



**NRF**



# **SUSTAINABILITY REPORT 2020**

# WELCOME

In this report, NR Instant Produce Public Company Limited (NRF) described our effort, progress and action plans related to sustainable development. All information in this report contributes the performance and operation in 2020's journey based on our commitment to create a sustainable world along with sustainable business growth regarding to the United Nations Sustainable Developments Goals (UNSDGs). The information in this report showed how we embedded SDGs into our sustainable journey.





"TRANSFORMING  
FOOD SYSTEM  
FOR A  
**LOWER  
CARBON  
WORLD**  
IS THE ULTIMATE  
GOAL OF NRF,  
THAILAND'S  
**PLANT-BASED  
FOOD**  
PRODUCE"







# CONTENTS

01

**Message from CEO**

02

**Awards of Pride**

06

**Company Overview**

13

**Sustainability Strategy**

22

**Sustainability approach**

- Cooperation Between the Company and National and International Environmental Organizations
- Overall Output According to SDGs

75

**Summary**



# MESSAGE FROM CEO

## IF THE WORLD DOESN'T REACH NET ZERO WE COULD SEE FOOD SYSTEM COLLAPSE WITHIN A CENTURY.

As the impact of climate change is severely day by day, all sectors were impacted especially agriculture and food production. It is necessary for all sectors to take action to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. NRF is one of the world's leading sustainable food production company. We considered this problem as our first priority to help our planet. **WORLD FUTURE IS OUR PRESENT. So, our future of food isn't going to wait – it's happening "NOW"**

NRF is the **1st purpose-led company** listed on the Stock Exchange of Thailand (SET) with strong passion to grow our business sustainably. We are also the 1st company in Thailand committed to science based targets (1.5-degree pledge) and the 1st company joined race to zero campaign by aiming to be a net zero carbon emission organization in 2030. We see ourselves as a climate actor, so, we committed to embedded 10 Sustainable Development Goals (SDGs) to operate the business with efficiency along with good society and environment. Therefore, we merge those goals into our sustainable strategy **"Triple Bottom Line" or 3Ps (People, Planet and Performance).**

Besides, in 2020, we were a net zero greenhouse gas (GHG) emission factory by offsetting 100% of total GHG emission for 2 consecutive years. Moreover, we are also concern about local communities well-being, therefore, "Food For Future Generation" project was initiated to provide good quality foods to disadvantaged people due to covid-19 pandemic. Moreover, we also pay attention to medical personnel by donating alcohol gel, surgical mask, personal protection equipment (PPE) and food for more than 51K person. As our goal to create delicious and sustainable specialty food products that delight and enrich people's lives. We continuously walk on a sustainable development pathway by aiming to improve not just taste but is...

**Better FOR US**  
and  
**Better FOR PLANET**

**DAN PATHOMVANICH**

Chief Executive Officer





# Awards of Pride

## Organization and Personal Awards



Superior Taste Award 2021  
from International Taste Institute

## International Recognition



CEO Today Global Award 2021  
From CEO Today Magazine



United Nations  
Global Compact



**Bloomberg**

**Forbes**

**The Economist**

**CNN TIME**



## Stock Market Index



Entered ESG Emerging List 2021



Entered ESG100 Index



Entered THSI List 2021



Entered SET100 Index



Entered FTSE ALL World Index  
of micro cap group



# Climate Action



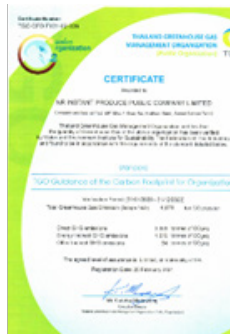
The first company has joined  
"Race to Zero" campaign



The first company has committed in  
Science Based Targets



Carbon Footprint Organization Certificate  
for 2 consecutive years



Carbon Neutral Organization Certificate  
for 2 consecutive years



Carbon Neutral Certificate - COO  
for 2 consecutive years



Carbon Neutral Certificate - CEO  
for 2 consecutive years



Carbon Neutral Certificate – General Manager Sustainability and PR  
for 2 consecutive years

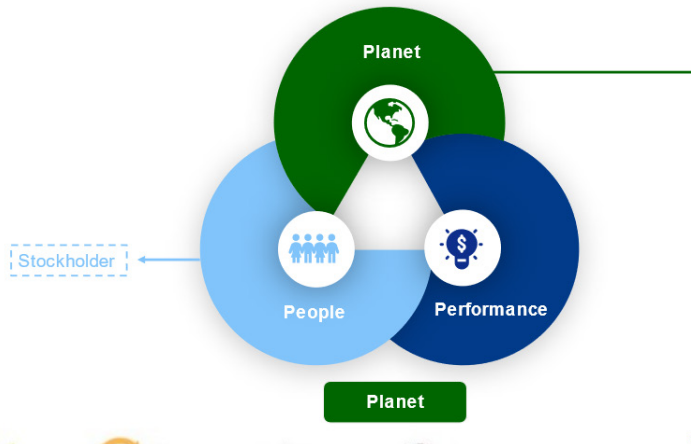




## “Purpose – led organization with a triple bottom line”

### Sustainability Strategy

“Purpose – led organization with a triple bottom line”

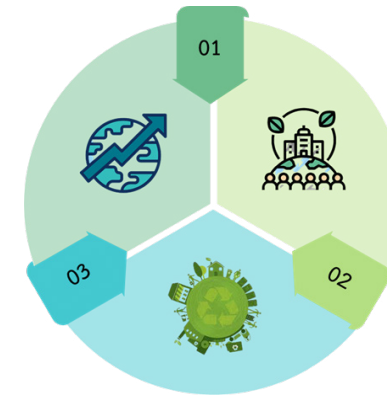


## Sustainability Framework

“We deliver the food innovation to create a sustainable happiness and low carbon society”

### Economic Success

- Sustainable business growth
- Innovation

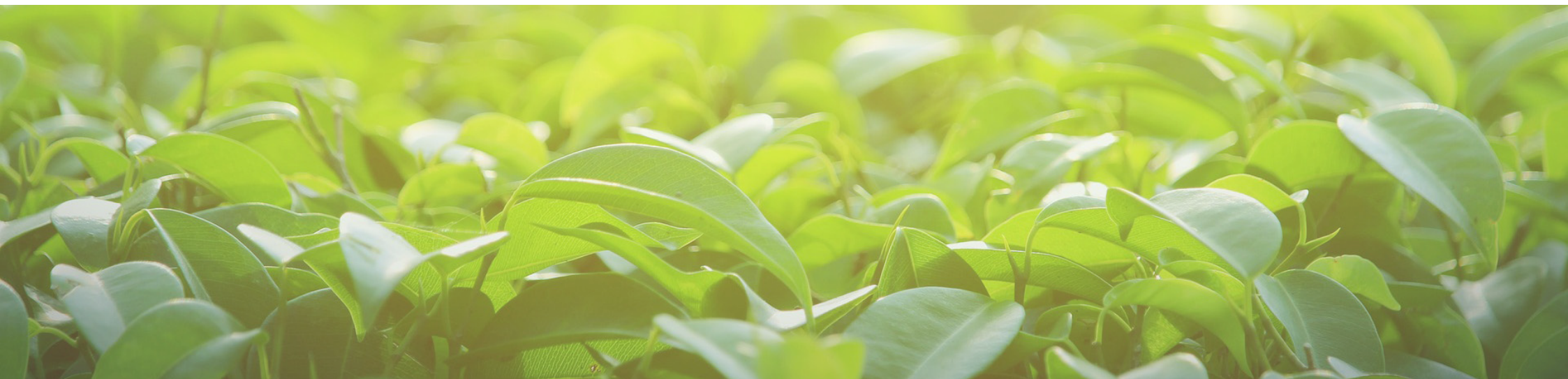


### Social Responsibility

- Well-being
- Health & Safety
- Social responsibility

### Environmental Responsibility

- Biodiversity
- Ecosystem
- Waste management



# Company Overview

## Vision

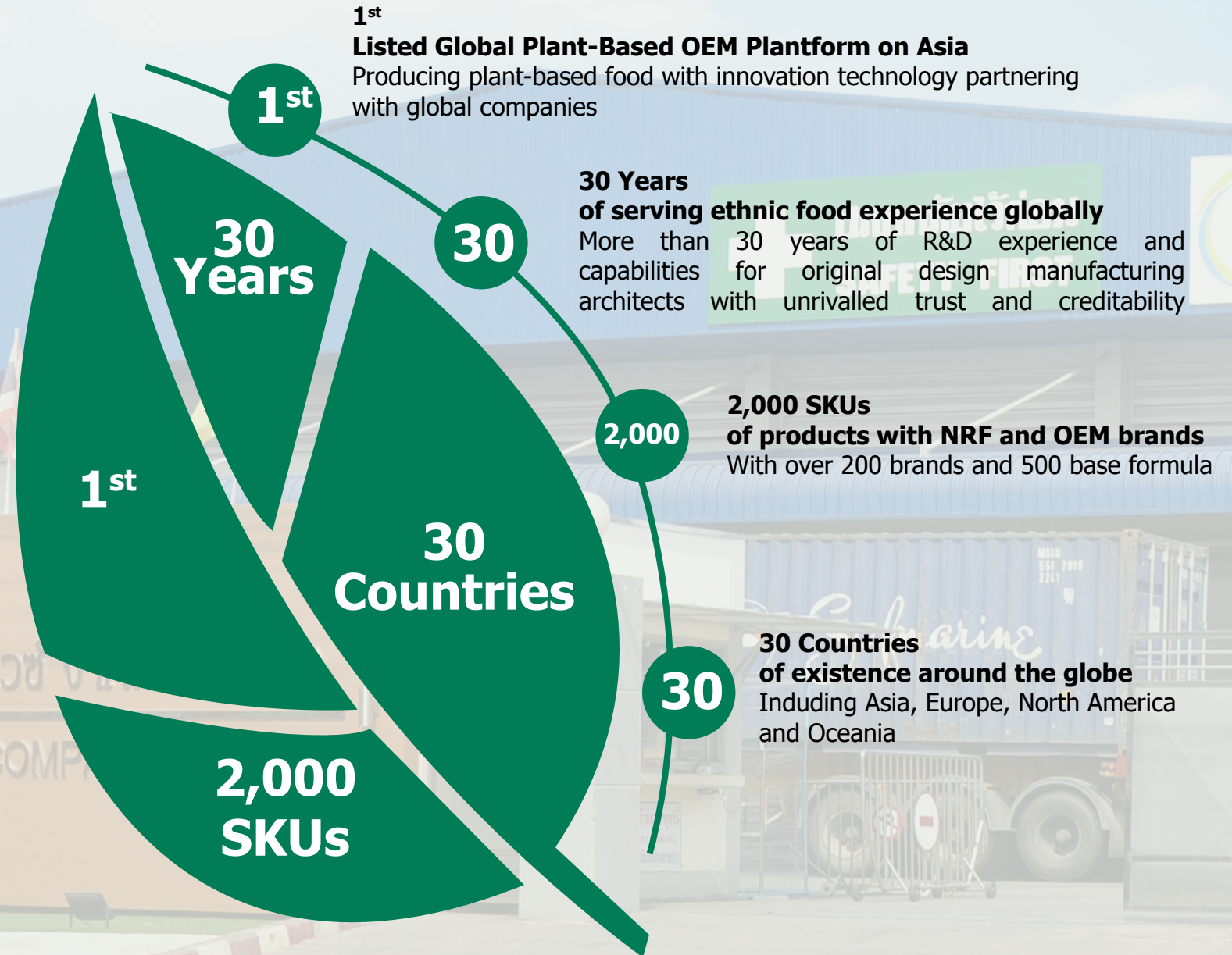
"To be the forefront of food for the future by building global platform around ethnic, plant-based and functional foods with sustainable growth"

## Mission

"Transform our food system for a more inclusive and sustainable world. The world will be better, our producers will be better, and our customers will be better"

## Goal

"To create delicious and sustainable specialty food products that delight and enrich people's lives We do this by developing innovative products that improve not just taste but is better for me and better for the planet" and emphasize the purpose-led company focusing on sustainable business and were chosen as the first choice to produce instant food for the global forefront company





NR INSTANT PRODUCE PUBLIC COMPANY LIMITED (NRF) is the first purpose-led company listed on the Stock Exchange of Thailand (SET) focusing on the sustainable consumption and production for low carbon foods with a major focus on transforming into the world's leading co-manufacturer of alternative protein ingredients and foods. We are recognized as a leader that is not only producing variety of quality products, but we also focus on building awareness about sustainability and through our mission to invest in many food technology startups. Today directly and indirectly through our \$50 million accelerator with offices in New York and Singapore we invested into more than 50 starts ups in the alternative protein space. We believe that small actions can create bigger impact.

NRF was established on December 30th, 1991 were officially listed to Stock Exchange of Thailand on December 16th, 2020. We have more than 2,000 SKUs with over 500 recipes. Our company classified product type for three main categories including:

**70%**

1. Ethnic food including OEM products as 70% of 1H/2021 operating revenues and NRF owner brand as 30% of 1H/2021 operating revenues

**5%**

2. Plant-based food as 5% of 1H/2021 operating revenues

**2%**

3. Functional product in V-shapes technology as 2% of 1H/2021 operating revenues

**11%**

4. E-Commerce as 11% of 1H/2021 operating revenues

We exported our products to more than 30 countries around the world such as United States, European countries, Asia and Australia. With the international food safety standard, we are one of the first company that was certified the BRC (The British Retail Consortium) certificate since 2004. In addition, the company has passed many food quality inspections such as IFS Food, GMP, FDA standard and many more.



Since 2017, Mr.Dan Pathomvanich, CEO and Director of the company, transformed NRF to become a food for future company with food innovation development and green investment for sustainability food ecosystem under purpose-led strategy. NRF aimed to be a leading global manufacturer chosen as the first choice to produce instant food for the global forefront company; majorly enhance growth rate of the company by setting up strategy to expand into the specialty food which are Thai food, ethnic oriental food, plant-based food and functional food.

# Our Business

**82%** of 1H/2021  
Operating Revenues

## 1. Ethnic Food

- 48% Recipe Mix
- 26% Ready-to-Eat
- 21% Basic Seasoning
- 5% Others

70%

OEM

30%

NRF Brand

2,000 SKUs and 200 Brands  
for OEM production  
with 7 NRF Brands

OEM Brands :



NRF Brands :



Distributors:



**5%** of 1H/2021  
Operating Revenues

## 2. Plant-based

Current Products Example

- Plant-based Meal Kits
- Konjac Noodles Ready-to-Eat Meals
- Dry and flavored Jackfruit meat
- Eggplant for Sushi
- Plant-based Sauces

Future Products Example

- Plant-based Fresh Meat
- Soy Milk

99%

OEM

1%

NRF Brand

Over 30 SKUs  
for OEM Production

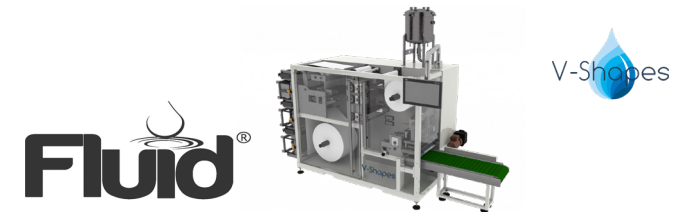
Partners/Customers:



**2%** of 1H/2021  
Operating Revenues

## 3. Functional Products

Sales of V-shape Machine and  
equipment To Fluid Energy



**11%** of 1H/2021  
Operating Revenues

## 4. E-commerce

Building E-commerce platform, acquiring  
category leading food and consumer products,  
upselling NRF products on online channels



