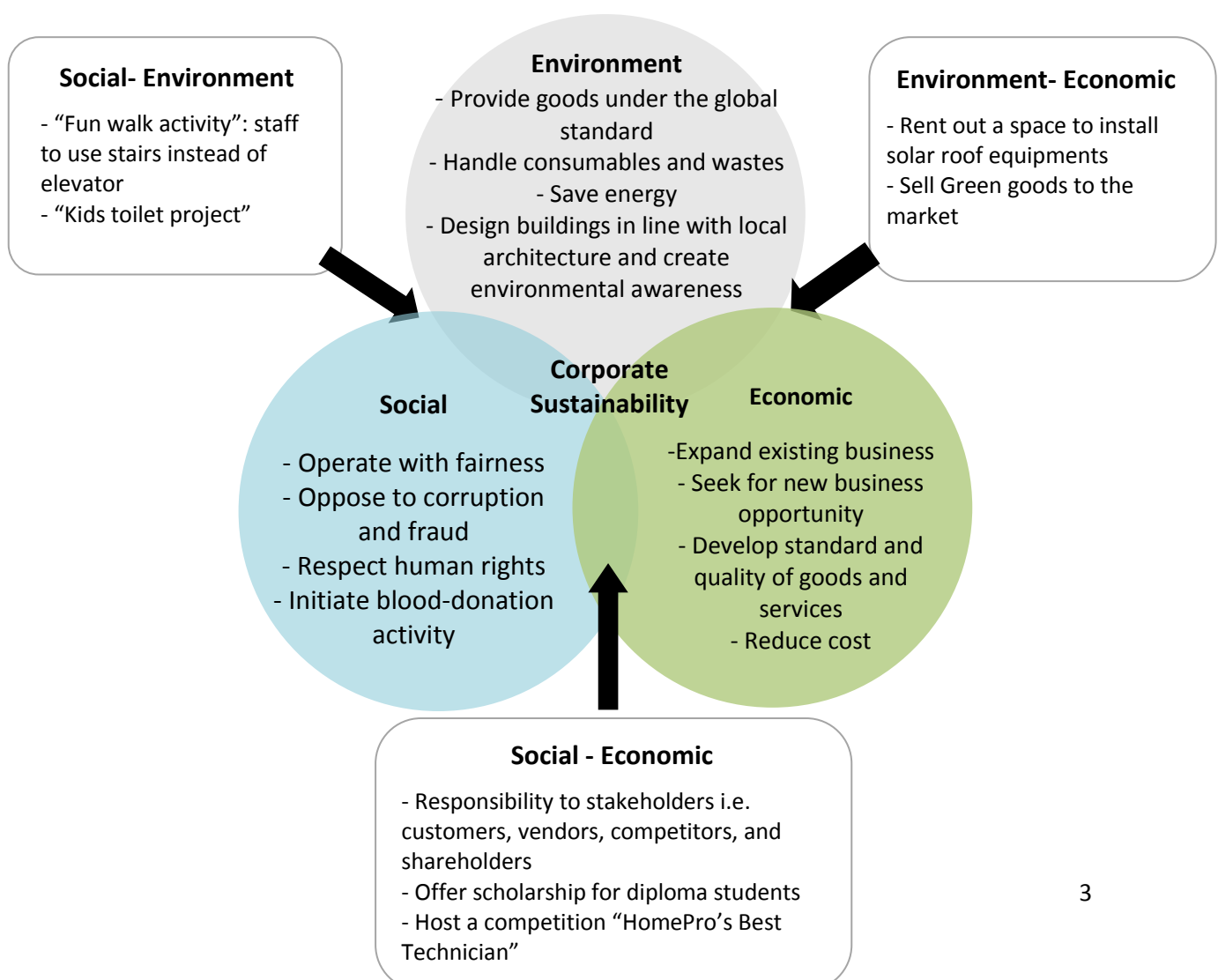
Business Context

In accordance with the vision to be the leader of home center business in Thailand and South East Asia, the mission therefore commits to provide trust and confidence in terms of standard in goods, services, and prices by utilizing environmentally-friendly raw materials as

guaranteed by global standards namely Thai Industrials Standards (TIS), Consumer Protection Board Standards (OCPB), Food and Drug Administration (FDA), Hazardous materials used in public health, Goods labeled number 5, and International Electro technical Commission (IEC). The Company commits to service all customers with consistent and fairness based upon good corporate governance. It also thrives to collaborate with business alliance to improve efficiency as well as build good relationship with society and community to create mutual benefits. In addition, the Company always seeks for a new business opportunity including new goods, new branches for an incremental value for the Company and all stakeholders, at the same time, develop personnel's competency, efficiency commitment, and continually maintain Homepro's products awareness as the number one.

To develop business sustainability and generate benefits to society, it is not only about providing goods and services that satisfy customers' need or running a business by not generating negative impacts on all related parties economy, society and environment wise, but it is absolutely also about social responsibility in all levels, inside and outside organization. As a result, the Company has attempted to connect business operation to the context of economy, society, and environment.