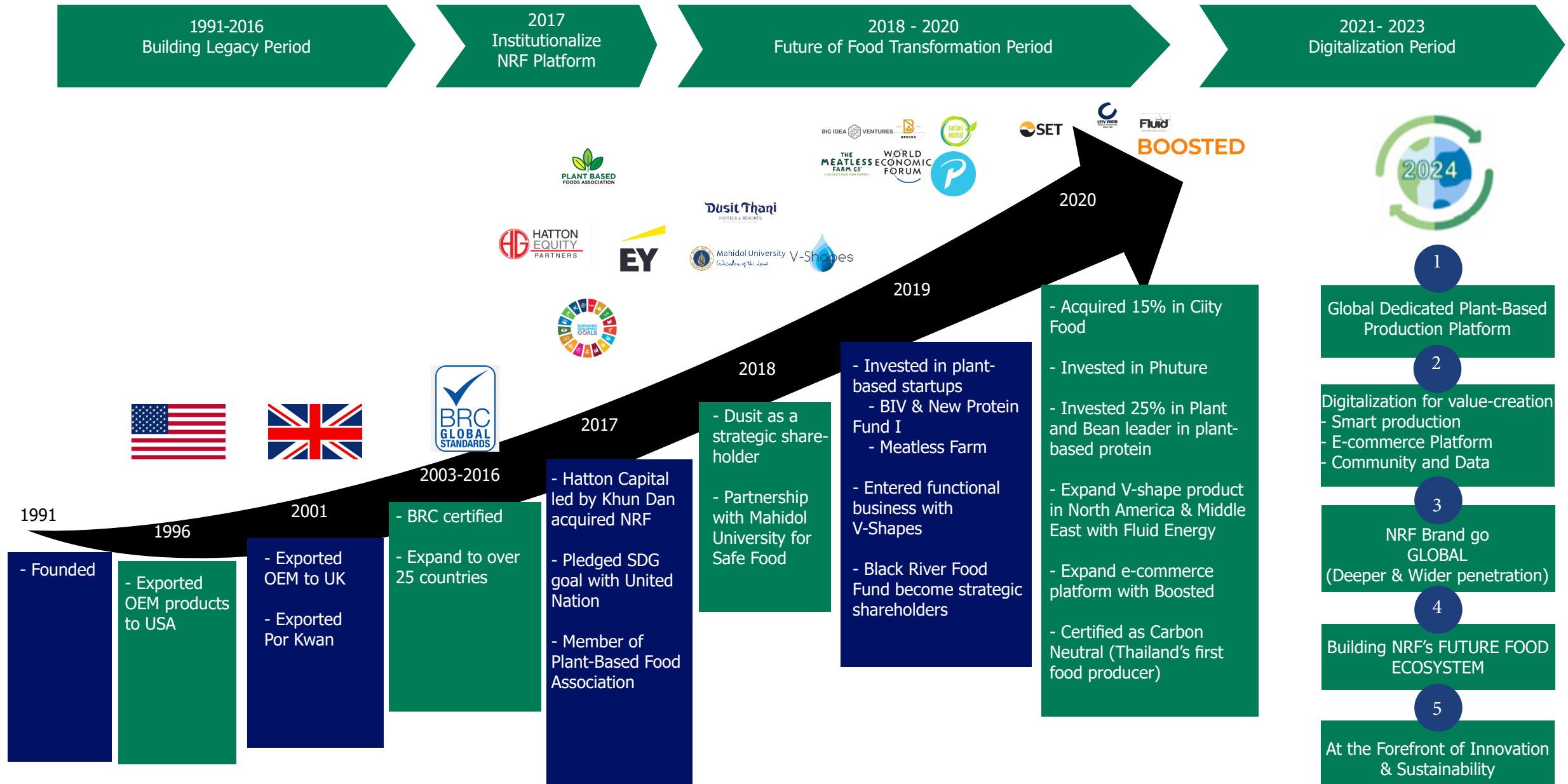
**BOOSTED** E-Commerce



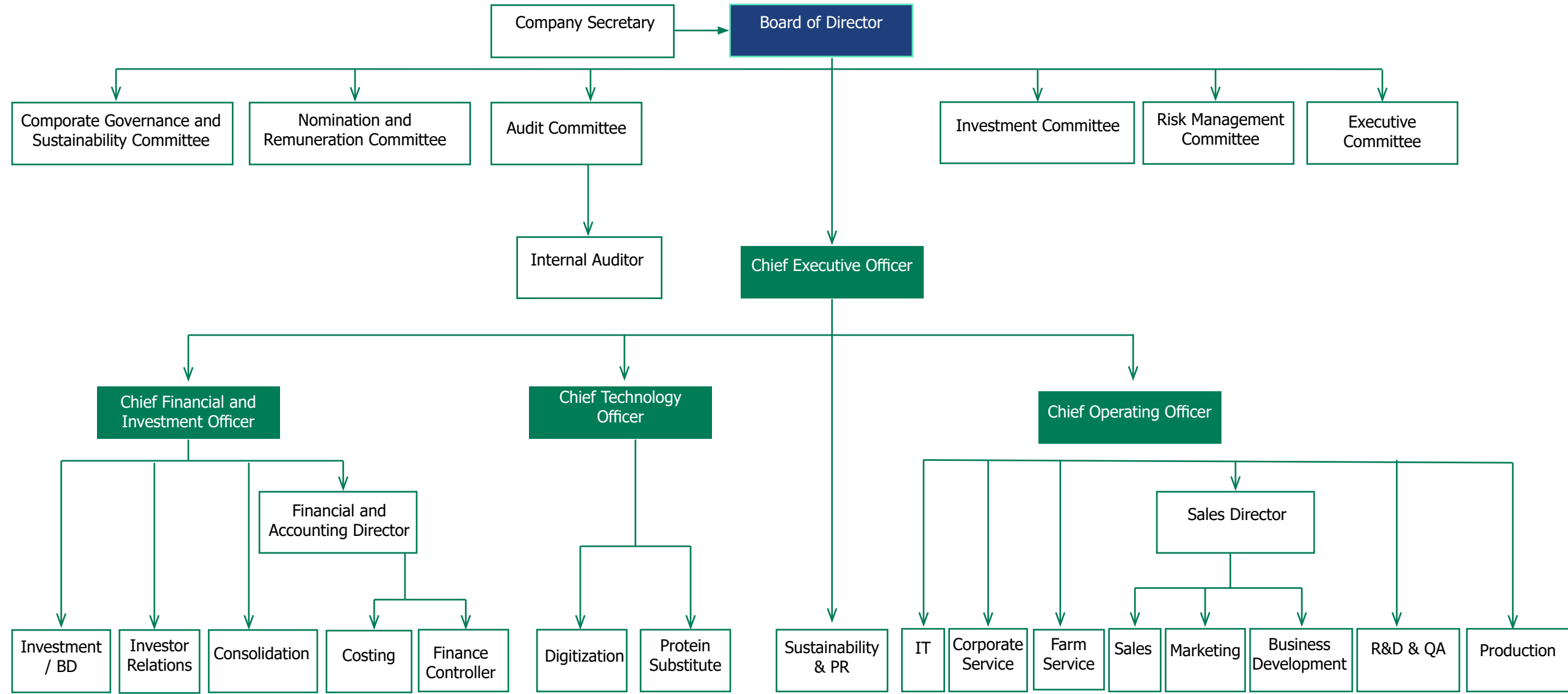
BOOSTED NRF Corp.



# NRF Milestones

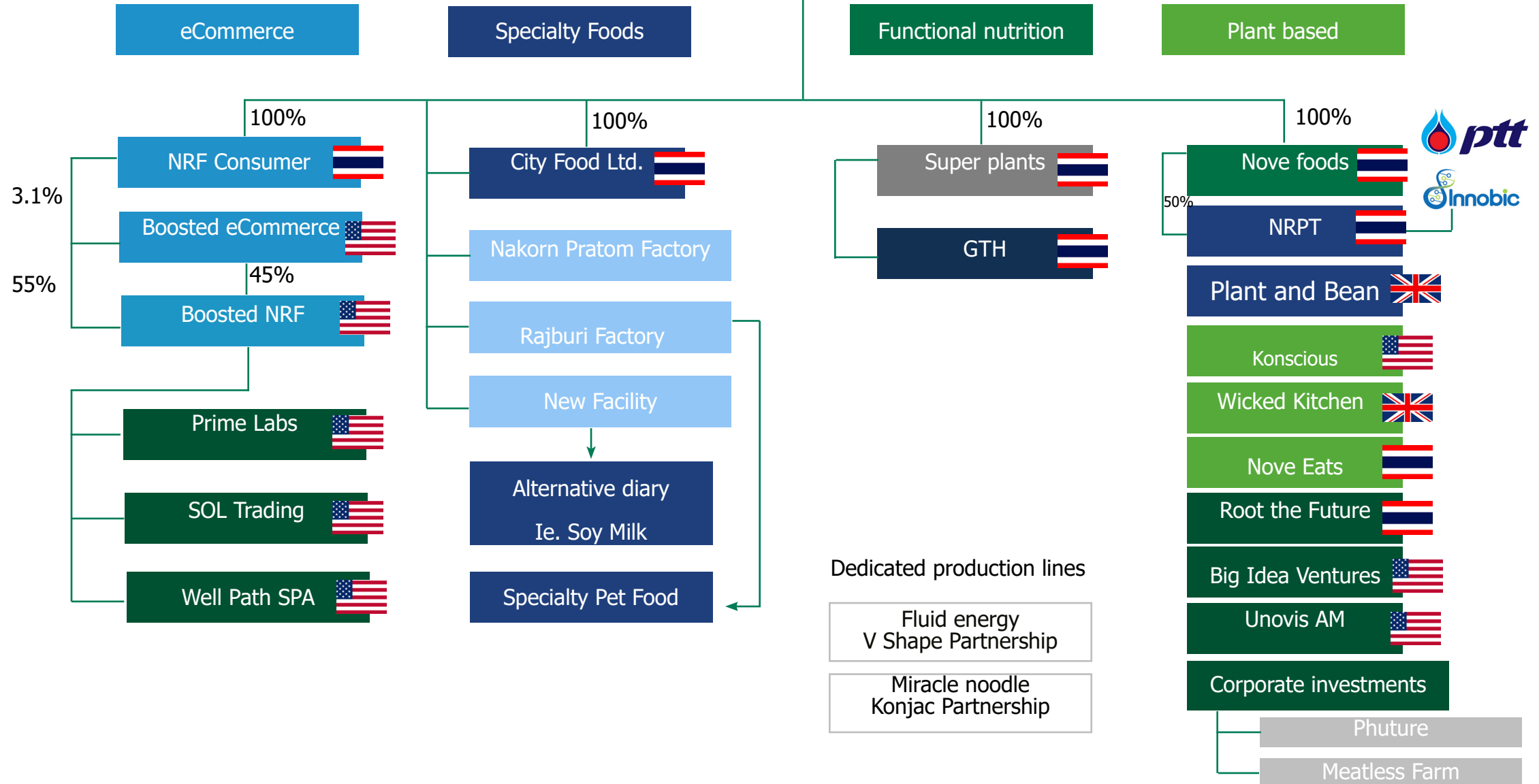


# Company structure





# Partners



Company have invested through subsidiaries and associated company as the following:

### **Nove Foods Company Limited**

A company which invested in Plant Base business and invested in 25% of the paid-up capital of Plant and Bean Company Limited, UK

### **NRF Consumer Company Limited**

A company which invested in E-commerce business and invested in preferred share of 3.7% of paid-up capital of Boosted Ecommerce, Inc, USA

### **Root the Future Company Limited**

A non-profit corporation to support and campaign for the protection of the environment



### **City Food Company Limited**

A manufacturer and exporter of seasoning under the brand of Classic Thai and OEM at Nakhon Pathom factory and soy milk under the brand Shinpo at Ratchaburi factory.

### **Plant And Bean Ltd, UK**

A manufacturer and distributor of Patty Burger sausage and mince which is all produced from plant or plant-based



# SUSTAINABILITY STRATEGY

NRF aimed to create sustainable food ecosystem  
We strive to be the leading company to create food for the future for global networking for specialty and plant-based food for sustainable growth

- Plant-based food production Leader
- The best food production company in Thailand
- Sustainable food production company
- Plant-based Community through online channel:
  - Education
  - Awareness
  - Sharing
- E-commerce platform in order to transform food system to digitization company
- Net zero emission company in 2030



## 2020: Strengthening Foundation

- Asia's first listed global plant-based OEM platform with global partnerships
- Partnership for sustainable packaging
- Thailand's pioneer developer of plant-based
- First and only food manufacturer carbon neutral organization in Thailand
- First purpose-led company listed in SET
- First company committed to Science Based Target (SBTi)
- First company signed 1.5 degrees pledge
- NRF brand launched in Thai market

- We have been a leader in "specialty food" for 30 years now not only ethnic foods and plant-based food, NRF also takes another big step towards functional products with eco-friendly and user's friendly packaging.
- We have strong offline and online market channels in 30 countries around the world such as United States, European countries, Asia and Australia. With the international food safety standard, we are one of the first company that was certified the BRC (The British Retail Consortium) certificate since 2004. In addition, the company has passed many food quality inspections such as IFS Food, GMP, FDA standard and many more
- We have high production potentials as we have 4 factories in Thailand and we also have "pure plant-based" factory that matches the needs and consumer's satisfaction. Through an affiliate company Plant and Bean, we now have the largest plant-based factory in Europe with more than 80,000 Metric tons per year of production capacity.

- Sustainability policies on value chain as we believe it is the combination of quality raw materials and experience in developing great productivity for better productions while implementing quality of life for farmers
- We have the expertise on research and development department that reach the demand and satisfaction on taste, quality, packaging and NRF holds many necessary certifications such as "Halal" according to more than 30 years' experience.
- We are one of the first mover in Thailand taking action in future food such as food technology and innovation approach that makes good impact to people, planet and performance.
- We have Products variety that serve all the needs of customers, considering NRF as a "one stop service" company
- NRF is also funding in several research projects with global nonprofits organizations on alternative protein starting from Southeast Asia to global, also building and expanding plant-based Community to show our commitment in building awareness in "food transformation" and good impact on environment in order to be a part in "changing the world"

# Sustainability



- NRF is the leader company for digitalization period. NRF seeks to transform itself every 3 years 2018-2020 was the transformation into the future of food platform and 2021 to 2023 is digital transformation. We planned this in 2019 and invested into a start-up in the US named Boosted Ecommerce in addition we set up a joint venture with Boosted ecommerce as a partner. Today Boosted ecommerce has grown from \$80m valuation to unicorn status (\$1billion) and our joint venture has grown to 400m baht revenue with 180m ebitda
- In 2018, we were a founding donor of Food Shot the worlds' first non-profit focused on providing social equity to fund starts seeking to fight climate change. To date together with the Walton and Rockefeller foundation we have given away \$7m in social equity and \$20m in social debt financing to almost a done start-ups that are leading a revolution in how we fight climate change.
- As part of our mission, we wished to build a global ecosystem of technology partners so we launched in 2019 Big idea ventures the world largest alternative protein accelerator with \$50million under management, more than 50 start-ups invested in, two exits in only 2 years and investors such as Temasek

- Apart from sustainably production and operation, NRF also concern about society and planet. Through our social enterprise "Root the future" in one year has launched many industries first such as the first plant-based festival, Thailand plant-based food awards, first plant-based fashion show and more importantly our campaigns to promote awareness of climate change reaches more than 4million people weekly
- Forum of the future kicked off the global conversation around the role food plays in climate change with their seminal research on the protein challenge of 2040. As a follow up to that research we have co-authored and sponsored phase 2 which is redesigning how we measure companies and financial flows as a way to prevent climate change.



# Strategy

## 2021 – 2023 Innovation for Growth

- Building capacity in key markets around the world
- Expanding usage of new product categories globally
- Digitization for value creation smart production and e-commerce platform
- Innovate product and sizing opportunities with world future food leaders
- First company in Thailand joined Race to Zero campaign
- First company in Thailand study seaweed as a blue carbon sequestration
- Listed in ESG Emerging 2021
- Listed in ESG100 Index
- Listed in SET100 Index
- Listed in FTSE All World Index of micro cap group
- Listed in Thailand Sustainability Investment (THSI) index

## 2024 - 2030 Sustainable Food for Future

- At the forefront of innovation & sustainability
- Global dedicated plant-based production platform
- Globally recognized sustainable food brand
- Increase revenue growth as target
- Thailand carbon leader
- Carbon net zero emission company in 2030

# Now Future





## 1. Purpose-led organization with a triple bottom

### “Purpose – led organization with a triple bottom line”



During the past 30 years, the company operate business with pure determination for the best interest of all stakeholders including delivery good service and quality goods to the consumers. In 2018, the company set the goal to change the supply chain by not focusing only profit but more to make the company to become the leader in food manufacturing and distributor with future innovative with sustainable growth. We care about environmental and social effect throughout the supply chain and at the same time create economical value efficiently. To be in compliance with code of conduct of management and employees, in 2020, the company has set the “Sustainability Value” for business operation into our triple bottom line 3Ps strategy; 1) People, 2) Planet and 3) Performance.

#### People:

We focus on the people both within and outside the company by promoting self-development considering human right principal of employees and personnel. The company plays an important role in developing the surrounding community in an attempt to create sustainable growth and produce products at the quality most satisfactory to the customer and consumers.

#### Planet:

The company focus on world environmental reserve by changing mindset in doing business to create environment-friendly goods and services and prepare to cope with risk incurred from environmental effect, at the same time, to develop technology and innovative manufacturing with sustainable responsibility toward nature and society. We believe small step can change the world.

#### Performance:

The company’s success is not only profit but efficient operation to pay back to stakeholders and create long-term value for the company by focusing and caring on people and environment together with development of goods and services continuingly and fairly. We believe if the world is better, the profits will follow.

## Sustainability Framework

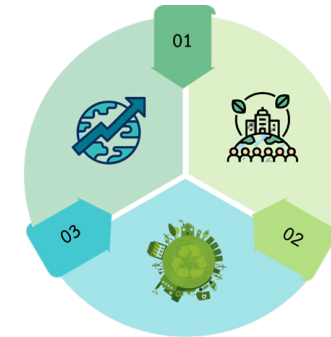
“We deliver the food innovation to create a sustainable happiness and low carbon society”

#### Economic Success

- Sustainable business growth
- Innovation

#### Social Responsibility

- Well-being
- Health & Safety
- Social responsibility



#### Environmental Responsibility

- Biodiversity
- Ecosystem
- Waste management

## 2. Environmental Care and Social Responsibility

The company place an important on community and surrounding society. We realize that we are part of the society to move forward to social development and environmental sustainably. In 2020, the company held activities for community and society continuingly together with doing business under community and social responsibility with hygiene, safety and environmental concern together with developing and improve operation efficiency to reduce risk in operation as follows:



- Implement business operation policy that focusing on environment and strictly complying with law and regulation concerning environment.
- Implement clear policy concerning social responsibility and enforcement within and outside the organization to create sustainable business operation.
- Promote environmental conscious and responsibility toward society and business operation.
- Organize events to create society, community and environment regularly to promote better quality of life and also collaborating with government agency, private sector and community.
- Cooperating in community's activities within the company's factory surrounding area to create sustainability for the community.
- Prompt response and efficiently to any event that would affect environment, community, life and property arising from company's operation and ready to cooperate with government sector and related agency.



## 4. Sustainable Materiality Assessment for Business

### Significant issues identification for business and stakeholders.

The company gathered all relevant issues related to our operation either from the internal and external stakeholders through various channel that appropriate to each stakeholder groups, i.e. conference, official/non-official interview and survey etc. In additional, the company has summarized the important issues on business operations from board of directors including the issues reviewing from previous years.

### Significant issues ranking assessment

Corporate Governance and Sustainability Committee (CGSC) has considered to categorize and prioritize groups of significant issues by considering the impact level on the company operations and its values to company that cover economic, environmental, and social dimensions. In additional, the company has considered influence level on stakeholder assessment and decision.

### Significant issues assessment assurance and approval

Corporate Governance and Sustainability Committee (CGSC) have considered to approve significant issues along with setting responding procedure for stakeholders in each topic. Besides, CGSC committee also assigned relevant executives to operate in accordance with the significant issue that has determined key performance indicators and goals in each issue.



**The issues are extremely given importance by stakeholders and company.**

1. Food Security
2. Standardized Food Production
3. Information Security
4. Energy Management for Environmentally Friendly Manufacturing Processes

**The issues are moderately given importance by stakeholders and company.**

5. Renewable Materials for Low Carbon Emission
6. Efficient Partner Support
7. Machine Performance
8. Environmentally Friendly Energy Renewal
9. Occupational Safety and Health
10. Environmentally Friendly Culture

**The issues are slightly given importance by stakeholders and company.**

12. Standard Labor Privilege
13. International Cooperation
14. Equality Treatment
15. Food Creation
16. Social Trends
17. Waste Management
18. Inequality
19. Water Management
20. Health-Conscious Consumer
21. Fertilizer and Biological Substance Management

#### 4. Commitment to UN Global Compact for “Sustainable Development Goals – SDGs”

UN Global Compact Network Thailand (GCNT) is the network of UN Global Compact (UNGC) in Thailand what push forward and support sustainable development of organization to comply with National Strategy. NRF has joined GCNT sub-committee on the Environment and commit to apply 10 goals of SDGs as a guideline to operate business and at the same time promote good society and environment in moving forward to the real sustainable development in both worldwide and in Thai society. The company has joined the membership and being an honour to have our CEO to hold the position as an environmental sub-committee of GCNT since 2020.



Network Thailand



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August 1, 2017

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am pleased to confirm that *NR Instant Produce Public Company Limited* supports the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. NR Instant Produce Public Company Limited will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the UN Global Compact, and *annually* thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles. This is *separate* from our initial letter of commitment to join the UN Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption)
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,

*Danai Pathomvanich*

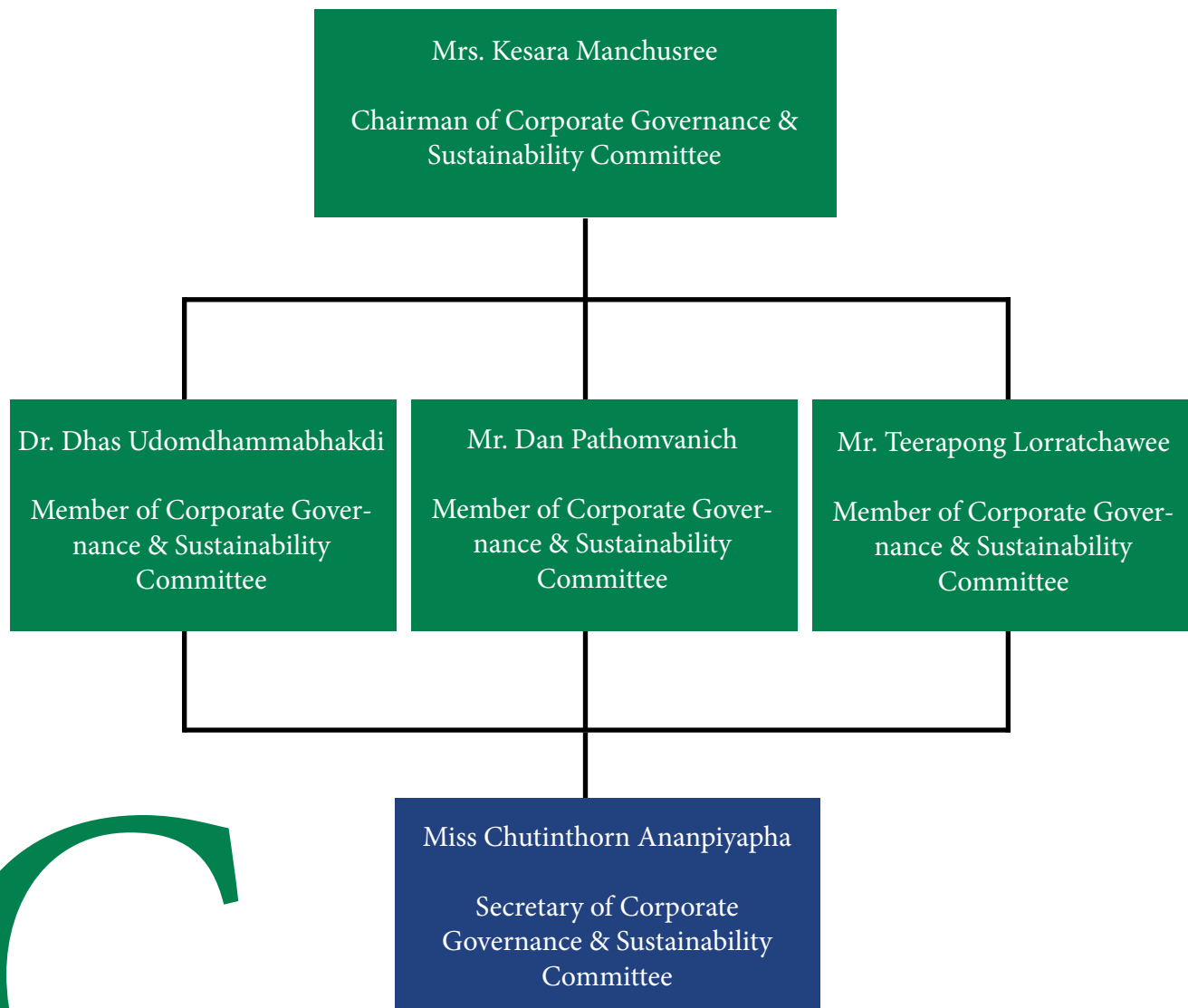
Danai Pathomvanich  
Chairman and Chief Executive Officer



## 5. Corporate Governance & Sustainability Committee (CGSC)

In 2019, our company set up the Sustainability Department, to conduct sustainability practice for the company to become best sustainability practice company in short period of time. The department organizes projects and activities for the company to become the sustainable world leader in food manufacturer and distributor and has implement policy and action plan for the staffs in the company to follow during the past 2 years. The company has disclosed Sustainability Report on NRF website and United Nation website. We shall continue doing it annually.