Sustainability Dimensions



HomePro Corporate Social Responsibility in Accordance with the Principles of the Stock Exchange of Thailand

1. Operating Business with Fairness

The Company believes that running a business with fairness creates the confidence to stakeholders which will be beneficial to the business in long term. Hence, the Company operates business based on accuracy, fairness, non-exploitation, integrity, reliability, mutual benefits with vendors and account payables. The codes of conduct can be achieved by strictly complying with rules of law, having business ethics, not bribing or cheating with vendors, applying good corporate governance, being direct with business transaction or corresponding with government agencies, opposing to bribery with government officials that leads to business convenience or business interest.

To enable sustainable business operation, the Company coded practice guidelines for all departments along the supply chain for example, vendors, outsourcing companies, contractors, suppliers in accordance with rules and regulations, trade laws. These guidelines will encourage all related companies in the supply chain of Home Product Center Plc. to work with ethics, respect human rights, emphasize on occupational health and safety of employees, and pay attention to environmental management.

The Company has a policy to disclose consistent and accurate information in order that all stakeholders can access to all key data. All significant information, connected transactions, off-balance sheet information are disclosed via Annual Report which is annually delivered to shareholders together with an invitation letter for the Annual General Meeting of shareholders and annual registration statement (form 56-1). The information can also be found at the Company website or SET website as well as SEC website.

Responsibilities to Vendors

The Company has a policy to treat all vendors with fairness, maintain confidentiality, not exploit or take advantage of others by taking a position of market leader. The company commits to accuracy, transparency, fairness, and accountability in managing and conducting transactions with vendors. In this regard, to enable business sustainability, the Company lays a foundation to vendors via sustainable practice guidelines where content and scope are in line with relevant regulatory laws and regulations. This shall enable vendors to operate business with ethics, respect human rights, and pay attention to employees' occupational health and safety as well as environmental management.

The Company emphasis on a relationship with vendors as business partners that will grow together including support and offer an opportunity to vendors' business or small and medium enterprises with fairness aim towards mutual benefits. The Company has a

measure to loosen cost burden of vendors or small and medium companies. Such measure is believed to help those vendors in many areas as follows:

Procurement: The Company offers vendors an opportunity to introduce their goods without price pressure. Selection process is conducted together with vendor evaluation in 4 aspects: Production capacity, Product quality, Quality of service, and Quality of logistics. The Company also takes pride in its professional planning for purchase order/manufacturing order 3 months in advance so that vendors can manage planning, as a result, generating mutual benefits.

Production: The Company has experts to design and develop goods for vendors and entrepreneurs for efficient improvement in an environmentally friendly manner and for target customer satisfaction. This will add incremental value to the goods.

Sales: In 2013, the Company has 64 branches all over the country and that means an increase in distribution channel for vendors from existing branches and cost saving for vendors for logistics including better quality of service to customers. In addition, the Company develops knowledge and competency of each vendor representative e.g. product consultant.

Service: The Company has distribution center to distribute goods to customers all over the country to save vendor's costs on transportation and distribution as well as fast, convenient and up-to-date with vendor relationship management system (VRM) to support all aspects of information, treat vendors like partners where vendors are able to receive a similar information as the Company i.e. financial data, once goods are delivered, vendors are able to check payment status online and do not need to send an officer to hand an invoice or receive money. VRM system is operated online and automatic towards money transfer process to vendors.

The Company respects vendors' rights in receiving necessary information to evaluating the Company equally. Consequently, it will continue to regularly disclose information on performance, financial data, and all supporting information as required by the Stock Exchange of Thailand. The Company also maintains good, sustainable, and consistent relationship with vendors including not abuse vendors' information. More importantly, the Company provides a channel for vendors in case they are treated without fairness and so the Company will bring back those complaints and feedback to improve and develop on a sustainable basis.

“Contractors Development for Sustainable Growth”

The Company supports vendors, outsource companies, contractors in need of financial support or basic facilities to start up a business by launching “Tao Kae Noi” (small entrepreneur) project. The Company distributes work on logistics, home service to contractors. Technicians participating in this project will get a training course on policy and work procedures to ensure customers gain the same standard of operation.

In addition, the Company is aware of the importance of supply chain development for not only upgrading the service standard of the Company staff but also improving personnel in related units particularly home service. In this regard, the Company hosts a competition “HomePro’s Best Technician” with an aim to enhance proficiency of Home Service technicians towards universal standard. In addition, the professional technicians will provide the best service to their customers and this is the customers’ first impression.

To enhance technicians’ proficiency, in 2013, the Company hosted the competition for 3 consecutive years in collaboration with the Department of Labor Skill Development under the Ministry of Labor, Cera C-Cure Company Limited, SS Glascera Company Limited, Navapas Product Partnership, Ruby Thailand Company Limited. The competition took place at Institute for Skill Development, Samutprakarn and was divided into three areas including tiling technicians, air conditioner installation technicians, and washing machine cleaning technicians.

Numbers of technicians participating in this competition are as follows:

	2011	2012	2013
Number of Technician (person)	80	120	120
Number of Team (team)	40	60	60

Winning technicians received a reward more than 200,000 Baht and a certificate. In addition, the Company guaranteed full year job assignment and technicians performance became a standard for Home Service as the post-competition yielded a competitive environment such that technicians competed with one another on their performance and number of assigned work from the Company as well as remuneration. These competitive atmosphere rendered higher quality and service for customers as evidenced by a continuously growing index on customer satisfaction survey in 2011-2013.



Responsibilities to Customers

The Company was established with an objective to operate a retail business by providing complete range of goods and services relating to construction, addition, decoration, and renovation of buildings, houses, and residences in a form of One Stop Shopping Home Center. In addition, since most of the Company's goods are filled with details and processes that need to convey to customers, the Company therefore provides all related services starting from offering consults and key information for further consideration where customers make the right decision and choice. Home Service also offers 3D system design, installation service, maintenance service, and home improvement service. Professional technicians are available for service after sales including exchange and return service, Do It Yourself and workshop activities that are useful to customers' places.

The Company's goods have been selected and crafted according to quality inspection process and legal requirements. The Company is against infringement of intellectual property or any goods with a copyright and patent. All goods and products shall be safe to customers and friendly to the environment as guaranteed by Thai Industrials Standards (TIS), Consumer Protection Board Standards (OCPB), Food and Drug Administration (FDA), Hazardous materials used in public health, Goods labeled number 5, and International Electro technical Commission (IEC). However, if customers find any defect or problem with the product they can exchange or return such product to the Company within 14 days.

The Company commits to select quality goods and services to serve and satisfy customers' need by offering high quality products and avoiding price cutting to gain margin because it is a path towards cost reduction, poor quality and shortens usage where customers have to buy an item more often and this equals to increasing wastes to the world.

In addition, the Company adds a channel for customers' recommendation and feedback on goods and services including HomePro staff service or any problem customers may have at:

- Company website: www.homepro.co.th or
- Call Center +66 (0) 2831 6000 or
- Suggestion Form at any HomePro branch
- Customer Service Center
Home Product Center Plc.
96/27 Moo 9 Tambon Bangkhen, Amphoe Muang, Nonthaburi 11000

Responsibilities to Competitors

The Company professionally treats competitors in accordance with global principles under a set of laws including trade competition act, no breach of confidentiality or any advance knowledge of the trade secret of partners by means of fraud, no breach of confidential information of competitors by methods not in good faith, and no discrediting the reputation of competitors by a malicious accusation.

2. Opposition to Corruption

Ethics, Integrity, and Transparency are one of the Company's core values where it has a policy on business transparency, anti-corruption in the organization. Organization structure is created in term of good corporate governance with compliance and internal audit. Employees are encouraged to have a good mindset. Management team leads with transparency and distribute ethics guidebook to all employees for future practice and belief. The Company also has corporate culture of building a smart and decent employee, for instance, rewarding and praising in a campaign "Kon Dee HomePro" (HomePro's Decent Staff).

The Company encourages all employees to take part in monitoring compliance with good corporate governance principles where staff can make a complaint at any behavior they see inappropriate or misbehaved. Complaints can be done by several channels, for instance, email address to Managing Director at md@homepro.co.th or via HRMS internal system or website www.homepro.co.th. Reply process is fast and fair as HR and top management will listen to all complaints in a fair and transparent manner. They pay attention to transparency and accountability in all transactions or contracts or relevant companies in order to avoid any inappropriate or conflicting manner or behavior against good corporate governance including an opposition to bribery that could misconduct business transactions.

Branch Expansion

In 2013, the Company has 64 branches all over the country and is planning to continuously expand more branches for building construction based upon transparency. Details are as follows:

1. Architectures and designers are hired for interior design, system of which those professionals will identify specifications, raw materials. Suppliers will present to the Company together with the designers for mutual consideration and approval prior to next procedure.
2. Company selects contractors considering from quality past performance by bidding or negotiating at least twice. Committees are set up to fairly and transparently select contractors and equipments. In addition, as the Company expands more branches continuously, so once contractors are approved, same quotation will be used as the reference to bid for construction a new store.
3. Inspection process is done by engineers who examine all equipments and construction procedures in accordance with the design.
4. When the construction completes, the Company will evaluate and score contractors for future bidding and collaboration.

Exchange of Gifts

1. Management and employees are not allowed to take or receive any extra benefit from vendors, contractors, suppliers, consultants, and related companies.
2. Management and employees must avoid giving or taking gifts from vendors or related companies except festive season but within reasonable value and irrelevant to business engagement.
3. Management and employees must avoid hosting or accepting entertaining in an inappropriate or exceeding manner from persons or companies related to the Company.
4. Management and employees must avoid giving or taking travel reward from vendors except a business trip that generates mutual benefits and getting approved by reward committee.

The Company set up core values on ethics, integrity, and transparency for temporary personnel as follows:

1. Training and developing, the Company provides training on business ethics in orientation course, operation standard and mind training for young Buddhist.
2. “Kon Dee HomePro” (HomePro’s Decent Staff) activity to praise and appreciate a smart and decent personnel.
3. Regular examination of behavior and competency by Compliance, Audit, and Loss Prevention departments in order to prevent potential corruption in every function.
4. Evaluation process that indicates ethical and moral personality and mindset using annual performance management.

As for vendors or subcontractors, the Company encourages liberal and free trade and fair bidding process, avoids corruption and fraud as well as infringement of intellectual property. In addition, the Company set up a campaign encouraging management and

employees related to procurement to be aware of anti fraud and corruption or bribery in any case.

In 2013, there are no complaints against corporate governance and business ethics and no significant issue on unfair treatment, corruption, confiscation resulted from inappropriate or wrongful acts that ruin business operation and ethics.