In 2020, Executive Committee has appointed Corporate Governance & Sustainability Committee, (CGSC) on 13 November 2020 to manage risk and direction of the company to achieve the goal in order to manage sustainability and sustainability risk matter. This committee determine to drive sustainability practice in order to take our company to be sustainability excellence for all stakeholders.



# CGSC

# SUSTAINABILITY APPROACH

The company realize the importance of sustainable development that require motivation from all sectors to achieve the goal efficiently. Nowadays, the company has built up important network for strong sustainable practice.

## 1. Cooperation between the company and national and international environmental organizations

### 1.1 Membership of the United Nations Global Compact (UNGC)

Since 2018, NRF participated as member of United Nations Global Compact (UNGC) which is to declare the company's intention to develop sustainable business which applied 10 provisions and comprised of 4 dimensions: human rights, labor, environment and anti-corruption into our operation to promote sustainable development goals (SDGs) internationally.

UN Global Compact Network Thailand (GCNT) is the network of UN Global Compact (UNGC) in Thailand that push forward and support sustainable development of organization to comply with national strategy. NRF has joined Thai Environmental Committee and apply 10 rules of SDGs as a guideline to operate business and to promote good society and environment in moving forward to the real sustainable development in both national and worldwide society. The company has joined the membership and being an honor to have our CEO, Khun Dan Pathomvanich, to hold the position as sub-committee of GCNT since 2020.



In 2020, NRF embraced 10 sustainable development goals (SDGs) into our cooperate policies and operation by the following:





### 1.2) 1<sup>st</sup> company committed to Science-Based Target (STBi): 1.5-degree pledge



To emphasize on company's vision concerning environmental care, in 2019, NRF is the first company that committed to Science-based target (STBi). The company have signed the agreement of SBTi in 1.5 degree pledge

The company have signed the agreement of SBTi in 1.5 degree pledge which target the mission to reduce greenhouse gas (GHG) emission relating to Paris agreement on climate science fundamental to control world's temperature lower than 2 degree Celsius. In this case, 1.5 degree Celsius is the major target of all participant performance. From this action, we made an important commitment to drive organization with caring of environmental impact of climate change.

### 1.3) 1<sup>st</sup> company joined Race to Zero campaign



In 2020, NRF is the one of two companies in Thailand that joined "Race to Zero" campaign to confirm that we are one of

the leading companies aimed to be a net-zero emission company as well as to support governmental policy in order to made Thailand become a net-zero emission country in 2065.

### 1.4) World Economic Forum



World Economic Forum (WEF) is the non-profit organization in corporate of world leading industries. Member can participate in the meeting and share idea in cooperating with government sectors and private sectors from other countries including academic,

influencer, religious and culture leaders and media leaders from all around the world. Besides economic, the environmental issue has been raised into concern by emphasizing on doing business with beneficial concern to all stakeholders, not only shareholders but including all organization, customer, OEM contractor within supply chain, community in surrounding area and any person that might be impacted either positively or negatively of such business. The company has officially joined the membership of WEF on the worldclass platform to set future of the product and looking for opportunity to change world's food system and to cope with climate change.

### 1.5) Forum for the Future



Forum for the Future is a leading international sustainability non-profit organization working with government and private sector. It focused on business transition by using education and research as a tool to work and push forward for sustainability. The strength of this organization is to create the interlinkage between the sustainability approach and business operation pathway.

In 2020, the company has joined Forum for the Future to build up sustainable business development in the future. The company is supporting the Protein Challenge Southeast Asia Initiative via Path Foundation to accelerate the transition towards a just and regenerative protein system in Southeast Asia. Protein is critical for human health and sits at the nexus of multiple sustainability issues across Southeast Asia. Unsustainable production and consumption systems are contributing to a decline in human health, human rights abuses in supply chains, unequal access to affordable, healthy food, ecological damage and biodiversity loss, threats to food security and a rise in greenhouse gas emissions that contribute to the climate emergency.

## 2. OVERALL OUTPUT ACCORDING TO SDGs




<b>1 NO POVERTY</b> 	<b>650 cases</b> Help and provide knowledge to farmers in Contract Farming project	<b>10 REDUCED INEQUALITIES</b> 	<b>570 cases</b> Employment (Myanmar, Philippines, Italy) <b>8 Cases</b> Disable people
<b>2 ZERO HUNGER</b> 	<b>55,402 meals 44 communities</b> Children, youth and food-deprived people in access to nutritious food that clean and safe	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> 	- Employee seminar for professional development - Provide transportation for employees
<b>3 GOOD HEALTH AND WELL-BEING</b> 	<b>51,402 person</b> Supporting medical personnel <b>2,000 pieces</b> Handing out medical mask and alcohol during Covid 19 pandemic Maintain proper hygiene and keeping clean to prevent the spread of the virus	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 	- Project for earth and environment, waste separation (bottle, can, lid), and deliver it to waste pickup location to create value and opportunity for people in need - Transform waste from production line into useful product for farmland
<b>6 CLEAN WATER AND SANITATION</b> 	- Wastewater treatment - Big cleaning in the organization and surrounding area to restore water condition and ecosystem	<b>13 CLIMATE ACTION</b> 	- Implement project to monitor greenhouse gas emission to reduce world's greenhouse gas and global warming - Join membership, CEO take role as subcommittee of GCNT - Carbon Footprint Organization Certificate - Carbon Neutral Organization Certificate - Carbon Footprint of person Certificate - Committed to Science Based Targets Initiative and joined Race to Zero campaign - Installed solar cell panels on the factory's rooftop - Changed fluorescence light bulb to LED light bulb in our factory
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 	<b>910 cases</b> Staffs in the organization		
<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> 	- Clean and safe raw material - New technology in manufacturing		



## Environment

The impact of human over-exploitation of natural resources severely each day. Ecosystem resilience interruption shown by many environmental phenomena, i.e. climate change, air pollution, eutrophication, inefficient waste management or biodiversity loss. Those phenomena do not affect only the planet but also impact human health and well-being as well.

As we are the purpose-led company, we took sustainability approach into our business operation. In 2020, we primarily focused on energy consumption reduction project and raise environmental awareness to our employees and surrounding community. We also concerned about waste upcycling and waste management which could encourage employee engagement for waste separation in order to return upcycling monk's robe to local temple and transform to organic fertilizer to farmers.

A man with short dark hair and a goatee, wearing a white polo shirt with a small logo on the left chest. The logo consists of a blue circular icon with a white figure inside, followed by the letters 'NRE' in green. He is standing in front of a grey wall with several framed pictures.

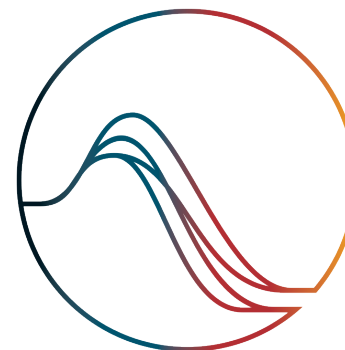
**“The IPCC report has put the world on notice and is a global mandate to governments, industries, companies and leaders to drive through change now that science has validated that change is mandatory.**

**This is Thailand’s wakening call to either embrace this change and chart a path of leadership in the fight against climate change or we may see ourselves becoming uncompetitive within the next decade”**

### 2.1.1 Our Road to Zero



Since our CEO, Khun Dan Pathomvanich has been selected to be environmental sub-committee of GCNT in 2020. NRF announced to embedded SDGs into our 3Ps strategy, performance, people and planet, which cover all sustainability pillars (Governance, Economics, Social and Environment). The company have signed the agreement of SBTi in 1.5 degree pledge, which aimed to reduce greenhouse gas emission relating to Paris agreement. We also joined “Race to Zero” campaign to emphasize our intention to be net-zero carbon emission organization.



SCIENCE  
BASED  
TARGETS



Carbon footprint of organization results for 2019 and 2020 showed that significant hotspots for scope 1 and 2 were 60% from bunker oil and 30% from electricity. For scope 3, tap water contributed 1% of total GHG emission. However other significant source in scope 3, we are gathering the information from related stakeholders in order to come up with reduction plan for 2021. Moreover, we are now setting the target and sustainability plan to achieve net-zero emission in 2030.

## 2.1.2 Resource and Energy Management



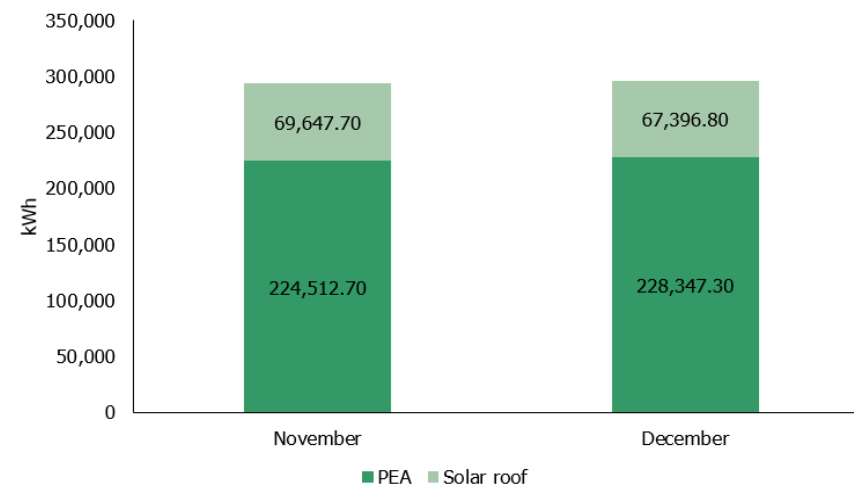
Among the world's energy consumption, renewable energy with countless natural resources is becoming a future energy in the present world. NRF is focus on clean energy transition which aims to reduce GHG emissions from fossil fuel and generate electricity to use in the factory.

NRF is focus on clean energy transition which aims to reduce GHG emissions from fossil fuel and generate electricity to use in the factory. NRF focused on raising employee awareness about energy saving by implementing the campaign to turn off the light and air condition during the lunch break for 1 hour everyday. In additional, we also improved the fuel combustion in the production line such as cleaning scale in the fuel pipeline and cleaning fuel injection to use bunker oil efficiently.

### Renewable Energy: Solar Roof

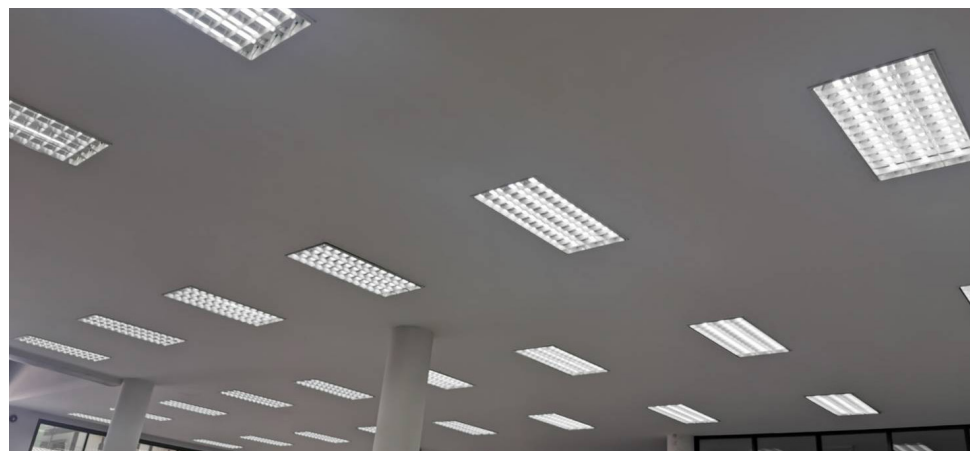


This project consists of company's factory in SamutSakorn, and has completed installation of solar cell panels on the factory's rooftop and started testing since January to October 2020. It has started fully operated in November 2020. The results found that solar roof could generate clean electricity for 1,754 kWh per day or 631,461.3 kWh per year. Since November 2020, the factory could reduce the consumption of electricity from provincial electricity authority (PEA) by 23.6% and 22.7%, respectively.



### Electricity Consumption Management

Apart from switching off the light during lunchtime campaign. NRF has also changed fluorescence light bulb to LED light bulb in our factory which could save electricity consumption by 75%.



NRF has electricity consumption rate that is 234.5 kilowatt per ton-product which is lower than two previous years. Electricity consumption rate in 2020 was 4% lower than 2019 electricity consumption rate

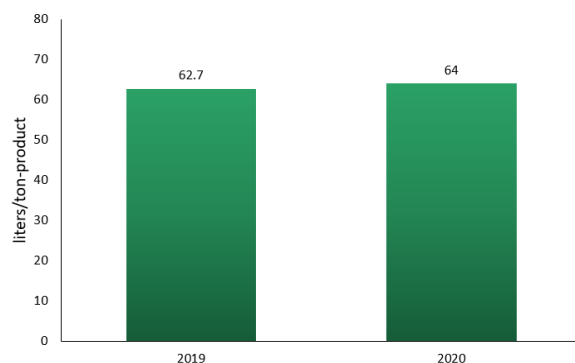


## Bunker Oil Consumption Management



NRF's bunker oil type C consumption rate in 2020 was 64 liters per ton-product which increasing than 2019 by 2% because the production capacity in 2020 NRF's bunker oil type C consumption rate in 2020 was 64

NRF's bunker oil type C consumption rate in 2020 was 64 liters per ton-product which increasing than 2019 by 2% because the production capacity in 2020 is higher than 2019 especially for noodle product. It found that noodle production process required huge amount of bunker oil for noodle boiling machine.



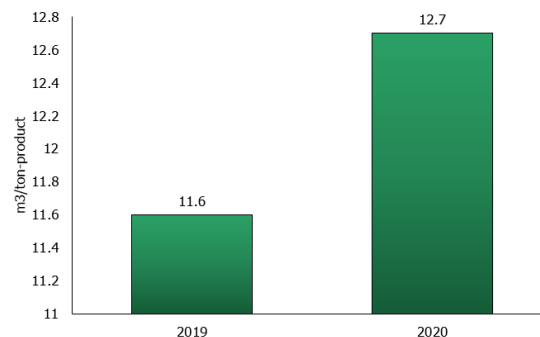
## Water Efficiency Management



Tap water mainly used in office building and production process for raw material preparation and machine cleaning. The company also concern about the reduction of tap water consumption which is not only for cost

saving but also for resource efficiency performance. Besides, raising our employee engagement also one of the criteria to launched the reduction campaign. We encourage employee to help reduce water consumption.

We also installed automatic hand wash sensor in the restroom. In production processes, we improved soft water quality control and efficiency of cooling tower for cooling water of retort process including recovering cooling water" of colloid milling machine.



In 2020, the factory has water consumption rate by 12.7 Q per ton-product which is higher than 2019 by 9 %, due to the higher amount of purchase order in 2020. Main consumption of tap water came from boiler machine in sterilization process.

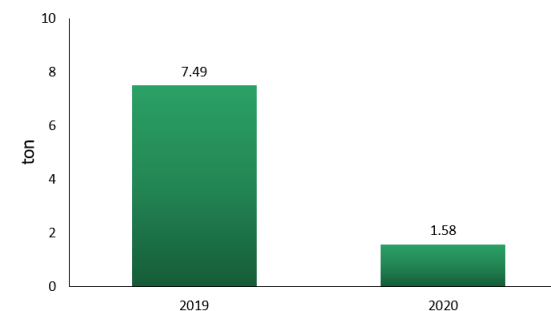
## Water Efficiency Management



NRF concerned about the environment around the factory inordertomaintaincommunities' hygiene. We managed and controlled quantity of waste from our factory in compliance with standard that is being certified including BRC Global Standard and International Food Standard, and comply

with all law and other relevant regulations. We check the result, improve and solve the problem incur from time to time. The company engage the sub-contractor to perform garbage sorting and elimination by dividing into 5 group of waste as follow:

(1) raw material waste (2) packaging waste (3) engineering waste (4) hazardous waste and (5) general waste, set aside at the specific area and clean the working area once a week.





Moreover, we also merge environmental project with CSR project related to waste upcycling, waste management and employee engagement as follow:

### Waste Upcycling Project



In 2020, the company applied circular economy model by establishing the "Waste Upcycling Project" as a pilot project in order to recirculate waste from the production process. The replacement of waste agricultural materials by circulating lemongrass residues from production process to produce liquid fertilizers and biological insecticide with cooperation from Ban Khao Noi Organic Fertilizer Production Group, Kanchanaburi Province.

This project could potentially reduce fertilizer cost and also reduce the amount of waste generated from factory send to landfill by up to 230 kilograms. This is the proof of the company's mission for transform the business into zero waste organization.



### Global Recycling Day



NRF launched the "Global Recycling Day" project from January to July 2020 by taking donations of UHT drink package, beverage can, and its ring to Precious Plastic Bangkok Project, Chak Deang Temple, Green Roof Project, and Association of Person with Physical Disability International. The total of donations in this project can produce 2 artificial legs, 2 green roofs, 209 tri-robos and also reduce office waste for up to 537.7 kg.



### Earth Day Project

NRF concerned about environmental impact and can foresee way to restore environment and conserve ecosystem. Therefore, we aimed to raise the awareness on environmental problems to our employees.



In April 2020, we launched "Earth Day Activity" by cleaning inside and around the workplace to reduce waste in water sources near the factory and improve the nearby ecosystem.