3. Human Rights

The Company is aware of and respects human rights by giving fair treatment to customers, employees, temporary staff, vendors, and all stakeholders without discrimination on gender, religion, skin color, racist, domicile, and disability. It accepts the difference in thoughts, society, environment, norms, tradition, and culture among different locals the Company opens a new store.

The Company respects human rights on labor welfare without child labor. Work hours are according to Labor Law including suitable over time request and holidays. The Company legally employs migrating labor and supports gender equality. There is no requirement on management gender but the Company led by Board of Directors will take into consideration performance, experience. This principle also applies to the Company's affiliates.

Employment of Disabled Personnel

The Company employs disabled personnel according to Employment Law for persons with disabilities year 2012 and supports handicapped people to fill in the same position as normal employees in a suitable and doable position, for example, sales team, maintenance team, call center, delivery, and administration.

Number of Company's disabled personnel during 2011- 2013

	2011	2012	2013
Number of disabled personnel	70	83	91
All employees as of Oct 1*	6,914	7,974	9,051

Note: Reported number of disabled personnel is required by Office of Social Development and Human Security

Protection of Pregnant Employees

The Company protects pregnant employees by granting maternity leave by law. Sales person is arranged to be at day shift and not allowed to work over time or during weekends or work that requires long hours of standing or heavy lifting. In addition, the Company provides maternity dress and gifts for new born baby.

Protection of Customer Information

The Company pays attention to customer confidentiality. All information related to customers is kept in a database. Access, add, or edit to the database are required by level of authorization. Request for information or editing or privileges by membership cards are also required the owner's identification card to examine prior to proceeding.

Fair Service and Treatment

The Company targets to treat all customers with clear fairness, at the same time, convey the message to all levels of employees for the best implementation under the idea "Service Excellence". Practice guideline follows the same standard for all branches. All customers are treated with fairness and equality, without discrimination on level of income, gender, age. Queuing system is implemented, drinking water is served to all customers, and wheelchairs are available for disabled customers.

Problem Solving on Complaints

The Company follows up and is aware of problem solving or complaints that affect employees through employee satisfaction survey, HomePro Space activity, relationship building activities. These activities are held with an objective to bring back opinions, suggestions, and complaints of employees to improve i.e. rules and regulations, workplace environment, facilities where the Company finds useful to employees and the organization. This also includes remuneration structure, employment structure, and service image. In this regard, the Company regularly communicates with all employees on welfare and package improvement via distributed information by HomePro News and distributes to employees via email as well as announcement in the workplace.

Human Rights Support at Home Product Center

The Company supports government policy, complies with laws and regulations on human rights. This becomes a fundamental for human resource management, improvement and monitoring for transparency result. HR personnel have comprehensive understanding on key requirements on human rights, on labor law and are able to apply to work as policy makers on work procedures related to human rights and labor rights. HR personnel are able to touch down to subordinates in each branch and create better understanding on all levels of staff on the subject matter.

4. Fair Treatment to Workforce

The Company treats all workers with fairness based upon labor law and business circumstance. Staff receive fair remuneration and suitable for their responsibilities. They are paid higher than minimum wages and receive provident fund. There is neither labor abuse nor child abuse nor unfair employment contract nor labor union. Welfares are higher than those required by law and competitive among similar companies in the industry, for example, annual health checkup, medical expense, accident insurance, office uniform, emergency money, diploma- bachelor- master scholarships. In addition, the Company offers “Foundation of Retail Business in Dual Vocational Training” where it offers not only diploma scholarships but also career at HomePro. Moreover, activities on happy workplace are held, for instance, sports day competition, activity for staff who works at Company for 10 years, HomePro volunteer on CSR activities, and blood donation.

Staff Recruitment

The Company has workforce plan to recruit competent staff that is able to catch up with business demand. It opens for opportunity and fairness without discrimination on gender, racist, religion so as to put the right man on the right job and able to respond to customers’ different demands in different provinces including “Suk Jai Klai Baan” project that gives employees an opportunity to relocate to work at store near their hometown to enhance growth and prosperity.

Moreover, recruitment and selection process consists of various means so that smart and decent personnel are effectively screened. Methods are for instance:

1. Personality Test- to evaluate appropriate personality that is suitable for a position. Vice president positions and higher are required to do Supervisory Test to evaluate ability to supervise.
2. Competency- based interview- this method is conducted by interview committee to ensure an applicant is suit to the Company’ demand
3. Management Trainee- to recruit potential young executives

Performance Evaluation and Annual Bonus

The Company has a consistent evaluation system on a bi-annual basis by submitting evaluation form to supervisor. The result of evaluation is divided into department evaluation and self-evaluation that result in annual bonus for the employees. Each

evaluation shall be sent to organization development department to assess for job promotion, talented personnel, and potential successor for the future.

Competency Development

The Company emphasizes on consistent enhancement of staff competency for all levels to support business growth and encourage management and staff's utmost capability.

The Company set up a particular training center for employees to learn and build work efficiency as well as follow up on training outcome for a practical result. Training coach is specifically set up to concentrate particularly on the training course of which training and competency development into 3 areas as follows:

1. Training on basic knowledge and job responsibilities for all new staff based upon 90 courses of fundamental training and job description.
2. Training and competency-based development including in-depth competency enhancement and readiness course for oversea business expansion i.e. English training course and another 11 courses of competency-based development.
3. Development of talented personnel and potential successor with 3 courses of building leadership and competency, creativity, and strategy management. In addition, the Company cooperates with leading institutions and universities to initiate Mini MBA program with an aim to train potential management of future job promotion or rotation.