### 2.1.3 Carbon footprint



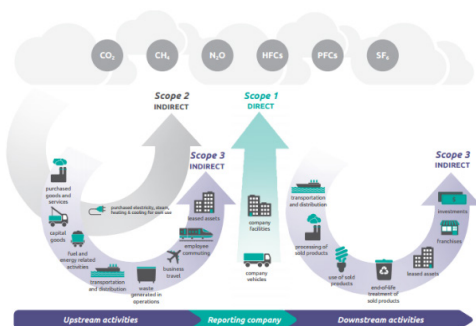
NRF has committed for sustainability approach related to United Nations mission which collaborating in global warming solving, greenhouse gas emission reduction. As the top concern of the company, we have implemented the greenhouse gas emission

assessment in 2019 in accordance with the guideline for carbon footprint for organization (CFO) set by Greenhouse Gas Management Organization (Public Organization) (TGO) which equivalent to ISO14064: Greenhouse gases. Significant source of GHG emission will be mitigated in order to reduce and avoid GHG emission and serve our goal to become net zero emission organization in 2030.

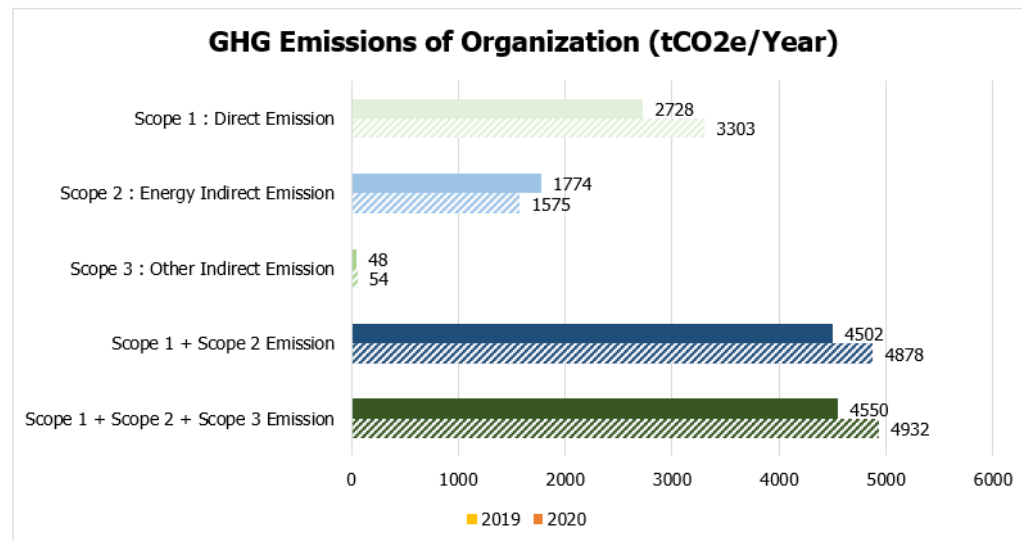
### Management to Reduce Impact of Greenhouse Gas Emission

Scope 1 (Direct Emissions)	Scope 2 (Energy Indirect Emissions)	Scope 3 (Other Indirect Emissions)
<ul style="list-style-type: none"> <li>Stationary Combustion</li> <li>Mobile Combustion</li> <li>Fugitive Emissions</li> <li>Refrigerant Leakage</li> </ul>	<ul style="list-style-type: none"> <li>Indirect Emissions from Use of Purchased Electricity</li> </ul>	<ul style="list-style-type: none"> <li>Tap Water</li> </ul>

**Greenhouse Gas (GHG) that are emit by organization as follows: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs**



### GHG Emissions of Organization (tCO<sub>2</sub>e/Year)



In 2019, the company has disclosed total GHG emission was 4,502 tCO<sub>2</sub>e which comprises of 2,728 tCO<sub>2</sub>e of direct emission (scope1) and 1,774 tCO<sub>2</sub>e from indirect emission (from purchased electricity consumption). The company was 100% offsetting became "First Carbon Neutral Food Production Company" certified by TGO.

In 2020, the company keep continuously reported our GHG emission was 4,878 tCO<sub>2</sub>e which comprises of 3,303 tCO<sub>2</sub>e of direct emission (scope1) and 1,575 tCO<sub>2</sub>e from indirect emission (scope2, purchased electricity consumption). We also offset 100% of GHG emission which became Carbon Neutral Company for 2 consecutive years.

Without foresight vision from our management team, NRF could be accepted as a climate actor company. Our management team declared and offsetted their GHG emission became "Carbon Neutral Man" for 2 consecutive years which are Khun Dan Pathomvanich; CEO, Khun Teerapong Lorratchawee; Chief Operating Officer, and Khun Chutinathon Anapiya; General Manager Sustainability and Public Relations Department. This could emphasize our intention and awareness for climate change management.





Carbon Footprint and Carbon Neutral Organization Certificates 2020



Carbon neutral certificates of person 2020 including Mr. Dan Pathomvanich; Chief Executive Officer, Mr. Teerapong Lorratchawee; Chief Operating Officer, and Ms. Chutinthorn Ananpiyapha; General Manager of Sustainability and Public Relations Department.

### 2.1.4 Root the Future



Root the Future, an environmental non-profit organization, initiated the "Climate Clock" project as a call to action for Thai people to aware on climate change. This global campaign has been implemented in many cities around the world. The "Climate Clock" project aimed to raise awareness about climate change and encourage the general public to change their daily behaviors to help reduce their environmental impact.



NRF hosted Root the Future Festival: Plant-Based Food and Sustainability which is the Asia's largest plant-based sustainability festival to promote sustainable consumption lifestyle through this contest. In this festival also had workshop, plant-based food products selling, cinema and music festival. Besides, this festival also plastic-banned festival in order to reduce waste generated from this festival. <https://rootthefuture.com>



# SOCIAL

## SUMMARY

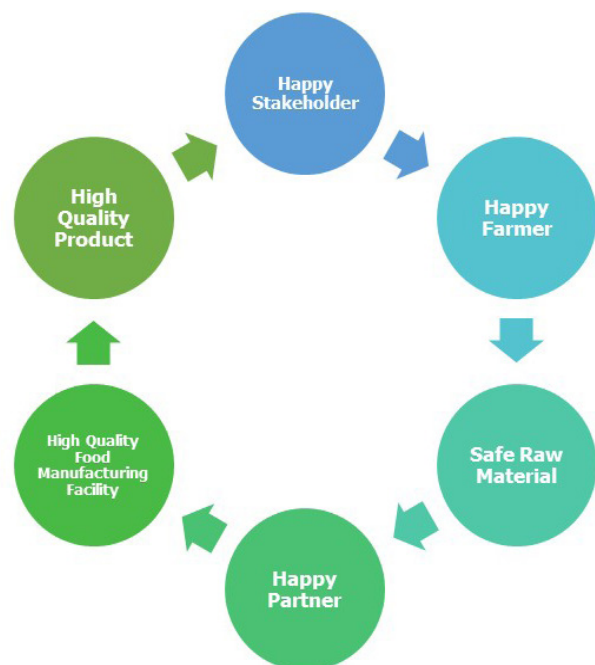
- To ensure employees happiness in their workplace
- To ensure that all employees received training and skill development
- To ensure that all employees work in safe and proper workplace
- To build the sustainable society in all pillars
- To build CSR mindset to our employees
- To enhance farmers quality of life through price guarantee mechanism of raw material



**I wish NRF to become  
DJSI member**



### 2.2.1 Sustainability Value Chain



#### Happy stakeholder

The company has appointed the board of directors to take care of management and employees with faith, responsibility and fairness to build up trust for stakeholder by focusing on best interest of the shareholders. The shareholders can exercise their right by either giving comment, advice and vote in any decision to change things including to appoint board of directors and remuneration of director, profit allocation and dividend distribution.

#### Happy Farmer

The company aimed to help and work with the farmers to improve standard of living to “increase income, reduce expense and mitigate risk” to increase their saving and sustainable farming

#### Safe Raw Material

Quality of raw material is crucial to make good quality of food product that safe for the consumer. The company procured raw material with care. We knew its source, type, quantity and its deterioration. We have experts in food manufacturing and processing to take care of the stocking process in order to ensure that the raw material for production has good quality and quantity satisfactory to the company standard and safe for consumer. The farming is safe for farmers, using resource at the best interest, with sustainable agriculture, safe for environment and community.

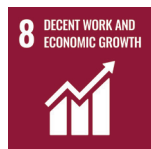
#### Happy partner

The company placed important on making good relationship with business alliance. This is to create negotiation power and business advantage than other competitors. We purchased goods and services from our supplier under the trading conditions and treat the supplier in accordance with the agreement and under the law under the Good Governance Code of Conduct. We also explained rules in working together to prevent problem and communicated for any problem or question that occur and helping each other. If our suppliers are strong, it will give positive effect to the consortium as well.

#### High quality product

The company realize and place an important on each step of manufacturing. We select, check and control quality of manufacturing process in every step by our specialist. We have set standard in taking raw material, sourcing and quality checking before taking, stocking method and processing of product, packing and transportation with an aim to serve and satisfy the customer. This would create business opportunity, competitive, advantage, and sustainable development of the company, including presenting responsibility of the company in providing good quality of product that safe for consumption, and social responsibility for not releasing pollution.

## 2.2.2 Policy and Social Guideline



Policy and guideline that in compliance with law and social regulations relevant to business operation including human right. The company emphasis on business operation with responsible to stakeholders and to become center to promote professional development and new activities to develop surrounding community for the sustainable good quality of life. Below is the summary of the company's activities throughout the year.

- Fair corporate governance to make employees happy and ready to perform work in full capacity
- Provide opportunity and encourage the employees to show their own capability and self-develop in full capacity
- Ensure most safety to all employees at work
- Promote sustainable way of life and income for all producers and farmers
- Support all activities to develop and/or provide knowledge to community that can create drive to move forward for the better life

## 2.2.3 Respect human right



The company has the human right policy to promote and protect right and freedom of person, by treating each other equally both within and out of organization, without discrimination, racist, gender, age, skin color, religious, physical appearance and ancestry. The company did not do any act to violate person's right and freedom either directly or indirectly and shall not do any act to violate human right such as supporting forced labor or hiring child labor. The company aimed to develop and implement Code of Conduct in respect of human right within 2021.

## 2.2.4 Fair Treatment to Labor



During 2020, the company always recognize that all employees are the most precious resource of the company and the factor of the company's success. The company then adopted the policy to provide fair treatment in opportunity, compensation, promotion, transfer and potential development in accordance with the following principles:

Keep working environment safe for life and property of employees

- Appointment, transfer, giving reward and punishment must be done in good faith and based on their capability and suitability
- Focusing on professional development by providing training, and/or seminar to all employees regularly, fair compensation to all employees upon state of industry, business competitiveness, type of work, performance and ability of the company to pay
- Prevent any unfair act which might affect their career's security
- Provide channel for employee to give suggestion, making complaint, making solution for the benefit of all and build up good relationship in working together



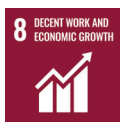
## 2.2.5 Remedial measure for person affected by human right violation



In 2020, the company recognize the important of social responsibility and participation in community and social development. The company has provided support to social activity to develop quality of life of people in the community, i.e., promote volunteer work, create sense of awareness to all employees relating to continuing development of community, society and environment.

The management of the company has responsibility to enforce employees under their supervision to strictly comply with code of conduct of the company. If any director, management or employee violate code of conduct shall be disciplinary punished under the company's work regulations. If there is any violation of law, the company shall investigate and refer the case to competent authority. Employee who found any such violation can report to the Chairman, Chairman of Audit Committed, CEO or Executive Committee promptly. The company shall investigate on the non-name basis, without disclosing the source in order to protect the person who make the complaint.

## 2.2.6 Communication with the Employees



During 2020, the company provided channel for internal communication to provide employees with information and news either about work regulation or policy by either posting announcement on the board, visiting the site, meeting, via e-mail or leaflet.

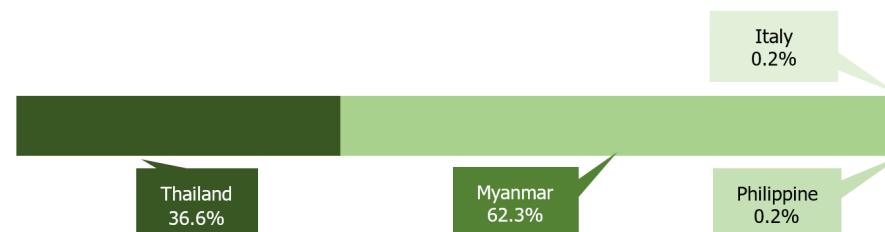
## 2.2.7 Employment



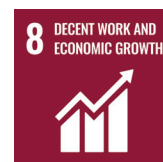
During 2020, the company has strictly complied with human right principle starting from employing and taking care of all staffs. This is to build up royalty to the company and willing to walk with the company to the sustainable goal. The company also placed high concern on equality of people and operate the company with fair and without discrimination. The company provided opportunity to all employee to develop themselves professionally without discrimination in gender and age as referred to below.

Employee	Number of employee (Persons)						Total
	18 - 35 years old			36 years old and over			
	Male	Female	All	Male	Female	All	
Monthly	37	86	123	47	81	128	251
Daily	199	269	468	58	133	191	659
Total	236	355	591	105	214	319	910

The company also considered diversity and equality of the people who play the role in moving the company forward disregarding the sexuality or age. The company respect and support diversity of race and provide them with opportunity to show their full capacity and equality. The company played an important role to promote business operation under diversity of business labor to set standard rule of equality for the people in the society and non-discrimination against the labor as referred to in the below table, the employment during 2020.



## 2.2.8 Employee Training and Development



The company held the employees' seminar to enhance the skill, knowledge and capability both for temporally employee and head of work group. In 2020, there were 619 employees who attended the seminar out of 910, or 68%



## 2.2.9 Employee relationship



The company fully prioritizes employees and personnel in the organization by providing them opportunity to show their talent being proud in doing their duties and having sense of unity. The company regularly rewards the staffs who perform with their full capacity toward work, for example, giving raise, thank you party, improve environment and working atmosphere, provide them with comfortable space. The company aimed to build up relationship among the employees and accept suggestion from them in order to get right solution by making questionnaire to assess employees' satisfactory within 2021. The company collected data and statistic concerning employees' turnover rate in 2020 to control continuing quitting job rate as referred to in the below table:

In 2020, the company recognized the important of safety, hygiene and working conditions that might affect all employees. The company enacted policy concerning safety, hygiene and working conditions which considered topics shown as the following:

- Working safety is the first priority of all employees
- All employees must concern about their own safety, colleague's and the company's property at all time at work
- All employees must concern about cleanliness and tidiness in working space
- The company shall support activity that promote working safety to the highest result
- The company shall recognize the important of measure to prevent accident incur to employees from working
- The company shall promote improvement of environment and working safety practice including good health of employees

## Happy employee Project

As employee is one of key person for our success, happy employee project was initiated in order to enhance employee happiness. We believe that happy employee and happy workplace could lead to working efficiency.

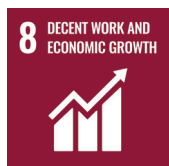


## Happy Workplace Project

Cleaning agent sold in the market commonly made from chemical substance and had high price and may affect human health. Therefore, the company researched for substitute material in order to find user-friendly material. The study found that lime and bergamot can be used as substitute materials which is not only good for health and environment but also reduce cost as well. Apart from user-friendly cleaning agent, this project is also one of the channels for extra income for our employee.



## 2.2.10 Employee Engagement



The company concerned about employee engagement by focusing on employee's individual and team performance. Moreover, the company rewarded employees for their best performance by awarding the prizes such as increasing salary, thank you party and improvement of workplace and environment. The company aimed to assess employee engagement by survey employee satisfaction in 2021. Turnover rate and target of shown as in the following:

Employee	Turnover rate	
	Persons	Percentage
Monthly *Target per year lower than 2%	50	1.76
Daily *Target per year lower than 8%	412	5.82
<b>Total</b>	<b>462</b>	<b>7.58</b>



## 2.2.11 Guideline to manage and handle the COVID-19 pandemic toward employees and society



In 2020, the company evaluated risk that might incur and cause damage to the business and stipulated guideline to handle the effect by having measure to control and protect the virus in strictly compliance with measure announced by the government.

The company set up the thermometer, alcohol spray and sterilize tunnel before entering the company's area. All employees must strictly follow procedures set by the company. Everyday, there will be the communication team to promote awareness to all personnel and giving advice for self-protection and care. On 4 January 2021, the company, incorporation with Ministry of Public Health have conduct random proactive screening on all employees to entrust the people both within the organization and surrounding society. The result came out that 100% of employees were negative on covid test.





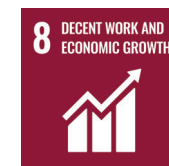
### 2.2.12 Safety, hygiene, and working conditions Policy

NR Instant Public Company Limited has realized that safety, occupational health, and work environment are vital for our employees and strengthen our efforts towards (sustainable development goals; SDGs), we have established a safety, hygiene, and working conditions Policy, is stipulated as follows:



1. Working safety is the first priority of all employees
2. All employees must concern about their own safety, colleague's and the company's property at all time at work
3. All employees must concern about cleanliness and tidiness in working space
4. The company shall support activity that promote working safety to the highest result
5. The company shall recognize the important of measure to prevent accident incur to employees from working
6. The company shall promote improvement of environment and working safety practice including good health of employees

### 2.2.13 Complaints and Whistleblowing Policy



NR Instant Produce Public Company Limited has realized that the business operations adhere to responsibilities, transparency according to the code of conducts and corporate governance policy. We believe that employees must be treated fairly and expect that our employees will behave with a professional manner abide by the code of conduct.

We have determined to protect our employees, operations and assets from the risk due to behavior that violates the code of conduct and corruption, which affects the reputation or the value of the shareholders of the company. Therefore, the company does not allow any violation and corruption to occur in the company. We will investigate and conduct disciplinary action against the offender. The policy has details as follows:

#### 1. Reporting for the whistleblowers or complainants

The company assumes that all employees must report sightings of violation and fraud. Reporting or providing the information must be done in good faith. Deliberately providing false information or slandering others or harms other people and the company. The company shall consider filing a lawsuit against such persons and will take disciplinary action and prosecute the law.



## 2. Operating procedures

2.1 The company will investigate complaints and clues about wrongdoing and corruption with independence and fairness. The company is of the opinion that there must be disciplinary action. It will also take disciplinary action and/or take legal action against offenders. According to the policy of the clues or complaints shall be notified to follow further procedures.

2.2 The Board of Directors, assign to the Audit Committee and the secretary is in charge and set guidelines for handling complaints or clues. Assign the internal audit unit with independence to work and report directly to the Audit Committee. It is the duty to carry out an audit. After considering the remedy according to the complaint or clue received, the company will notify the action whistleblower or the complainant that the company can be contacted within a reasonable time.

2.3 Information received through the complaints box will be opened by the Audit Committee. Opened monthly by a key-keeper assigned by the Chairman Audit Committee at the location designated by the Chairman Audit Committee.

2.4 The company will notify the progress and results of the consideration of complaints and clues about wrongdoing and corruption. The complainant has disclosed his name, address, telephone number, e-mail address, or other means of contact. However, from time to time, for reasons of need for personal information and confidentiality, the company may not be able to provide detailed information about an investigation or disciplinary action.

# Procedure



## 3. Protective measures for the whistleblowers or complainants



3.1 The company will not tolerate intimidation, harassment, complaints, including those who cooperate or assist in an investigation in good faith. The company will provide protection and prohibits employees or executives of the company from laying off employment, suspending work, punishing disciplinary, or threatening to act from the staff giving information about wrongdoing or corruption. Any violation will be subject to disciplinary action.

3.2 If the complainant feels that it could be harm for themselves, they could request protection measures at any time and the company may provide additional protection in special cases as appropriate. It will be considered by the level of seriousness and importance of the complaint.

3.3 In the case that the complainant is an employee who provides the information on wrongdoing or fraud with good faith. Although after the company has investigated, it was found that there were no committing wrongdoings as received complaints. The company will not take any penalties. with employees who provide information. No facts according to the complaint and did it with malicious intent or intentionally produce harmful effects or provide false information.

### 2.2.14 Corporate Social Responsibility (CSR) Projects



The company prioritized the company's responsibility toward environment of community and society by promoting reduction of environmental impact and preventing operation causing negative impact to the community both directly and indirectly. That included the improvement of ecosystem and sustainable farming. The company supported all activities to help society at the appropriate time and circumstance as the company has done many projects so far. The company shall not involve in any human right violation and shall not infringe intellectual property right. During the year 2020, the company has done many activities for society as below:

#### **Donation medical equipment medical personnel to fight against COVID -19 pandemic**

COVID-19 pandemic (COVID-19) is not only crisis that affect life buy also affect way of life of people. The company has followed up the crisis closely to set direction of the company to help people in the society. The company seen the dedication of the medical personnel in the frontline to fight against Corona Virus. In May 2020, the company organized "Donation in the Corona Virus Situation". The CEO, Executive Committee and our staffs has played the part to encourage them at Siriraj Hospital, Ministry of Public Health by providing alcohol gel and spray, PPE and pasteurized soya milk. We also provided instant food in Happy Sharing Canine for the surrounding area at Wadkarai community and also hand out medical mask, alcohol gel and spray as well. These activities can help medical personnel for more than 51,402 persons and sharing food for more than 1,500 meals.

### Food For Future Generation Project



Food security around the world is increasing under pressure for many factors such as rapidly increase of population, change of consuming behavior and climate. All of these problems urgently need solution. So, the company initiated "Food For Future Generation" project. This project aimed to fulfill people happiness in this tough situation. COVID-19 pandemic affected way of life, work and income earning for the sensitive family. The company joined with Thai SOS Foundation played the part to help disadvantage people. In 2020, we provided 38,441 packs of Shinpo Soya Milk to more than 44 communities around Bangkok. On mother day, the company organized activity to hand out mothers who came pick up their kids at community nearby Makkasan Railway on 10 August 2020. The company also support 40 kg/month rice to Grow Home Foundation, Chiang Rai Province for 5 months continuously, which would make 9,600 meals. The company also supported rice and rice wrap to Thai SOS Foundation to be used in "Rak Aharn Kitchen" on 9 November 2020. This project helped people in need more than 11 communities with more than 6,930 meals.



## Knowledge sharing project



Nowadays, farming is another option for occupation to support themselves and family. But to pursue a successful career in agriculture, farmers must prepare and open to new learning in order to cope with any situation that may arise. Farmers must have knowledge and understand the planning management, management of plant diseases and pesticide control throughout the harvest which is basic foundation of farming to produce good quality product sufficient to market demand. Implementing organic farming is one element to reduce the use of chemicals and cost to maintain the plants for the sustainable safety of farmers and consumers. The company then implemented "Knowledge sharing" project in August to October 2020 for on-site visit to educate them on contract farming basis to apply the organic farming practice and guide, give the information direction and support young farmers for Young Smart Farmer project in order to help them to step up and develop the good agricultural practice in Navakaset community, organic plants and herbs community enterprise, power alumni of agriculture Kanjanaburi Pattana, organic agriculture Ban Nong Sampran, Coco Western Ltd. and Kaset Charoen Rungreang community enterprise. The company exchanged knowledge and got the feedback about the various problems in farming practices from farmers. There were 650 farmers participated in this project which aimed to improve farmer's livelihood to become self-sufficiency with stable income, healthy agricultural practice and environmentally friendly agricultural practice.

## NRF contract farming project



The contract farming project was initiated in order to enhance farmer's quality of life and make sure that company will have enough and good raw material for production process. Moreover, the company also supported all raw material for plant cultivation as well as acting as their market to buy products from them since 2019 until present. There were 10 farmers joined this project. Apart from higher selling price, their also educated and trained about organic and sustainable agricultural practice.





**NRF has sincerity to operate our business  
for people and the planet**

## **Corporate Governance**

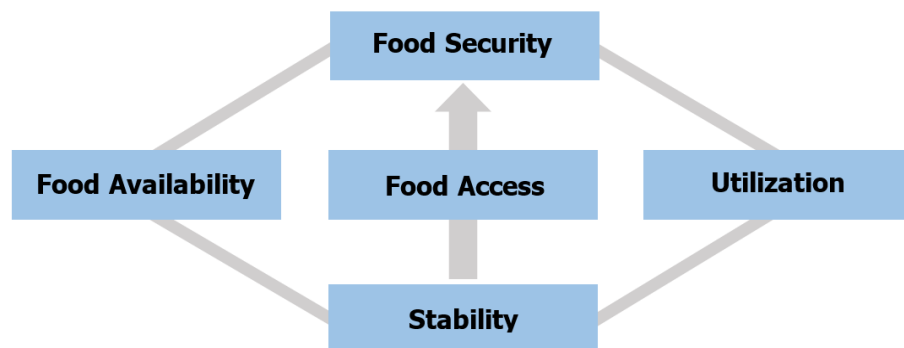
### **SUMMARY**

- To ensure that our business has driven ethically and legitimately followed our code of conduct
- To treat our stakeholders and society fairly and sincerely
- To deliver high quality product to our beloved customers
- To impress our customers' joyful experience
- To enhance customer satisfaction
- To build quality supply chain around our products from farm to product
- To enhance operational efficiency through good governance

### 2.3.1 Tackling Food Insecurity



Food security problem is widely concern around the world. Food security is not focus only about food production but also linked to other related issues such as food accessibility, food production consistency, food safety, community's food security, etc. World Food Program (WFP) forecasted that food security will be a critical problem due to the world's population might increase up to 10 billion people in with 265 million people are in risk of malnutrition problem due to Coronavirus disease or COVID-19 pandemic. Besides, current food production system does not have enough capacity to support population growth.









Source: Food and Agriculture Organization, "Food Security" Policy Brief Issue 2 (June 2006):1

The company had seen this issue as the opportunity for our plant-based products which meet the need of health-conscious customers. Besides, our strengths are food safety and reasonable price with high quality products certified by many international food standards. Apart from that, we also have online marketing strategy to enhance our competitiveness and attractiveness of online customers.

### 2.3.2 Raw Material Acquisition and Food Safety Standards



A key of food product is the quality of raw materials which directly affect the taste and food safety. Recently, the company coordinated with governmental authorities, private companies and many organizations for modern farm development, knowledge sharing and financial support for sustainable agriculture to enhance the quality of farmer's life and guarantee higher price for pesticide free materials. The company also commit to develops quality of products to achieve food safety, comply with regulation and customer satisfaction, driving to national and international standards based on law and regulation, build up public benefit and secure environment. Due to the standardized production process, our products were certified by many national and international standards by the following:

	IFS Food (International Featured Standards)	SGS International Certification Services
	BRC Global Standard for Food Safety	SGS United Kingdom Ltd
	GMP (Good Manufacturing Practice)	<ul style="list-style-type: none"> <li>Department of Fisheries,</li> <li>Department of Livestock Development</li> </ul>
	HACCP	<ul style="list-style-type: none"> <li>Department of Fisheries</li> <li>Department of Livestock Development</li> </ul>
	HALAL	The Central Islamic Council of Thailand
	SEDEX	The Sedex Members Ethical Trade Audit (SMETA)

In food producer perspective, food security issue is a new challenge to create new innovation under the limitation of resources in order to deliver safety and high nutrition products and enough and accessible for everyone. All stakeholders need to work together to promote sustainable consumption and production society in order to create sustainable food security.

## 2.3.3 FUTURE FOOD: PLANT-BASED & GREEN INVESTMENT

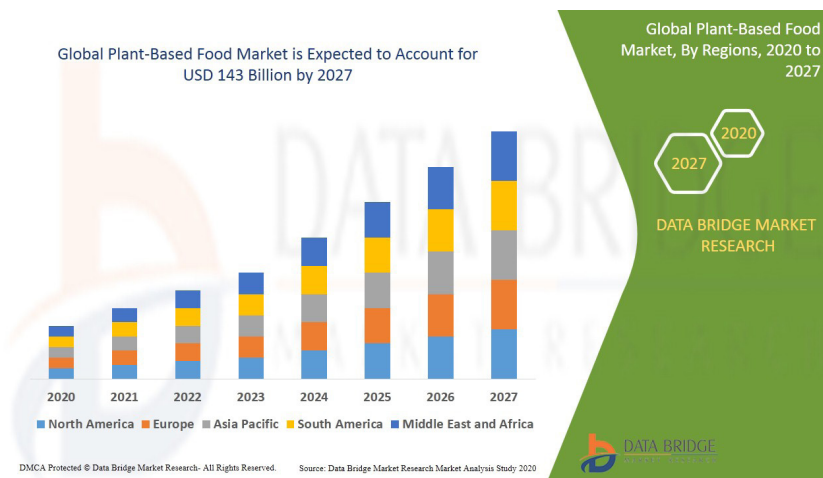
### FUTURE FOOD: PLANT-BASED



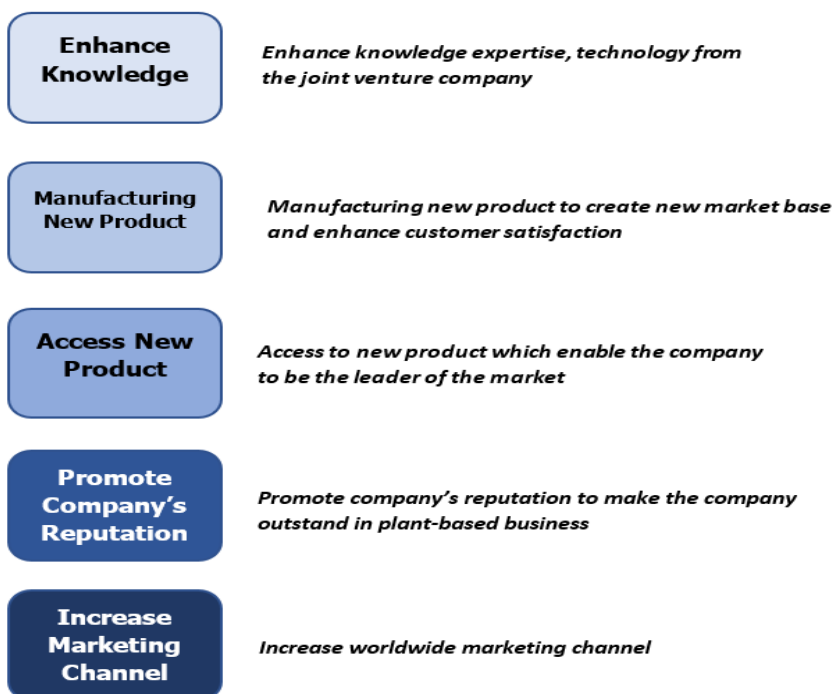
Plant-based food products market has been widely expanded day by day. According to Data Bridge Market Research (2020), the plant-based meat market is estimated to be valued at 143 billion USD by 2027 growing with the compound annual growth rate (CAGR) of 25% in the above-mentioned forecast period. The customers, especially in America, England and European country, turn to focus more on the nutritional value and environmental impact of food product. Many researches result showed that plant-based diet had lower environmental impact than animal-based diet which was significantly came from animal husbandry process.

Currently, our plant-based food products made from jackfruit, konjac, eggplant, etc. which emphasize that we had potential and capable to be a leader in plant-based market. Company aimed to be the plant-based food leading company in Thailand and widely accepted in the international market as well. Therefore, company has policy to joint venture capital with world's top class companies to enhance knowledge and expertise in plant-based production process and technology.

The criteria for joint venture capital with other companies were to enhance our knowledge, expertise, technology from the joint venture company, access to new product which enable the company to be the leader of the market, promote company's reputation to make the company outstanding in plant-based business and increase worldwide marketing channel.



Source: <https://www.databridgemarketresearch.com/reports/global-plant-based-food-market>





Through our vision to be a leader for plant-based protein diet producers, we decided to invest to these following companied and startup:

### **(1) Dedicated plant-based food factory and research and development center**

According to the report from the FAIRR investor network in the year 2020. There are 1.1 million USD investment in the plant-based business which grew twice the size of the amount in the year 2019. Many big companies around the world and start-up companies aim to develop technology to use with ingredient and new product which has the similar favor and characteristic to natural meat. Generally, those big companies around the world, especially, start-up do not have their own dedicated plant-based food factory. From the current ability to produce plant-based food, the company planned to expand the production capacity to support the growing demand to consume plant-based food in many parts of the world which grew from 12.1 billion USD in the year 2019 to over 27.9 billion USD in the year 2025 and to produce products for companies and start-up which the company invested in through Big Idea Venture and New Protein Fund I by constructing dedicated plant-based food factory in Thailand and jointly invest with plant-based food manufacturer in England called the Brecks Company Limited ("Brecks").

On 13 May 2020, the company have jointly invested with Brecks which is a company in England with an expertise in plant-based food production for over 27 years e.g. sausage production which is made from plant for leading coming in the plant-based industry and distribute those products across the world. The company jointly invest with Brecks through an associated company of the company called Plant and Bean Company Limited ("P&B"). The company bought the 25% of the newly issue share in P&B in the amount of 5 million pound or 198 million baht so that such money can be used to buy a new factory in England and buy machine with higher producing capacity. Also, the company has the right to buy another 25% of the newly issued share by 15 June 2020 in the price of 4 million pound.



Such price may decrease if P&B cannot reach the set profit goal unless P&B can issue the newly issue shares to invest with the value above the price stated in contract. In doing the joint investment with Brecks, the company have transferred all plant-based business, customer base, and manufacturing technology to P&B. Because P&B is in the process of choosing a suitable factory which can support the higher manufacturing capacity, P&B therefore lease a Brecks's former manufacturing

Previously, Brecks's factory in England accept to produce plant-base product to many brands e.g., Quorn, the vegetarian butcher and caldron foods. The company predict that the joint investment this time will provide the company with an opportunity to learn and increase its expertise in production those products. It is an open opportunity for the company to step up to become one of the biggest producers of those food in Thailand in the future.

### **(2) The Meatless Farm Limited**

On 18 January 2019, the company investment in The Meatless Farm Limited (Meatless Farm) which is a company incorporated in England and operates in meat substitutes business e.g., hamburger with simulated meat made from coconut oil, protein from rice and bean including radish which can give the same taste and texture as real meat product. The product of Meatless Farm is convenience, easy to consume and can be used to form many diverse menus. To create a good relation and open the opportunity for the company, the company has become a business partner with Meatless Farm. Therefore, the company have invested in Loan Note Instrument of Meatless Farm and converted the ordinary share during January 2020. The company hold 0.87% of Meatless Farm's share which is an investment to create good business relationship. This will create an opportunity for the company to manufacture and distribute product in the future and receive information and knowledge as a shareholder should know. Currently, the company is in the stage of negotiating with big retailer companies in Thailand so that it can distribute Meatless Farm product into the market. Anyhow, the company have introduced Meatless Farm's product at Icon Siam, Bangkok during the previous Nine Emperor Gods Festival 2019 in which the company have seasoned the product so that it is suitable for Thai consumer e.g., deep-fried e-san spicy vegan ball, vegan tonkatsu, vegan mayonnaise cashew nuts, etc. The company must be the distributor for Meatless Farm and in the long run be the manufacture in Thai and Asia market for Meatless Farm.

### **(3) Investment in Big Idea Venture LLC and New Protein Fund I which is a fund focusing on investment in plant and cell protein business.**

To be the leading plant-based food manufacturer, the access to technology and new customer from across the world, on 3 October 2019, the company invested in Big Idea Venture LLC ("Big Idea Venture" or "BIV") and New Protein Fund I as an investor with no executive power. New Protein Fund I has the fund size of 1,500 million baht. It was established by Mr. Dan Pathomvanich, who is the CEO and Director of NRF and he is the manager of the fund of Big Idea Venture. New Protein Fund I is an accelerator fund which support start-up business relating to plant-based food and give advice in conducting a successful business. It aims to invest in 100 start-up companies which now have invested over 30 start-up companies. Over half of those start-up companies already has sale revenue e.g., Phuture Limited ("Phuture") (simulated pork) <https://phuturemeat.com/> which has distributed to many restaurants in Singapore. Because the company invested as an investor with no executive power in Big Idea Venture, the company has the right to present itself as the producer for the start-up companies that New Protein Fund invested in (Preferred Co-packer) when those start-up companies need a producer both for small testing or the market scale or commercial scale. Such investment will open the opportunity for the company to access to new technology which can be adapted to use in the company in the future. This will increase the yield and capacity of production of the company. Example of products of New Protein Fund I are Black Sheep Food, Phuture Meat, Eat Karanma, Confetti fine Foods. Currently, the company have entered into a hire to produce contract with Phuture Limited which is one of the start-ups in the New Protein Fund I.

### **(4) Phuture Limited**

On 13 March 2020, the company invested in an instrument to receive the right to convert ordinary share in the amount of 25,000 USD. Phuture Limited ("Phuture") <https://phuturemeat.com/> is a startup company which aimed to develop simulated pork which is produced mainly from soy bean's protein.

It is one of Food Tech start-up in Asia which has been interested by world class investment company. The company have known Phuture Limited from investing with BIV. Currently, Phuture distributes product in many restaurants in Singapore. It has a plan to expand its business into China and Thailand and continually develop new product. Anyhow, the company make such investment to build a business relation and opportunity to become the manufacturer for Phuture.

### **(5) V-shape innovation**

Apart from our food products, we also have non-food functional product aim to provide convenience for consumer and serve customer satisfaction. Our functional product packed in eco-friendly packaging ("V-shape"). In the future, the company plans to expand to food functional products as well such as food supplement, etc. In December 2020, company invested in Boosted Ecommerce, Inc, USA to import V-shape packaging production machine and V-shape packaging technology which is a convenient packaging and suitable for consumers of all ages including the illness and disabled people. Under the contract, the company received the right of first refusal from service providers for the food, cosmetic, pharmaceutical, and chemical industries in the Southeast Asian market.

Apart from convenience and user-friendly product, V-shape machine could potentially produce in various sizes, designs and types of products. Our packaging material is polylactic acid (PLA) which is 80% bio-based materials that are recyclable with shorter compostable lifetime than chemical plastic. PLA plastic could extract from various plants such as corn, casava, sugarcane or beetroot. Bio-based packaging has lower environmental impact than chemical plastic in all life cycle stages.



## 2.1.6 Procurement of products or services

### (1) Procurement of production material



The company procures raw materials including fresh, dry, food compound, and packaging from domestic manufacturers and distributors, whereby the company has a policy to procure raw materials from multiple trading partners in order to reduce the risk of reliance on any trade partner. Sometime the company required to import packaging and/or raw materials used in production from abroad according to customer specifications. Raw materials that the company used for manufacturing products can be divided into 2 groups as follows:

- Raw materials used in production

The raw materials used in the production include fresh and dry ingredients and food condiments. Most of the raw materials are agricultural products such as chili, lemongrass, lime, garlic. The company's main raw materials, including agricultural products, have production quantity that is uncertain and the shelf life is not very long. Therefore, the company has strictly planned production and schedule for receiving these raw materials in order to maintain the quality of the raw materials used in production. This will directly affect the quality standards of the company's products. In general, the company will keep raw materials for 3 to 7 days. The company will use the reference price from the middle price of Srimuang market and Thai market, which is a medium-sized dry market and large fresh fruits in Ratchaburi province. The company will buy mostly from distributors, where the company normally specify quality, we need.

- Packaging

The company will order packaging of any size and type according to the order of the customer which mostly being purchased from local distributors and partly order from an overseas supplier. This will happen only if there is a specific requirement of the customer. Most of which are orders from domestic manufacturers, the company procures both groups of raw materials from multiple producers or distributors in order to reduce the risk of reliance on a particular.