In addition to in-house training programs, the training center also supports various kinds of learning as follows:

- Build a culture of coaching and mentoring in the organization through on-the-job training (OJT) at real workplace. Each branch management is able to share and exchange knowledge, experience, best practice, and other useful information with newcomers.
- Encourage e-learning that offers unlimited learning through Knowledge Management (KM) system. The Company currently has 30 courses of e-learning.
- Encourage senior level of management and above to become a lecturer/ speaker that will render self-development as well as others. In addition, that management is able to transform their tacit knowledge into explicit knowledge in a form of teaching materials or journals distributing in the organization.

As for monitoring and evaluation process, the Company established 3 levels of monitoring and evaluation system as follows:

1. Efficiency- gauged by training schedule and target, training satisfactory survey, and speakers' capability.
2. Productivity- measured by level of knowledge and skill, change of behavior by knowledge survey check conducted by the training center of each branch at least on a yearly basis.
3. Business Impact- evaluated by sales growth and customer satisfaction where the Company starts monitoring and evaluating such growth and satisfaction after the training.

Training and Competency Development of Staff

	2011	2012	2013
Investment on training and development (MB)	6.53	7.79	5.57
<u>Training Record</u>			
Classroom (person)	20,736	24,987	26,736
e-Learning (person)* <i>some branches</i>	2,981	3,502	4,909
OJT (person)* <i>only at new branches</i>	834	1,137	1,178
Classroom (hour)	184,536	221,364	217,120
e-Learning (hour) * <i>some branches</i>	16,240	18,664	16,411
OJT (hour) * <i>only at new branches</i>	140,112	206,934	354,578
<u>Number of average training hours per person</u>			
Top management	21.24	60.24	55.57
Middle management	33.27	66.21	51.56
Beginning management	46.45	134.96	91.01
Operational staff	66.45	77.41	103.92
Number of average training hours per person per year	41.85	84.71	75.52
Knowledge skill of branch staff	94.9%	95.7%	96.2%

* updated on a yearly basis at December 31

* OJT (On-the-job Training) is training at each real workplace by supervisors

Career Management

Career path management is an effective instrument to thoroughly and systematically develop human resources. Evaluation of major job effectiveness for key positions driving the business is conducted, for example, operation, procurement, inventory management.

Management of talented human resources is conducted by taking into account knowledge, capability, and other elements in various dimensions i.e. business understanding and performance, ability and proficiency, experience and years of work, individual character. This management system enables workforce to have a clear direction to develop and enhance future growth of the Company, and renders staff incentives to develop themselves to meet higher target and become committed to the organization.

Moreover, the Company offers scholarships in bachelor and master degrees including Mini MBA program for talented personnel whose qualification is clearly in line with HR development target as well as the Company's direction and strategy.

Workplace Environment

Work process based on safety and occupational health of employees at their workplace is utmost important. As a result, the Company pays particular attention to setting up an appropriate workplace environment by selecting only nontoxic equipments, non chemical residues equipments to prevent pollution and chemicals during operation. Safety equipments without health hazard in short and long term are provided e.g. "back support belts" for staff lifting tiles or heavy items, "ventilation fans" for back stock areas.

In addition, the Company has work safety policy by appointing a particular department in charge of safety. Responsibilities involve arranging trainings and understanding for staff, monitoring and giving advice on safety at workplace, assessing equipment risks as well as organizing campaigns and activities relating to safety environment of workplace followed by monitoring and result evaluation. Injury record of the previous year is as follows:

Record of injuries related to work	2011	2012	2013
Number of accident	28	15	14
Number of employee	6,967	8,148	8,998
Injury rate per employee	0.40%	0.18%	0.16%

In 2013, the Company renovated workplace as follows:

1. Renovated branches at Khonkan, Udonthani, Phitsanulok, and Prachacheun.
2. Renovated and expanded head office space by building a new office building and renovating the existing building by taking the first priority on hygiene, safety, convenience so that staffs have creativity and happiness at their workplace.

The Company has channels for staff to make complaints or notify any offending acts through "Complaints Notification Unit, Human Resources Department" or via email address: md@homepro.co.th.

5. Commitment to Consumers

All goods at the Company are designed for household usage with a standard and environmentally friendly manufacturing process, resulting in high quality and duration. In addition, the Company offers a standard customer service for post and pre sales under Service Excellence concept for all valuable customers. Details are as follows:

Pre- sales Service

- Provides professional and reliable recommendation and service to ensure that customers receive goods and service that match their demand with full privileges.
- Offers 3D design for customers who would like to renovate bath room, toilet, or kitchen or those who wish to change the tiles. Professional designers will introduce the design that matches customers' need as well as practical use to make sure the customers see a clear picture before making the decision to purchase. If the customers need technicians, the Company is ready to provide professional technicians to a site and monitor the designed job according to the agreed timeline.