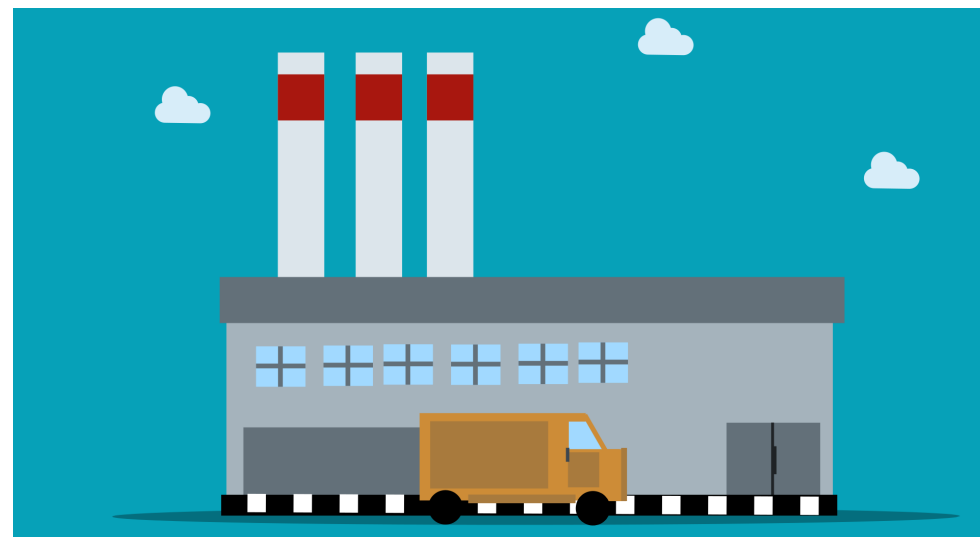
manufacturer and supplier. The company consistently and continuously buys from the same manufacturer and supplier and build a good relationship with each other. As a result, the company has never encountered a shortage of raw materials in production which cause significant impact on its business operation.

### (2) Production and production control

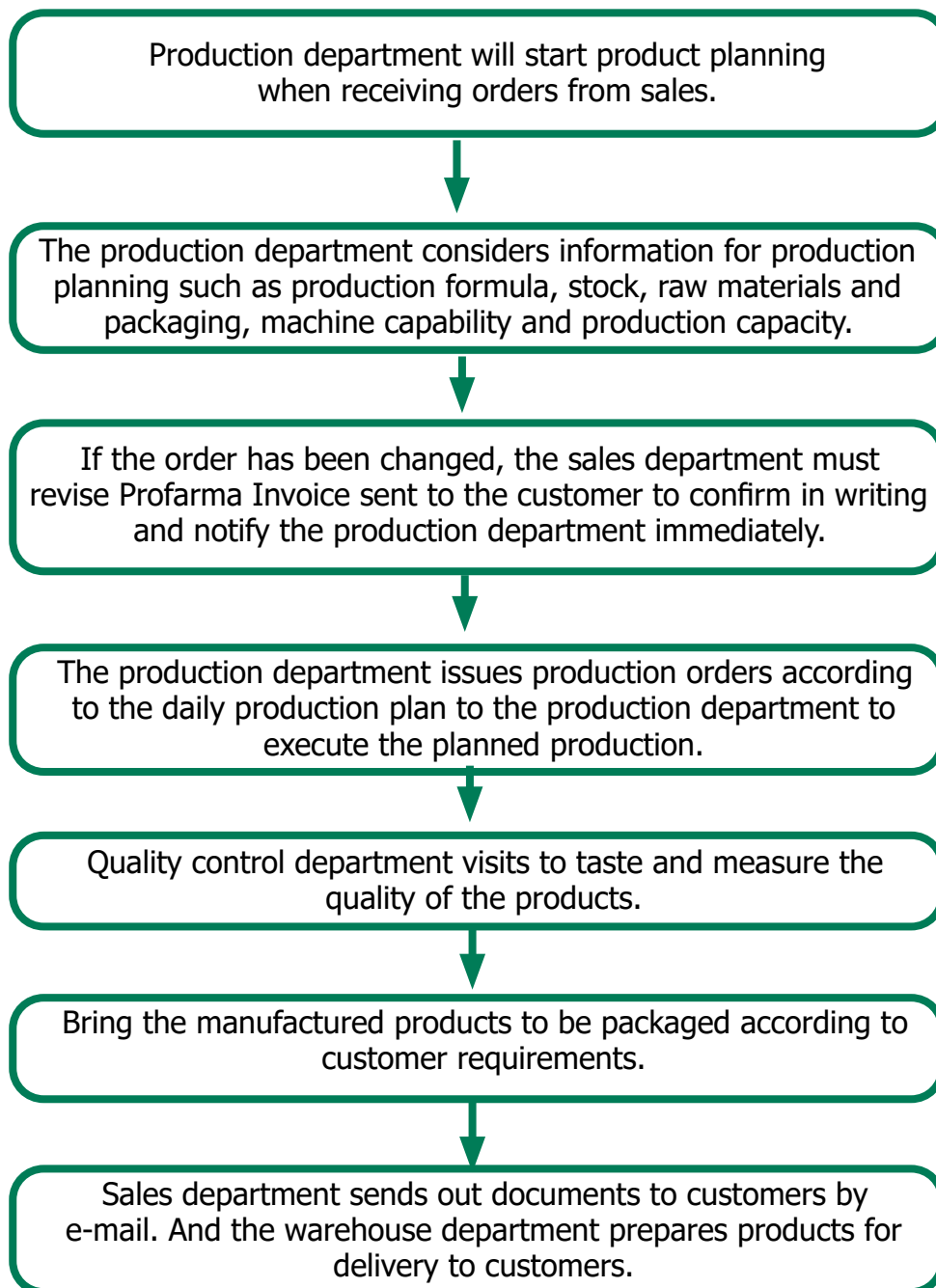
In the year 2020, average production rate of the company is approximately 111% of the total production capacity of approximately 14,677 tons per year, and production at our 2 factories are for production of noodle, sauces and seasonings.

### (3) Production process

Generally, the company produces products mainly according to customer orders (Made to order). Only some parts of the company manufactured to stock the products for sale to large retailers and general retailers, both domestically and internationally. The production department will plan the production together with the sales department and the raw material purchasing department in order to make the production more efficient, achieve production goals and able to deliver products within the time agreed upon with the customer. The company has the following production steps:







The company's production department and production control are one of the most important aspects of our operations that will directly affect the quality standard of the product. With great care, the company pays attention to the production process and production control so that all employees can work at their best efficiency. The company has divided into 5 subdepartments of production as follows:

**1. Powder product line production department:** this production line produces various powdered products such as seasoning powder, instant beverage powder, etc. It also includes the process of mixing various powdered components, packing products in sachets and boxes with automatic machines and manual labor.

**2. Noodle production department:** this production line produces various types of noodle products such as Hokkien noodle, etc. In this line, there is a production process starting from mixing flour, rolling up fluff, seasoning and packing into packaging as a finished product ready for delivery to customer.

**3. Line production department prepares raw materials and produces frozen products:** this production line will receive the imported raw materials and put them into the raw material preparation process so that they can be produced in the next step. Starting from the cleaning, trim the raw materials before sending to the production process of various products in other production lines. In addition, this line also produces frozen products.

**4. Production line of various spices and curry paste:** this production line mainly produces curry and sauce products. By starting to receive raw materials that have been prepared from the production department, raw material preparation lines, ground, seasoning, packaged and sterilized. Before forwarding to prepare for delivery to the customer

**5. Labeling and packing line production department:** this production line will carry out labeling, packing of products from other lines in order to be ready for delivery. It will receive products from powder production lines and various curry and sauces lines.

## (4) Production control procedure

The company committed to producing products that meet the food safety standards (Safe Food). They mainly exported to European countries and the United States. This is the group of countries that are very strict in terms of product quality and safety of imported food products. Therefore, the company has a quality control policy at every stage of production to ensure that every product produced by the company for customers will pass international standards.

### • Quality of raw materials used in production

Raw materials used in the production comprise of fresh and dry material and food condiments. The company will specify quality of all kinds of raw materials to set a standard for selecting raw material's suppliers for the company. In addition, the production control department uses a random method to bring raw materials to inspect in the laboratory to prevent substandard raw materials from being introduced into the production process and to maintain the quality of raw materials from distributors. In the event that the production department or the production control department finds that the raw materials received from the supplier are not of the agreed quality, the company will return all substandard raw materials and order the distributor to deliver the new lot promptly. If that supplier is unable to deliver the substitute raw materials on time, the company will order additional raw materials from other suppliers from the list of qualified suppliers.

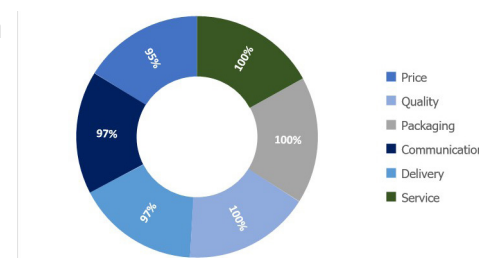
### • Product quality

The production control department will inspect the quality of products during the production line using sampling methods to perform physical checks including color, size, temperature, humidity and contamination and chemical, taste, humidity, pH and testing for microorganisms, including checking the information on the product label to be complete and correct.

## (5) Warehouse and transportation

Because the company's products are food and seasoning, so there is no policy to keep raw materials and finished products for long at the factory. Most of the company's raw material storage would be dry raw material, seasoning and packaging. The company will contact the suppliers on a daily basis in order to identify raw materials that need to be delivered to the factory according to the production plan. For finished products and packaging, the company will contact the shipping company for delivery to the port immediately. The company uses FOB (Free on Board) terms of delivery, in which the company, as a seller, has the duty to deliver the goods to the port of origin. After that, it is the buyer's responsibility to transport the goods from the port of origin until the destination specified by the customer. By transporting the products to the port of origin, the company will hire a transport company to do it. Most of the products of the company will be delivered to Lam Chabang Port.

### 2.3.5 Customer Satisfaction



Customer is one of our relevant stakeholders. Customer relationship management could potentially lead to enhance the opportunity to expand consumer bases. The company set customer and business partners satisfaction survey annually. The target score was not less than 95% of total score. The questionnaire questions comprised of 6 pillars which are price, quality, packaging, communication, delivery and service.

In 2020, the company surveyed 41 companies. The result showed that in service, packaging and quality got full score, followed by delivery, communication and price, respectively.

### 2.3.6 Information Technology and Cyber Security



Data is importance to driving an organization to grow rapidly and sustainably. It is a valuable asset that the company will use to get maximum benefit. The data both offline and online need to be managed, controlled and secured in which privacy right is the first priority for company consideration.

NRF has realized the importance of personal data and information security. Therefore, we conducted data security and cyber policies as follows:

#### (1) Personal Data Protection Policy

Personal Data Protection Policy was established for persons involved in the processing of personal data in orders or on behalf of the company, such as applying for a job, registering, signing on contracts and surveys to ensure that the company is transparent and responsible for collecting, using or disclosing information in accordance with the personal data protection act.

#### (2) Information Technology Security Policy

Information Technology Security Policy was established for the company's information and technology user in order to inform the prohibition and practices that will affect in information security system and in line with company's purpose including not violating the law or damaging in operation.

#### (3) Business Continuity Plan Policy,

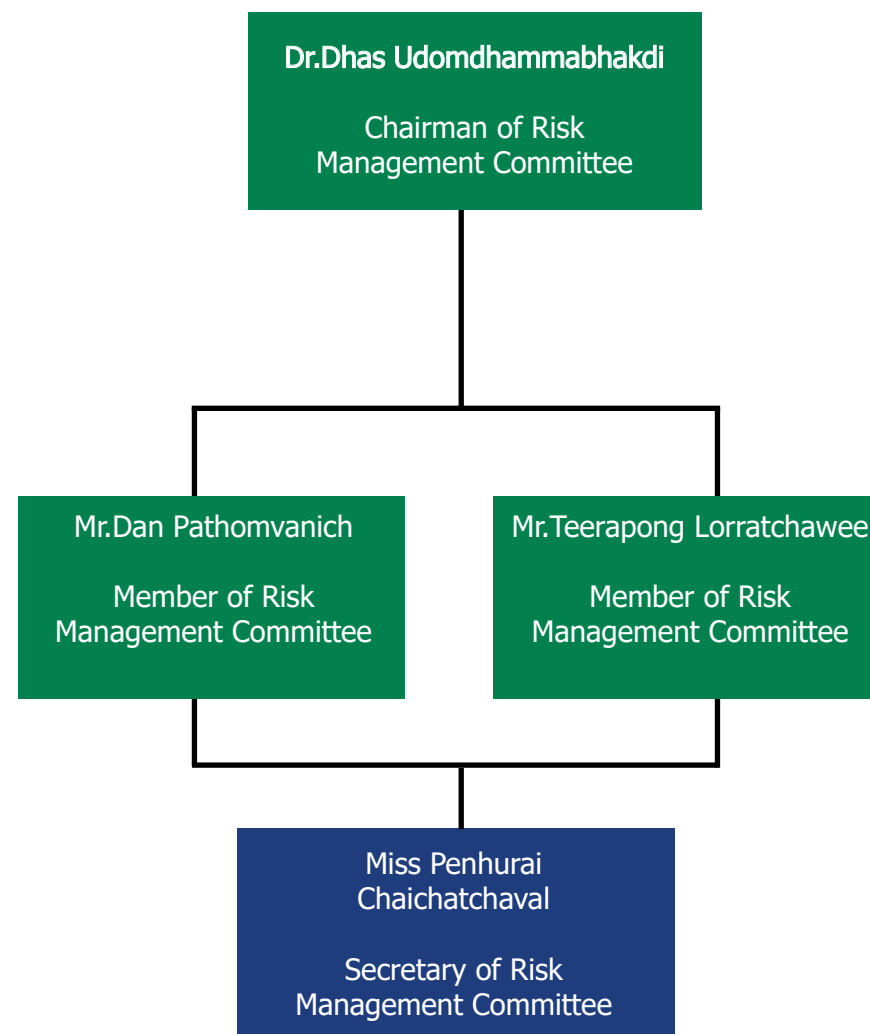
Business Continuity Plan Policy was established for emergency situation responding and operations especially emergency or disaster which could potentially cause the company to stop its operations or unable to provide continuous operation. If there is no process to support the continuous operation that will affect the operation.

In the future, our company is committed for digital transformation in order to drive company with the rapidly changing world and make new s-curve to ensure sustainable growth of organization.

### 2.3.7 Risk Management



#### (1) Risk Management Committee





## **(2) The Scope of Duty and Responsibilities of Risk Management Committee**

(2.1) Establish policies for strategic risk, operational risk, financial risk, compliance risk and other risks as well as establishing a general risk management structure of the Company, which shall cover all important risks e.g., financial risk, investment risk and risk of defamation, and propose to the Board for approval based on the risk management guideline of COSO Enterprise Risk Management 2017 (COSO ERM 2017).

(2.2) Establish risk management strategy and guideline in line with the risk management policy in order to monitor and control all risk at the tolerable level by allowing participation by all department.

(2.3) Monitor risk application of risk management policy under the guideline and policy approved by the Board. 3.4 Establish a measurement of risk and the risk tolerance level.

(2.4) Establish a measure to manage risk in accordance with the current situation.

(2.5) Assess organization-level risk and establish a measure to manage such risk at the tolerance level as well as ensure the compliance with established risk management measure.

(2.6) Review and revise risk management policy to ensure efficiency in risk control.

(2.7) Authority to call for question and appoint operation at every level to handle risk management and report to the Risk Management Committee in order to achieve the projected objective of risk management.

(2.8) Report the results of management, operation, and risk position of the Company as well as any change and required improvement to ensure compliance with the Board's policies and strategies.

(2.9) Prepare risk management manual.

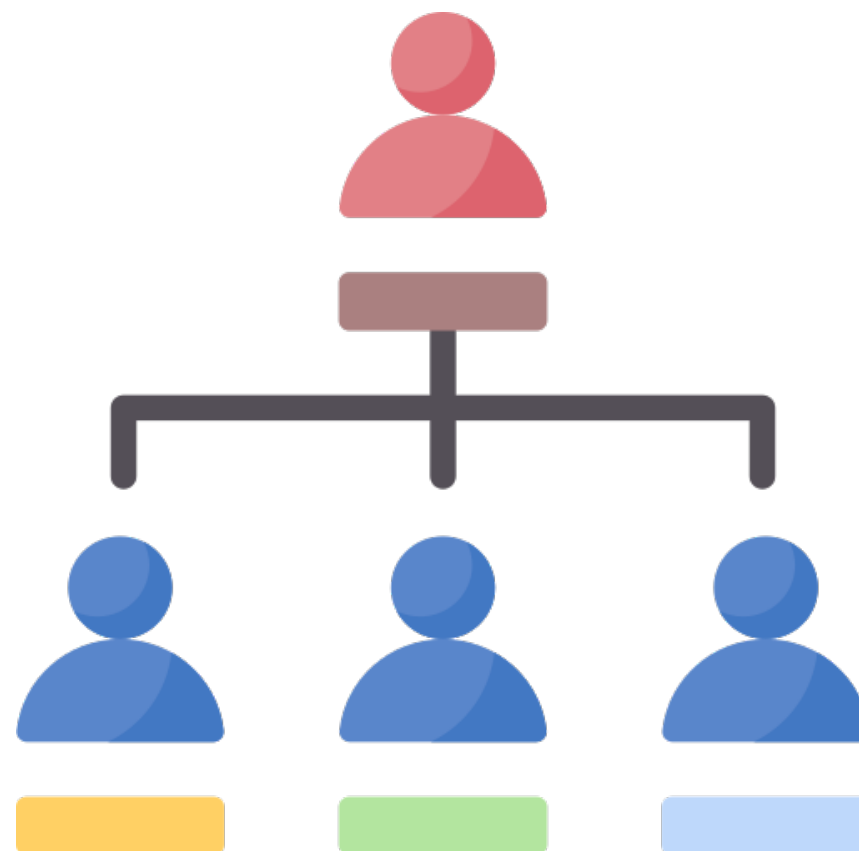
(2.10) Identify risks and determine the probability of such risk as well as the impact on the Company.

(2.11) Organize workplan to prevent or mitigate risk.

(2.12) Evaluate and report risk management result.

(2.13) Establish risk management system incorporated with information technology.

(2.14) Other matters as the Board deems necessary.



### (3) Risk management Policy

(3.1) The company operates business under acceptable risk. To achieve the company's objectives and meet the expectations of the stakeholders. Risk management is an integral part of the preparation of the annual business plan. Daily administration and decision-making as well as various project management processes.

(3.2) The Company's management and employees own the risks, which is responsible for identifying and assessing the risks of the responsible unit as well as determine appropriate measures for risk management.

(3.3) Risks affecting the achievement of all company objectives. Must be operated as follows:

(3.3.1) Identify risks in a timely manner.

(3.3.2) Assess the likelihood of the risks and consequences of such events.

(3.3.3) Manage risks in accordance with established risk management rules, considering the costs involved and the benefits to be gained from such risk management.

(3.3.4) Follow up to ensure that the company's risks are properly managed. Risks that may affect the company's business plans and strategies are high-risk and very high-risk. Must report to the Audit Committee and notify the Board immediately.



#### **(4) Risk factor in business operation of the Company**

##### **(4.1) Risk in business operation of the Company or group**

##### **(4.1.1) Risk incurred from competitive situation in the OEM business**

The factor that affects competitive ability of the Company in the food manufacturing business is the selling price and cost of raw material which is fluctuate upon market price beyond control of the manufacturer. The customers can change food OEM if they get a better price offering. This put the Company in risk from competitive situation of the OEM market which could affect future income and profit of the Company.

However, switching of manufacturer for the conglomerate customer might cost more and take time to check manufacturing standard of the new manufacturer (high switching cost). The Company trusts that the following competitive advantage shall put the Company in the top list for OEM for the world leading company (1) the Company's emphasis in sustainability business operation, (2) preparation to step into future food production market, both production and accessibility to food technology and innovation (Platform for Future of Food) (3) more variety of food formula and package (4) worldwide distribution channel (5) flexibility of production line to support small batch and lean production (6) international standard in food safety standard acceptable to customer around the globe.