Post- sales Service

- Services customers according to the Company's conditions the transportation and installation of electrical appliances, kitchen equipment e.g. basins, and other items i.e. lamps, curtains, wallpapers. Customers can make an appointment with the staff on the purchasing day. These services are available at all branches in Thailand where customers can purchase or put orders from any branches whereby transportation and installation will be arranged at the nearest and most convenient branches to customers' delivery request.
- "Home Service" is a post- sales service that covers 3 key parts including:
 - Installation Service – available for installing, moving, solving problems covering electrical, plumbing, tiling including installation of bathroom and kitchen equipments.
 - Maintenance Service – cleaning service and electrical appliances checkup i.e. air- conditioners, washing machine, clothes dryer machine, water purifier, cooker hood, and refrigerators.
 - Home Improvement Service – Fixing and decorating service according to customers' request i.e. tiling, bathroom and kitchen renovation, interior and exterior painting.

In addition, customers will receive service from professional and knowledgeable technicians on specific job including related products where budget and timeline can be controlled.

- Fix service – the Company will coordinate and deliver products to suppliers and follow up until the work is finished for customers' utmost convenience.
- Change or return service – customers can change or return the purchased goods to any branch within 14 days under the indicated condition.

- Workshop activity – teaching on a basic knowledge of housekeeping to customers. In 2013, the Company has arranged two courses for painting and how to locate a building in accordance with Chinese Feng Shui.
- Complaints, suggestion, and other notification – the Company has channels for complaints, inquiries, and suggestions for further improvement via call center service at +66 (0) 2831 6000 , Company’s website, or filling up recommendation form at a branch. Staff at the branch will record it to the database immediately after being notified by customers before passing on to a relevant department for further improvement under a service level agreement. The Company will keep the customers updated of latest status to ensure that customers’ notification is being taken care of.

6. Environmental Management

Since the Company’s goods are significantly correlated with environment, the Company pays close attention and commits to environmental management as follows:

Electric Energy Saving

Branch:

- (1) Change of general lighting from high bay metal halide 400 watt to fluorescent 28 watt or induction lamp 200 watt. This helps save electricity expense more than 100,000 baht/branch/month. Changing Halogen and Par 120 to LED types is also saving energy cost for 16,000 baht/branch/month.
- (2) Installation of thermal insulation and using specific building walls to save cost on air-conditioning
- (3) Installation of transparent roof for warehouse and inventory buildings and so lights are not necessarily turned on during the day.
- (4) Installation of VSD for motor controlling of pump chilled water and so mechanics rely on consistent power without power surge. This also saves electricity cost for 25,000 baht/branch/month.
- (5) Implementation of automatic lights and installation of sensor system to automatically switch on/off when enough light is needed.
- (6) Maintenance of mechanical systems i.e. chiller, AHU, cooling tower on a regular basis to maintain mechanics efficiency and save energy to reduce highest electricity bill during on peak period.
- (7) Improvement of water condition in water cool chiller in condenser without using chemicals. This treatment prevents scale in a condenser and enables effective ventilation and saves electricity cost and other related cost for 15,000 baht/branch/month (Only the branches that ventilate with Cooling Tower).

Head Office:

- (1) Campaign on energy saving among all staff i.e. “HomePro Fun Walk” activity encouraging staff to use stairs instead of elevator which is also another means of exercising, “Switch off when finished” activity encouraging staff to switch off computer screen during lunch break or when not using it for a short/long while.
- (2) Change of on-off switch system from centralization to an individual control where each staff is required to be responsible for their own switch during breaks and off- work hours.
- (3) Temperature control in office building at minimum of 24 degree celsius.

Water saving Policy

The Company is aware of water usage efficiency without impact on the Company’s service. Maintenance team regularly check up water pipelines and water gauge, as well as change or fix broken or leakage pipelines, use water-saving toilets, faucets, and showers. Faucets in office are all sensor based or in an appropriate time setup.

Building Design against Surrounding Area

Architectures at HomePro are not only aware of designs according to Building Control Law and Environmental Law i.e. setback, space covering buildings, water retardant area, waste water treatment but the Company also generates an incremental value on design work. Construction at all sites takes into account environmental and culture aspects as first priority i.e. designs at Kao Yai and Saraburi branch are barn-alike, whereas roof and building at Phuket branch are ship-designed, and as for Chiangrai branch, the roof is designed with Lanna style gables.

Treatment of Supplies and Wastes

- (1) Waste water – wastewater pond is built and the treated water goes to plants before draining the remaining to public tubes.
- (2) Recycled wastes – the Company calls for bid/tender on recycled wastes including papers, plastics, and glasses with vendors every one year or six months depending upon wastes price cycle.
- (3) Wet wastes – a room for wet garbage and wastes is built with air-conditioned temperature control to slow down bacteria growth and smell. Municipal agency will collect on a daily basis.

Business Opportunity to be ready for Climate Change

Energy crisis issue has been accelerated and severe whether it be lack of energy source or impact of energy consumption on the environment. In this regard, all parties need to be aware of such crisis and one of the solutions is alternative energy.

Solar roof is a solar power system which is a clean energy. Equipments are installed on a rooftop of houses, office buildings, factories, or other operational sites aiming at producing and supplying commercial scale electricity to the electricity generation authority.

The Company is in a contract agreement with Thai Solar Energy Company in December 2013 to install solar cell and further set up solar power equipments. This project is commenced with the first 10 branches namely Rajpreuk, Ekamai- Ramindra, Lopburi, Prae, Nakonsawan, Ubonraj-thani, Kaoyai, Nakornsridhammaraj, Surajthani. This project is initiated under the vision that the Company is aware of climate change impact which is also in line with the government's policy to promote and support alternative energy, reducing the nation's burden of fuel and energy dependence from other countries.

7. Development of Community and Society

The Company is aware of the importance of community, society, and environment development in the areas that Company has branches where the Company pays attention to pre, between, and post construction. This is because the community or society the Company enters into is all significant provinces, tourism destinations, and business districts of the nation during which the construction may negatively affect the community and their way of living.

Prior to the construction of a new branch, the Company has environmental impact assessment and requirement for contractors so as to not make any damage to the community. Project manager is assigned from a head- quarter to inspect and monitor contractors performance on a regularly basis. Business development team will study consumer behavior, income household, and consumer demand of goods and service prior to the new store construction to ensure that supply selection can be of great service to customers, for example, items suitable for elderly customers or healthy goods.

The Company assessed operation risks that may negatively affect the community i.e local stores of construction materials of which most have no fully integrated design and sales plan of home and decoration like HomePro in addition to our private brand so that customers have various choices. There is no such thing as a price competition or destruction of local stores.

At each opening of a new store, the Company builds toilets for a school nearby the branch called "Kids' Toilet Project". Many schools across Thailand have neither standard toilet nor good hygienic condition. As a way to give back to the society, HomePro and its business partners, in cooperation with the Department of Health, the Ministry of Public Health and Office of the Basic Education Commission, the Ministry of Education have examined and improved the school toilettes in order to enhance their standard to meet the national public toilet standard which consists of Health, Accessibility, and Safety (HAS). In addition, the

project will implant hygienic behavior, sufficiency, and safety for students' mindset so they have the same practice at home.

The Company plays a role in employing local workers for a new branch opening in several provinces nationwide. Another project is called "Suk Jai Krai Baan" (happy at hometown) which the staff can require to relocate to work at their hometown branch and make the family proud of them. This project also aims at strengthening love and affection in families and community, and generating income to locals. At present, staffs participating in this project is as high as 1,000 persons.

Moreover, the Company host activities relating to building a culture of decent men by inviting communities nearby the branch to do good deeds i.e. blood donation, merit making on religious festivals like Songkran (Traditional Thai New Year), accident rescue like flood as well as establishing high quality of life to the community such as books donation, hosting lunch for kids in the community.

Corporate Social Responsibility: CSR

"Kids' Toilet Project"

At present several elementary schools in Thailand are short of standard and hygienic restrooms where users lack knowledge on proper use of toilets. Objective is to enhance quality of life and hygiene in using restrooms among students. The Company organized a CSR activity called "Kids' Toilet Project" in cooperation with the Department of Health, the Ministry of Public Health and Office of the Basic Education Commission, the Ministry of Education, and business partners namely Siam Sanitary Ware Industry, a manufacturer and distributor of Cotto, Thai Ceramic Company Limited, a manufacturer and distributor of ceramic Cotto, Bangkok Decorplast Company Limited, and Nippon Paint (Thailand) Company Limited have examined and improved the school toilettes in order to enhance their standard to meet the national public toilet standard which consists of Health, Accessibility, and Safety (HAS).

Enhancement of School Toilets to Meet HAS Standard of Public Toilets under "Kids' Toilet Project"

The partnerships network with government agencies including the Department of Health, the Ministry of Public Health and Office of the Basic Education Commission and public sectors including HomePro to enhance school toilets to meet HAS standard on behalf of Office of the Basic Education Commission through "Kids' Toilet Project".

Standard Requirement of Thai Public Toilets consists of:

1. Heath – toilets are properly cleaned as required
2. Accessibility – toilets must be available and sufficient for users including disabled users or disadvantaged ones
3. Safety – public toilets must be located in a safe area i.e. toilet location must not be too remote, male and female toilets are separated, and enough light is provided.

Objective

1. To improve elementary students' quality of life for those who got selected to be part of the project.
2. To promote and imprint hygienic toilets usage for elementary school students in the project.
3. To embrace a sense of public belonging for elementary school students in the project.

Project Goal

1. Renovate and/ or build standard toilets that are hygienic and sufficient for selected schools.
2. All selected school kids in the project are taught and trained to use toilets hygienically as well as maintain sanitation and cleanliness of public belongings.

Procedure

1. Select target schools in cooperation with the Primary Educational Service Area Office.
2. Survey the school toilets condition before improvement and renovation.
3. Organize a course that encourages community, teachers, and students' presence.
4. Evaluate process and implementation, conclude budget for assessment.
5. Improve school toilets according to HAS standard.
6. Jointly examine the standard by Department of Health, Office of the Basic Education Commission, and Home Product Center Plc.
7. Set up teaching materials to explain toilets proper usage and maintenance.
8. Arrange toilets delivery ceremony and activities on toilets maintenance involvement.
9. Revisit every 3 months.

Development of Monitoring and Sustainable Assessment

Year 2006 - 2008 - HomePro officers visit every 3 months.