##### **(4.1.2) Risk from insufficiency, price fluctuation, and quality of raw material that is below standard set by the Company**

Agricultural product is the Company's main raw material for manufacturing, for instant, plant product, livestock, and fishery. Quantity of these products depend on farming area, number of farmers, climate, outbreak, natural disaster, and market demand. These are beyond control of the Company. Therefore, in the future, uncertainty of agricultural product quantity may lead to, in certain period of time of the year, insufficiency of raw material in the market to serve customer's demand and affect cost of raw material.

In the past 3 years, average price of main raw material the Company can purchase each year tends to decline because the Company can compare the price offered by many suppliers. For some raw material such as packaging, i.e., bottle, tin can, its price has no effect from climate or season change so that the Company can anticipate the price change based on market force which is easier than anticipation of price change for agricultural raw materials. Quality of agricultural product could be affected from climate factor, season and expertise of the farmer so that quantity and quality of agricultural product are unable to predict although the government tries to help supporting information concerning farming area and quantity of product each year. Government policy is also crucial to the quantity of product and price. Change of customer's demand could be one factor as the Company cannot procure raw material or package up to the customer's demand which would incur the lack of opportunity cost for the Company.





Although fresh raw material cost is only 23% of overall raw material cost during 2020, price fluctuation of raw material may affect profit rate of the Company if the Company cannot adjust selling price to reflect increase cost of raw material either wholly or partly which could affect operation result and operation profit. In this regard, the Company has implemented strategy to specify selling rate suitable for each product with difference profit rate (Product mix) to maintain target profit. For the package, the Company can mitigate risk by making order for frequently-used package when its price is still not too high, such as glass bottle, and maintain good business relationship with manufacturer and distributor of the package to create the channel to make an order upon customer's demand. The customer can also provide name of package supplier to facilitate the Company as well.

The Company has policy to procure raw material both agricultural product and package from several suppliers to mitigate risk from relying on particular supplier. The Company now has implemented the policy not to rely on one supplier for both agricultural raw material and package for more than 30% of overall purchase order of raw material of the Company.

Five top raw material suppliers can supply 25% of value of company's overall purchase order in 2020. The Company make a joint plan with major customer yearly and request most customer to confirm purchase order 3 months in advance. Each month, The Company made a plan for raw material quantity needed in correspond with customer's purchase order prior to sending purchase order to raw material supplier. The Company regularly update raw material stock, estimate amount of product to be made available in the market and interview suppliers and farmers. For the package, The Company has many suppliers to serve customer's demand and purchase order to ensure that the problem incurred by any supplier shall not affect customer's order. So far, the Company has not experienced any significant raw material procurement. The Company select only supplier who has experience and trusted operating standard. Each supplier has different expertise in different raw material type, but they can procure substitute material upon our request.

The Company realize the important of raw material's quality in manufacturing of high quality of product. The Company then has the policy to purchase from manufacturer and supplier that can regularly procure raw material up to standard set by company. We also build up trading alliance among producer and supplier of raw material and make a joint purchasing plan to ensure their ability to supply upon our demand. However, if the supplier cannot supply raw material at the standard as agreed, such supplier shall have to take back and supplier new product. This is the important quality standard policy of the Company.

In addition, to improve quality of raw material that safe for consumer and in sufficient quantity, the Company and Mahidol University has entered the MOU (Memorandum of Understanding) to jointly promote agricultural product and safe food for consumer both locally and internationally to provide the Company with good quality of raw material used in manufacturing of product for future export and local market. The corroboration is with Medical Technology Faculty, Mahidol University to help farmers who does not have their own farmland and enable them to do safe farming in Kanjanaburi Province.

The technology support is from high standard laboratory of Medical Technology Faculty, Mahidol University to control quality of farming. The Company has initiated NRF Farming Contract with the selected farmers and provided them with expert advice to improve their skill, knowledge, and funding support, and advice concerning marketing, starting from planting plan, from soil and water management until harvesting and transport to factory. We take care of farmers all the way through in hope that such project can uplift quality of raw material and package, develop quality of life of consumer and farmer and increase number of farmers and agricultural area in Thailand to create sustainability within supply chain. Project's success shall mitigate risk in procuring raw material for the Company.



#### **(4.1.3) Risk from depending on labour or important person**

The Company give high credit to innovation for product development to serve demand of the customer. The Company has research and development team with more than 20 year-experience responsible for such task to create new flavour to serve end consumer demand. As making presentation and proposal for goods and products of the Company both locally and internationally requires high skilled and experience selling team, in avoidance of depending on expertise of particular person, the Company has procedure to keep data and knowledge which are assets of the Company at the Company's central system, and not relying on personal relationship between selling staff and customer. The Company focus on quality of system, reputation, and integrity of the Company entrusted by client. As we can see from the 2017 change of management, the Company can still keep client base until now.



#### **(4.1.4) Risk on changing of consuming trend of plant-based protein to other which might affect losing of investment capital in this business.**

Nowadays, plant-based food consumers are all around the globe in many regions, approximately 750 Million of people or 10% of world population. EU and North American market, especially America is the potential and the trend leader. Main factor that affects the consumption is the consumer avoid eating meat which antibiotic and hormone are used in the production process as it causes risk of Carcinogenic substances accumulation. Environmental and ethical concern are among the reasons as the consumer believe that livestock industry causes top rank of green glass effect in the world. The consumer start to change consuming behaviour by choosing meat-substitute product more and more which make plant-based protein food manufacturing become more popular. However, if such consumption trend is only temporally, the Company may be at risk in losing the whole investment in increasing ability to manufacture plant-based protein.

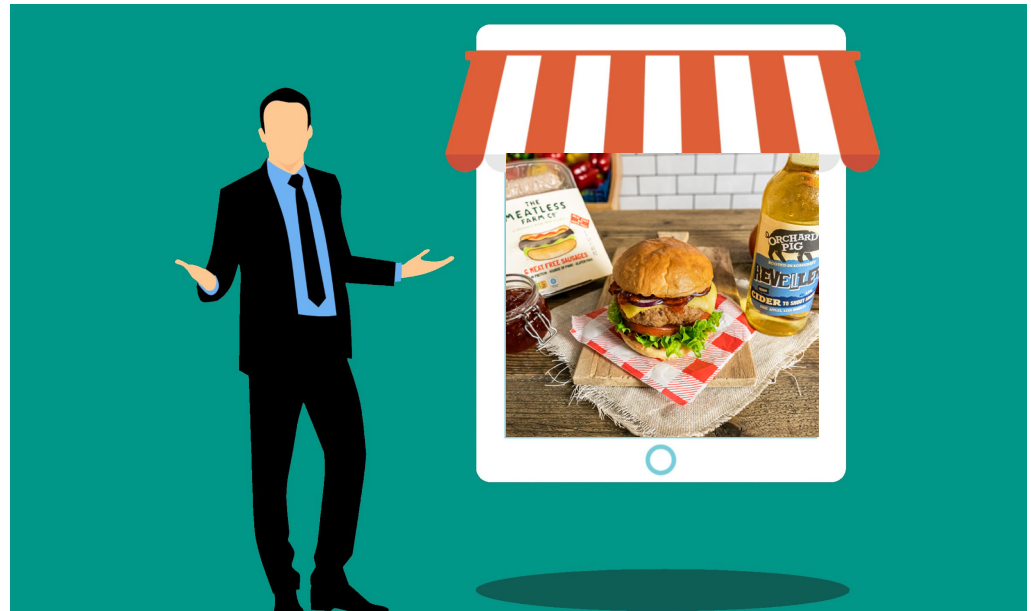
On 30 January 2021, the Company has signed joint venture agreement with Brecks which is the plantbased food manufacturer in England by investing through newly set-up company, Plant and Bean Ltd. on 13 May 2020, for 5 million Pounds to get access in optional protein product which become more popular in America and countries in Europe. Main product will be plant-based product which the Company aims to expand the market to serve the change of consumer's demand in the world market. This is also the opportunity to learn and enhance skill in making such product to provide opportunity for the Company to step up as one of major Thai OEM for this kind of product in the future. This factory will be the first factory of the Company located abroad that the Company has no absolute management. The Company has signed an agreement to invest in Big Idea Venture as general partner. The Company also invest in New Protein Fund 1 as limited partner in the total amount of approximately USD 345,950. This fund supports the business that can improve or change food manufacturing business with technology.

which focussing on plant-based protein. Although the Company has invested in the reputable fund and having investment experience, the competitiveness of start-up business now, there are a few start-up businesses that can expand and become successful both reputation, sales volume, and profit. The Company still at risk in expand its investment overseas if the start-up business cannot grow as expect and lose the whole investment.

The Company has invested in Phuture Limited ("Phuture") is the start-up that focus on artificial ground pork meet mainly made from soy protein which is one of the start-ups in Food Tech in Asia that attract investment from world-class investor. The Company has invested in USD 25,000 convertible instrument which can convert into ordinary shares or preferential shares as the case may be. Product of Phuture has been used in many food menus in restaurant in Singapore. This investment is to create business relationship and to opportunity to supply them with our product. If Phuture cannot make any growth in the future, the Company may be at risk from losing the whole investment. The Company is also at risk in investment to build plant-based food factory which is targeted to start in 2021 within Baht 200 Million budget.

The Company realize the risk in investment expansion in plant-based protein and might affect operating results and financial situation of the Company. The Company implement the risk management by closely follow up industrial situation of such product by sending company's representative to jointly manage in important position in the newly set-up joint venture company and has the clear provision in the joint venture agreement. The Company foresee the potential growth in plant-based protein product market in locally and internationally which could build up strength of having variety of product and operating growth in long term basis. The Company trust that people all around the world pay more attention to healthier consumption continuingly as we can see from statistic of sale volume of health product growth especially in USA, Europe and South East Asia. In addition, constantly increase of world population has direct impact on demand of food which is against the limited quantity of food resource.

# Plant-based



# trend



#### **(4.1.5) Risk from unsuccessful online sell (NRF E-commerce Platform)**

At present, almost all of the Company business in Business-to-Business. Since the Covid pandemic, the consumer start to get familiar with E-Commerce trading. The Company then plan to increase sell channel through online at up to 30% within the next 3 years to be able to contact consumer directly and can get useful data to analyse consumer behaviour and can present product exactly as demanded by consumer. The Company plan to invest around USD 10 Million or Baht 300 million in the shares of Boosted Ecommerce Inc ("Boosted") (USA) and invest in joint venture company with Boosted via NRF Consumer Ltd., ("NRF Consumer") (previously Sapsoo Co., Ltd.) the subsidiary of the Company.

Boosted is US company (<https://noostedcommerce.com/>), the start-up found by investor and management experience and expertise in investment and business management. Boosted was found with objective to invest in business that has sale volumes in Amazon e-commerce platform. After investment, management of Boosted shall expand the business for continuing growth. Boosted has the plan to invest in variety of e-commerce brand portfolio or house of brands.

The Company shall divide investment into 2 parts by investing via NRF Consumer, 1) investment fund at Baht 100 million in share capital of Boosted which is the joint investment between the Company and investor and professional management having expertise in investment and business operation targeting investment in branded business and interesting product (e-commerce brands) of third party seller on Amazon e-commerce platform (which is other traders on Amazon.com which is not Amazon.com Inc.) as stated above. This is to become build up the world big company that having goods and brand selling online (The New Procter & Gamble (2) Baht 200 million investment shall be used to co-invest with Boosted to jointly set up the Company to invest in e-commerce good seller of Ethnic Food, Plant-Based Food, Functional Food and Pet Food on Amazon platform and continue making profit.

NRF Consumer was entering non-binding agreement but to specify main concept of joint venture agreement. This would cause the Company and NRF Consumer at risk for unsuccessful or delay in investment. In addition, the Company is still at risk as to ability to acquire Branded E-commerce at the exact condition of investment as specified with the chance of losing the whole amount of investment.

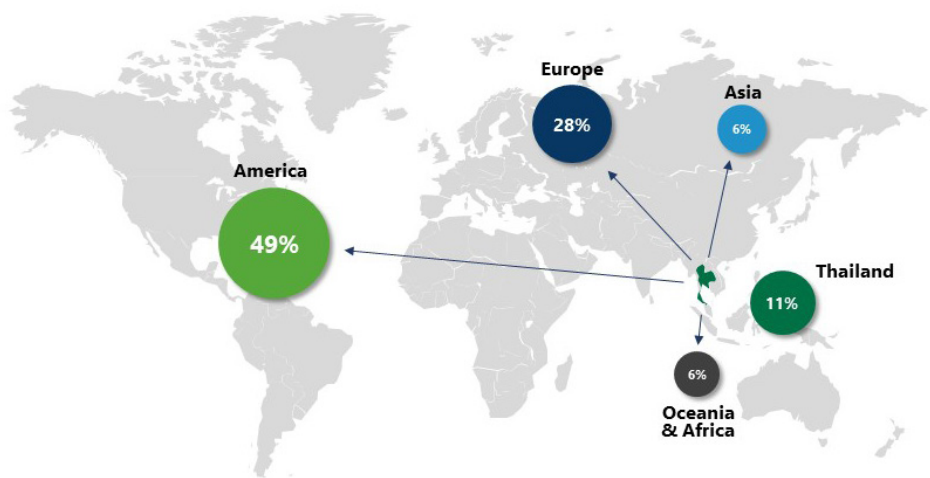
The Company and NRF Consumer realize such risk, then they have specified as a condition in nonbinding joint venture agreement. The Company has specified clear criteria of investment exactly match ability and strength of the Company at the suitable price not more than 3.5 times of EV/EBITDA with payment condition that could allow previous business owner to co-manage the business and obtain last instalment of share price according to operating result of business. This would benefit the Company and NRF Consumer highly. The Company and NRF Consumer can own the brand of goods with high sale volume and profit on Amazon E-commerce platform. The Company will sell its product on Amazon Market Place with upselling customer base. This could reduce investment risk that would adversely affect the Company.



#### (4.1.6) Risk from relying on major customer

The products of the Company are Thai food related and local condiment from Asian region which are very popular among consumer worldwide. The Company's end customer is retail store, supermarket, and big department store around the world such as in North America, Europe, and Australia which are deemed potential customer that require manufacturer to produce lots of products. If the Company depends on big sale volume with any customer, and later on they cancel the order and the Company cannot find any buyer to take on such order, this may adversely affect the Company. The Company then has variety of customers, not depending on any customer in particular. In 2017, ratio of sale volume for each customer is less than 10% of overall income from sale. In 2018, 5 and 10 top major customers of the Company share ratio at 31.88 per overall income from sale and 51.69 per total sale respectively.

In 2019, 5 and 10 top major customers of the Company share ratio at 33.04 per overall income from sale and 50.32 per total sale respectively. And in 2020, 5 and 10 top major customers of the Company share ratio at 32.8 per overall income from sale and 49.8 per total sale respectively. Demand for product and different flavour in each country is the Company's advantage as we have variety of products, more than 2,000 SKU. The Company then grab various group of customers in many countries around the world. This is one factor to mitigate risk from relying on major customer.



#### (4.1.7) Risk from termination of contract, failure to perform obligation or renew agreement, or performing MOU with important customer

Previously, the Company used to provide production service for the customer upon one-time order. After changing of management team in 2017, the Company has negotiated and entered the contract with major customers, so that nowadays, the customer of the Company is both with contract and without contract such as joint operation agreement between the Company and Fluid Energy Group Ltd. under which the customer may fail to perform or terminate the contract which could affect company's income and business relation with such customer.

The Company realize such risk and then set up marketing team and sell team to take care of important customer in each region and to continue looking for new customer. In this regard, the Company aim to develop R&D and quality control of the product and manufacturing efficiency to keep client base.



**(4.1.8) Risk from insufficient coverage of insurance policy to cover all damage that might incur in doing business or other activities**

Risk of the Company is generally on product manufacturing including risk on damage or failure of machinery operation, or unable to perform up to the specified standard, unsuitable instalment of machinery, accident, riot, political uncertainty, terrorist, operation problem, transportation failure, or labour strike.

business suspension, or put the Company in legal liability. In the event that severe damage occurs to the Company and insurance coverage is insufficient to indemnify such damage or the damage value is significantly over the insurance coverage or the Company is unable to get indemnify for such damage under the coverage, would adversely affect to the Company's business.

These risks might injure or kill someone or causing property or equipment damage, business suspension, or put the Company in legal liability. In the event that severe damage occurs to the Company and insurance coverage is insufficient to indemnify such damage or the damage value is significantly over the insurance coverage or the Company is unable to get indemnify for such damage under the coverage, would adversely affect to the Company's business.



**(4.2) Financial Risk**

**(4.2.1) Currency exchange fluctuation risk**

As the Company main business is to manufacture, sell and export the seasoning, condiment, beverage and instant food and semi-instant food, the Company earn income from export in foreign currency in 2018 at USD 24.62 million and Euro 1.39 million, in 2019 at USD 25.32 million, and Euro 1.12 million, and in 2020 at USD 32.83 million, and Euro 0.38 million or equivalent to 73% of total income from selling of the Company.

Raw material and packaging procurement are all from Thailand and paid in Thai Baht. There were some import of raw material partly in 2018, 2019 and 2020 at Baht 6.75, Baht 6.50, Baht 34.16 million (including machinery cost V-Shapes or 1.14%, 1.10% and 4.33% of total raw material purchasing cost. In 2020, the ratio is higher than the same period from the previous year because the Company has sale volume of Alcohol Gel in V-Shapes package which hiring manufacturer in Italy to make it and deliver to customer because the Company still unable to install machinery to make V-Shapes package due to Covid situation which restrict entering into the country. The Company, by importing raw material or hiring overseas manufacturer to make the product, the Company has to pay mainly in USD. Therefore, the Company has high risk from currency exchange fluctuation as the Company sell almost all the products in foreign currency, but raw material cost is in Thai Baht. In case the fluctuation of currency exchange is high, it will significantly affect income, profit rate and cash flow of the Company when convert into Thai Baht.

If the Company cannot adjust the selling price according to changing of currency exchange between Baht and foreign currency. The Company may incur profit or lost from currency exchange if the exchange rate on the record date of purchasing or selling difference from the date on which the Company receive or make payment.



To reduce risk from currency exchange fluctuation, the Company has taken closer look on currency exchange to assess the situation and trend of USD exchange rate and use it for specifying selling rate for product to reflect the exchange rate during particular period and hedge against currency exchange rate risk more than 50% of outstanding foreign debtor, together with consideration on currency exchange rate fluctuation factor. In addition, the Company has to policy to set the selling price in Thai Baht for product under company's brand, especially new product, or new customer which the Company as competitive advantage. The Company does not have policy to speculate exchange rate.

#### **(4.2.2) Funding cost Risk**

As of 31 December 2019, debt to equity ratio of the Company is at 54.8%. Therefore, increase of interest rate shall affect interest on loan, financial cost, and operating result of the Company. Under the Loan Agreement with the financial institution during 2017-2019, the Company has to maintain financial status and investment according to condition specified in the Loan Agreement as shown in the below table. However, with the Baht appreciation against USD and Euro, the average exchange rate has changed from Baht 33.94 per USD 1 in 2017 to Baht 31.05 per USD 1 in 2018 or changing approximately 8.5% and exchange rate from 38.28 per Euro 1 in 2017 to Baht 34.75 per Euro 1 or 9.2% change together with continuing investment expansion, the Company has to ask for relaxation to perform the obligation under the loan agreement which so far, the bank has agreed to do so. In 2020 prior to the IPO, the Company cannot maintain financial ratio as agreed in the Loan Agreement. The Company has received waiver letter from the bank together with waiver letter to repay principal amount during the grace period of 1 year.