- Year 2009 - Monitored and evaluated toilets in the project, developed towards sustainability to maintain HAS (Healthy, Accessibility and Safety) standard.
- Year 2009 onwards - Improved and enhanced the toilets under HAS standard, and entered into partnerships network of public toilets improvement with Department of Health

Project Performance since the Beginning until December 31, 2013

Year	Number of Province	Number of School	Number of Toilet
2006	1	3	20
2007	6	20	215
2008	3	11	131
2009	4	18	210
2010	5	11	219
2011	5	17	200
2012	7	20	314
2013	10	35	494
Total		135	1,803

“Foundation of Retail Business in Dual Vocational Training”

Retail business is a fundamental for trading business and can be applied to business administration from a small scale to large scale. In the past, no institution offered a degree or teaching on this field so most of the people in retail business learned by doing.

As retail business in Thailand has significantly growing, the Company sees the importance of knowledge management and development on retail trading and commits to improve personnel competency to support the growth. Memorandum of Understanding (MoU) is signed between the Company and Office of Vocational Education Commission to build collaboration on vocational education and professional training on commerce majoring in retail business.

This project has an objective to collaboratively organize vocational education on bilateral system and enable students to be trained on professional experience on commerce majoring in retail business, on knowledge and skill as well as direct experience from real workplace. This collaboration is the development of teaching that supports students' effectiveness to be in line with professional education, teachers, and trainee students. Training under such collaboration will broaden trainees' knowledge and perspective at

workplace particularly giving students an opportunity to learn of working skill on business related and service in a real working environment. This project is expected trainees to have passion for their profession and foresee the future growth of career path.

Office of Vocational Education Commission offers 2 programs consisting of

- (1) Bilateral system, advanced vocational certificate and;
- (2) Internship program of 1 academic year.

Details of scholarships program in the previous year are as follows:

Year	Period	Number of Participating Academy	Number of Scholarship	Value of Scholarship (THB)
2012	1	6	64	1,843,200
2013	2	9	123	3,542,400
Total		9	187	5,385,600

Academy participating in the project is as follows:

Inception Year	School
2012	<ol style="list-style-type: none"> 1. Thonburi Vocational College 2. Thonburi Commercial College 3. Bangna Commercial College 4. Don Meung Technical College 5. Pathumthani Technical College 6. Meenburi Technical College
2013	<ol style="list-style-type: none"> 7. Intrachai Commercial College 8. Samutprakan Technical College 9. Thanyaburi Technical College

All academies participating this time play a significant role in the success of the project. In other words, these academies together with the Company worked together to design subjects that are suitable enough for the students to be equipped with modern knowledge and the Company can rest assured that the graduated students (new personnel) are knowledgeable and suit the Company's position. Having received collaboration from several agencies can be considered as one of Thailand's important milestones regarding business integration that sharpen students (future Company's staff) with both theories and real experience on business operation training under close monitoring and training by the Company's Education Service Center.



“Blood Donation”

At present blood reserves at Thai Red Cross are not sufficient for patients in need of. Home Product Center Plc. is aware of this insufficiency and thrives to become part of social responsibility. As a result, “Blood Donation Project” takes place with an objective to donate blood from physically- healthy employees to Thai Red Cross 4 times per year in order to reserve for future patients.

Objective

1. To present as an act of royal charity to His Majesty the King
2. To help patients in need of blood donation
3. To promote health and wellness together with cultivate ethical awareness to employees
4. To encourage employees to participate in public activities

Amount of blood which HomePro’s employees donated in 2013

Quarter	Amount of Blood Donated (Units)		
	Head office	Branches	Total
1	82	450	532
2	108	572	680
3	128	780	908
4	120	652	772
Total	438	2,454	2,892

Note: 1 unit contains blood approximately 350- 450 cc

In 2013, 3,398 employees participated in this activity of which 2,892 cc. of blood were donated (from head office 439 units and branches nationwide 2,454 units). In total, blood donation accounted for 1,156,800 cc.



Conclusion

The Company has complied with corporate social responsibility in accordance with principles of the Stock Exchange of Thailand namely doing business with fairness, opposition to corruption, human rights, fair treatment to workers, commitment to consumers, environmental responsibility, and collaboration with community or society. The Company emphasizes on strengthening those subject matters with all stakeholders and related parties in the areas of economy, society, and environment.

According to those social responsibility activities and procedures conducted by the Company on a regular basis, there leads to a strong linkage between sustainable development and all stakeholders in many projects as follows:

- “Tao Kae Noi” (Young Entrepreneur) Project: development of contractors for mutual sustainable growth
- One Stop Shopping Home Center Business Operation: a complete service for customers
- HomePro’s Best Technicians Project: enhancement of Company’s technicians to meet global standard
- Home Care Service: service after sales for customers
- Demonstration of Self- Assemble: provide customers with basic instruction on how to manually assemble furniture
- “Kon Dee HomePro” (HomePro’s Decent Staff) Project: cultivate smart and decent culture in the organization
- Education Training Center: training and development of employees’ competency including career path
- Energy- Saving Campaign: HomePro Fun Walk Project and Solar Roof collaboration by renting a land for solar cell installation to promote alternative energy and reduce the country’s energy dependence on fuels import.
- Kids’ Toilet Project: cultivate hygienic behavior for elementary students

- Scholarship for diploma on retail business management: improve and increase efficiency for skilled workers
- Blood Donation Activity: promote health and wellness awareness as well as cultivate social contribution on employees

The Company determines to continuously deploy all of the above projects and, at the same time, improve content of each project to keep it updated to economics, social, and environmental contexts of each local area. The Company will also continue to strengthen the linkage of the subject matter to all related parties and stakeholders for efficient and sustainable growth.