#### **(4.2.3) Risk from Covid-19 pandemic**

With widespread effect of COVID-19 pandemic, the Company assess the situation that it could positively affect the Company rather than negative due to the demand for ready-to-eat product, recipe mix and seasoning has tremendously increase in 2020. The Company also gain benefit from Baht depreciation against USD.

Local lock-down measurement does not affect local income and it can be increase. However, the Company still unable to install machinery to produce V-Shapes package and konjac noodle because expat from Italy and Japan cannot come to complete the installation. The Company resolution is to hire V-Shapes, the Patent owner of machinery, to manufacture product for the Company during first fiscal quarter of 2020.

Company's measurement against COVID-19 is to issue "Operating Plan to Reduce Impact on Business from COVID-19", to provide clear guideline for each department and responsible person to prepare for more severe situation in the future. Our staffs have been random checked by Ministry of Public Health. The Company also implement screening procedure by performing SWAP test.

The Company is focussing on health and safety of staffs, suppliers, consumer, and surrounding community by implementing strict screening procedure on the staffs working at the factory, escalating cleaning and sterilizing measure, and providing advice to staffs to protect themselves. The Company also implement measure to prevent personal contact and physical meetings for all staffs and visitors by adopting online communication.

### **(4.3) Risk from related rules and regulation**

#### **(4.3.1) Risk from measure and trade barrier of importing country**

Main business of the Company is to manufacture product for export. Main customers of the Company are in the US and Europe which have high standard of regulation specially on consumer product which must be save, clean and without chemical residue and contaminants.

The Company then have the regulatory risk from trade measure and barrier of importing countries in relation to hygiene and product safety such as regulation concerning allergic substances, insecticide, contaminants, and label standard.

The Company realize the important of different measures in each country and study the information and enforcement of regulations and trade measures of each country both from the news and by contact government agency including collecting information received from company's supplier in the countries around the world. The Company appoint the responsible person in doing that clearly and report to the related department in the Company. The Company therefor has continuing procedure to follow up such information and sufficient to improve product quality to be in line with regulations and trade measures. Now, the Company has been certified by HACCP (Hazard Analysis Critical Control Point), GMP (Good Manufacturing Practice), IFS (International Food Standards), BRC (The British Retail Consortium) and HALAL Certificate which are the international certificate of product safety and manufacturing standard. The Company also mitigate risk by building up customer base in many countries in an attempt to reduce risk from being enforced by regulations or trade measure of any country.

As the Company has selling volume from plant-based protein product could mitigate risk of the Company in relation to regulation concerning meat product.

#### **(4.3.2) Risk from Technology in food production process**

All company's product such as seasoning, spices, instant food requires technology in each process of manufacturing and modern machinery to manufacture product up to international standard, high efficiency production and cost saving, the Company may at risk from development of production technology which might affect ability to compete of the Company, manufacturing cost and response to consumer's demand. The Company follow up the change of food production technology regularly.

To be able to respond to the change of consumer demand, the Company has invested in the new business, for example, in City Food Co., Ltd., which mainly use machinery for manufacturing. Investment in Big Idea Venture also enable the Company to get access to new innovation



#### **(4.4) Other Risk**

##### **(4.4.1) Risk from having major shareholders and strategic shareholders that have power to specify management policy**

Prior to initial public offering this time, shareholding structure of the Company as of 30 January 2020 comprising of Pathomvanich family, holding shares in aggregate at 91.4% of paid-up registered capital of the Company, and Dusit Food Co., Ltd. which is the subsidiary of Dusit Thani Public Co., Ltd., holding shares at 6.4% of paid-up registered capital, Black River Food 2 Co., Ltd., holding 2.2%. After the IPO, Pathomvanich family, the major shareholder shall hold shares in the Company altogether at 68.2% of paid-up registered capital, and Dusit Food Co., Ltd. shall hold 5%, Black River Food 2 Co., Ltd. shall hold 1.7%. Pathomvanich family and Dusit are still major shareholder of the Company. Therefore, other shareholders are at risk from unable to collect the vote to check and balance the agenda.

The Company have realized the importance of such matter; thus, it has built up the management structure to support the transparent and fair operation of the Company by recruiting 4 external people to be independent director from the total 8 director of the Company. The independent director will have the duty of checking and balancing the decision making and making approval of matter before proposing to the shareholder meeting for consideration. The Company appointed 3 independent directors as audit director to check the entering into transaction that may have a conflict of interest, check that the Company has suitable internal control system including, check that the Company has done and disclose all financial report correctly, and in time. The Company established the Nomination and Remuneration Committee in which 3 independent directors will recruit people with knowledge and capacity to hold the director and sub-committee.





**(5) Risk for investor from limited ability to subscribe right offering to existing shareholder or the same offering**



Although public company do not have to provide right offering to the existing shareholder upon capital increase, the Company can issue other types of instrument such as Warrant or transferable Warrant (TSR), or convertible debenture allocated to existing shareholders from time to time. In the event that the Company provide right offering, the Company has the right not to provide such right to the shareholders residing abroad or foreign shareholder from certain country. According to the law, the Company may be forced not to provide right offering to the people from some country, unless the applicable procedure has been done, for example, the Company may not offer right to US person as defined in US Securities Exchange Act 1933 (including its amendment) unless (A) the registration statement as required by US Securities Exchange Act has been submitted, or

(B) is an offering for sale of such rights to shareholders in accordance with an exception under the National Securities Act. USA. The compliance with securities laws or other regulatory requirements in some countries may prevent shareholders from exercising their right to buy the issued instrument. However, the company is not obliged to apply for the registration of the Company's ordinary shares in any country in order for foreign shareholders to exercise their rights to buy newly issued ordinary shares proportionately in the future.

**(6) Foreign Securities Investment Risk**

The Company may be exposed to risks relating to reliability of the other party including foreign securities issuer that the Company has invested in (outside stock market). The Company have the risk of losing all or part of the invested money in the event that the issuer of securities become bankrupt or insolvent, or in default, including incapable to repay capital investment or redeem the securities instrument.



### 2.3.8 Corporate Governance Policy

The Company operate the business by following the guideline of Stock Exchange of Thailand (SET) and Securities Exchange Commission (SEC) including ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) concerning Corporate Governance Policy to create efficiency, transparency and effectiveness in business operation, fair to the shareholders, investors, creditors, employees, government sector, customers, general people and related persons. In 2017, SEC has developed as practice principles, the Corporate Governance Code: CG Code, for the Company to adopt as the guideline for the Company's corporate governance policy to enhance the Company's long-term sustainable value creation.

The Company therefore adopted such principles as guideline practice for the directors of the Company. The Company has clearly set duties of management. The board of directors has duty to specify policy and supervise management to perform according to the Company's objectives and policy. The manage has duty to make profit for the Company. By doing so, the board of directors and management shall jointly responsible to stake holders equally, either employees, creditor, government sector, customer and society in compliance with (Corporate Governance Code : CG Code). The board of directors of the Company have additionally set the policy. This is not only to continue better operating result, but the long-term growth is also important for sustainable business value.



**Principle 1 :** Establish clear leadership role and responsibilities of the Board

**Principle 2 :** Define objectives that promote sustainable value creation

**Principle 3 :** Strengthen Board Effectiveness

**Principle 4 :** Ensure effective CEO and people management

**Principle 5 :** Nurture innovation and responsible business

**Principle 6 :** Strengthen effective risk management an internal control

**Principle 7 :** Ensure disclosure and financial integrity

**Principle 8 :** Ensure engagement and communication with shareholders



### 2.3.8 Anti-Corruption Policy

NR Instant Produce PCL. proceeds the business with attention to resist the corruption and adhere to virtue, morality, transparent operation including responsibility for stakeholders. Moreover, the Company determines the policy of anti-corruption to be the guideline for the practice as follows:

(1) Committee, management, and employees will not perform or support any corruptions.

(2) Building the Company's culture to the integrity and ethical values.

(3) Establishing an internal communication among all personnel in the organization to encourage the honesty in duties.

(4) Creating human resource management process reflecting the anti-corruption including selection process, evaluation, rewarding, and promoting position.

The Board of Directors and Executive Committee are the leaders and the role model for practice according to anti-corruption policy as well as also support the good corporate governance.

#### **Guideline concerning protection and monitoring risk from corruption**

The Company establishes guideline to supervise and control to prevent and monitor risk from corruption which can be summarized as follows:

A. Providing audit procedure and internal control assessment and risk management governing major system such as selling and marketing, purchasing and hiring, contract, accounting record, and payment to prevent and monitor risk from corruption and provide appropriate solution.

B. Providing channels to receive information, clue, complaint concerning violation of law or Code of Conduct or Guideline concerning anti-corruption or suspicious financial transaction or internal control of auditing, punishment under the Company's regulation or law. The Company shall report the investigation result and solution in writing in case the Company can contact the clue reporter or the complaint.

C. Head of department relevant to the case shall be responsible to follow up and improve the mistake (if any) and report to the supervisor.

#### **Guideline for monitoring the compliance under guideline to prevent involvement in corruption**

The Company set the guideline to monitor compliance under the guideline to prevent involvement in corruption as follows:

A. Require the management and employees to regularly conduct self-assessment concerning compliance to Good Corporate Governance Policy and Code of Conduct established by the Company including anti-corruption policy and relevant guideline.

B. Procure internal auditor to audit internal control, risk management, corporate governance by conducting the audit according to annual audit plan approved by Audit Committee and report significant issue found and provide suggestion to the Audit Committee.

C. Require risk management division and internal control to conduct testing and assessment of risk from corruption continuously to apply anti-corruption policy efficiently and monitor, review and improve anti-corruption policy regularly and propose the assessment result to Risk Management Committee and report to the Board of Director respectively, promptly and regularly.

D. If the investigation found that the information from checking or complaint is reasonable with supporting evidence to believe that there is the act that might affect financial status and operating result of the Company and the act that might involve corruption including violation of law or Code of Conduct of the Company or guideline to prevent involvement in corruption or suspicious to financial statement, internal control, the Audit Committee shall report to the Board of Director for improvement within the reason period determined by Audit Committee.

The Company shall communicate the guideline to prevent involvement in anti-corruption through channels such as intranet of the group company and on the Company's website for acknowledgement and compliance by the management and all employees.

# Anti-Corru



### 2.3.9 Code of Conduct

#### (1) Business Ethics

NR Instant Produce Public Company Limited shall and shall ensure that its staff operate in accordance with the business ethics as follow:

(1.1) Operate business honestly, with good faith and responsibility toward the society both in terms of law and ethics and strive to support individuals, community, society, and environment.

(1.2) Treat customers fairly in terms of goods and services, without discrimination

(1.3) Operate business on system that meets the standard and has good control, using skills to the best of their ability and carefully work on the information which is sufficient and backed by evidence as well as comply strictly with related laws and regulations.

(1.4) Not disclose customer's data which shall be kept confidential by nature unless required by laws to disclose.

(1.5) Allow for customers to complain about defects in goods and services

(1.6) Disclose all information regarding goods and services, comply with the terms and conditions established between the Company and the customers and promptly inform customers if certain conditions cannot be met in order to sort out the problem.



#### (2) Rights and Equality among Shareholders

It is the Company's policy to treat all shareholder's fairly in accordance with related laws and regulations, conduct shareholder meeting transparently and fairly, ensuring shareholders' equal rights as follow:

(2.1) Right as the owner exercised through nomination of directors

(2.2) Right to trade or transfer shares

(2.3) Right to attend shareholder meeting, cast vote, express opinion and join the decision-making process on material changes

(2.4) Right to appoint proxy to attend meeting and cast vote on their behalf

(2.5) Right as the owner exercised through nomination of directors

(2.6) Right to trade or transfer shares

(2.7) Right to attend shareholder meeting, cast vote, express opinion, and join the decision-making process on material changes

(2.8) Right to appoint proxy to attend meeting and cast vote on their behalf

(2.9) Right to appoint and relieve directors from position

(2.10) Right to vote to appoint and determine remuneration for auditor

(2.11) Right to be regularly and timely informed of performance, policy

(2.12) Right to receive equally distributed profit 13. Right to be informed of related party transaction

## Shareholder Meeting

### A. Date, time, and venue of shareholder meeting

The Board shall choose the date, time and venue of shareholder meeting that is convenient for shareholders to attend.

### B. Notice Convening the Meeting

The Company shall send out the notice convening the meeting, the agenda, the Board's opinion together with supporting documents which provide the shareholder with sufficient information for decision-making in each agenda before the meeting date. The related laws and regulations shall be fully complied.

### C. Proposal of Additional Agenda

Shareholders may propose additional agenda in advance of the meeting by sending a written notice of the agenda in details at least 3 days before the meeting date for the Board to consider including such agenda to the meeting.

### D. Meeting Attendance and Registration

Shareholders have the right to attend the meeting and cast vote or appoint a proxy to attend the meeting and cast vote on their behalf. The Company allows for the shareholders to register for their attendance before the meeting time and provides resources for shareholders to facilitate their registration.

### E. Questioning, Commenting, Voting and Minute Recording

The Board guarantee equal shareholder's rights in reviewing the Company's performance. In every meeting, shareholders may question, comment, and make any suggestions. Decision-making and vote casting are made independently. Each share constitutes one vote equally. The Company records minute of meeting including the questions, suggestions, resolution, and number of votes (approved, not approved or abstain) as written evidence to allow the shareholders and related party to review. The minute will also be published on the website of the Company after the meeting.

### F. Attendance of the Board

The Board considers the shareholder meetings as significant. It is deemed a duty of all members of the Board to attend every shareholder meeting, present all information to shareholders as well as hearing comments, suggestions and answer questions posted by the shareholders.





### **(3) Ethics and Recommended Actions for Executive and Employees**

NR Instant Produce Public Company Limited has specified a set of ethics for executives and employees and published on [www.nrinstant.com](http://www.nrinstant.com) as follow:

#### **3.1 Shareholder Treatment**

Executives and employees shall conduct their duty honestly, with care and vision, not seeking benefit for themselves and related party from the information undisclosed to the general public as well as refrain from disclosing the organization secret to outsiders and conducting any activities which might lead to conflicts of interest.

#### **3.2 Employee Treatment**

Executives and employees shall treat each other fairly, work without bias, encourage advancement and enhance efficiency of employees, encourage understanding of ethics, provide appropriate benefits for employees and treat the supervised and colleagues with honesty, being open to reasonable comments and suggestions.

#### **3.3 Customer Treatment**

Executives and employees shall treat customers strictly according to the business ethics as established by the Company.

#### **3.4 Partner Treatment**

Executives and employees shall treat partners fairly, not asking to or received any unjust benefits from partner and promptly inform the partner if any conditions are not met.

#### **3.5 Competitor Treatment**

Executives and employees shall compete fairly and not dishonestly seek to learn of the competitor's confidential information.

#### **3.6 Society and Environment Treatment**

Executives and employees shall ensure compliance with related laws and regulations, and be responsible to society, assisting, supporting, and volunteering to do activities that is beneficial to the community and society.



NR Instant Produce Public Company Limited has established a guideline for the executives and employees to comply, as follows:

### **A. Guideline for Executives**

Executives must comply with the regulations, rules, order, announcement of the Company and of their supervising staff as follow:

1. Support policy and comply strictly with regulations, rules, order, announcement or circulating letter which is notified to all employees.
2. Complete their work honestly and justly as well as promptly report potential impact to the reputation and property of the Company.
4. Complete their work with determination, perseverance and maintain the order and the governance of the Company to be a good example for other employees in order to lead the Company towards advancement ethically.
5. Strictly secure all benefits and secrets of the Company and the customer or that which is related to activities that the Company does not wish to disclose. Disclosure of news regarding the Company's financial status and personnel require permission and any such disclosure must be done carefully and efficiently. Employees shall maintain such confidentiality during and after the termination of their employment. Disclosure or transfer of information for other purposes rather than for the duty toward the Company shall result in damage which employees agree to compensate the Company for the actual damage occurred.

6. To the best of their ability, cooperate with each other to safeguard the Company's property from loss or damage either by men or by disaster. The Company's property shall not be used for personal purpose or for other parties not related to the Company's business.


7. Manage business with ethics and morals, supporting them in all levels of the Company as well as monitoring and resolving conflicts of interest.

8. Supervise their subordinates closely, fairly and without bias.

9. Be ready to work as a team and able to listen to the opinions of other people.

10. Strictly comply with, support, and supervise their underling to strictly comply with rules and regulations of the Company regarding computer system, computer data, the Company's traffic data in order for the Company's computer to be in compliance with computer laws, copyright laws or other related laws to prevent damage to the reputation of the Company.





### **B. Prohibition for Executives**

All executives shall refrain from behaving in the way that defame the Company and themselves, namely:

1. Spend the working time on other matters or personal purposes.
2. Operate an enterprise with the same characteristics as the Company and compete with the Company either for personal gain or for other parties or have control over such enterprise, leading to direct or indirect damage to the Company.
3. Behave in a manner that defame the Company and themselves.
4. Falsely notify or report the Company or keeping the information that should have been informed to the Company.
5. Complete their work carelessly or behave in a manner unfitting of a good executive who acts on good faith.
6. Conceal or distort information for personal gain or other parties, leading to direct or indirect damage to the Company.
7. Obstruct or behave in a manner that obstructs a lawful action of the Company's authority or command employees to behave unethically.
8. Violate the Civil law and the Criminal law, resulting to damage to self or others whether intentionally or not.
9. Disclose wage or salary, the rate of raise of self or others whether intentionally or not.
10. Demand or accept any property or benefits from customers, partners, competitors, or other parties dealing business with the Company or host a reservation which is proven to be unnecessary, except for custom gifts or a reservation in regular manner of business or business support expense which helps promote commercial awareness.

11. Bribe directly or through a third party or wrongly influence a representative of the state, customer, or partner, which is a violation of the Company's policy.

12. Add, cut, or revise any record or information to change or distort performance and intentionally put false record in accounting for any purposes.

13. Intentionally make payment or arrangement or misdirect that a part of the payment or arrangement involves a hidden agenda not expressed in the documents of such payment or arrangement.

14. Become insolvent or with any legal ground to be deemed insolvent

15. Not keep the Company's intellectual property or one earned by the Company because of an employee.

16. Copy other people's products or intellectual property.

17. Behave in any manner to wrongly seek benefits for self or other parties.

18. Allowing any non-procurement unit to request support from partners (if such support is needed, the unit shall consult and ask procurement unit to handle the process, except for joint marketing activities for which marketing and business development unit shall be responsible)

19. Omitting to prevent other parties from or aiding other parties in exploiting or accessing or disturb the computer system, computer data, Company's traffic data without justifiable cause or without consent from the Company, or intentionally allow for wrongdoings by service providers according to computer law or copyright law or other related laws.

### **C. Punishments for Executives**

1. Minor violation: The executive will be given a written warning, describing the nature and the ground for such violation, and giving the executive the chance to defend his case before his supervisor. If the incident remains unsorted, it shall be presented to the Board for consideration and the Board's decision shall be absolute. In the event of a second violation or failure to amend the first violation according to the warning, the executive shall face severe disciplinary punishment which might result in termination.

2. In case of major violation, including bribery, fraud, disclosure of the Company's confidential information or intellectual property to third parties, any defamation of the Company, concealing or failure to report any information, discussion or document to supervisor, the Company may terminate such executive's employment without severance pay without requirement to give a written warning in advance.

### **D. Guideline for Employee**

To promote efficient operation, employees shall comply with the followings:

1. Carry out their work with honesty, determination, perseverance and improve their efficiency for the benefit of themselves and the Company.

2. Strictly comply with the Company's work rules and regulations.

3. Be respectful and obedience of supervisor's justifiable command according to the policy and regulations of the Company.

4. Unite with other employees, be helpful toward each other, and refrain from causing conflicts which might cause damage to other parties or the Company.

5. Value other each other's rights, be respectful toward each other and refrain from disclosure other employee's information about work or personal life or criticize in the manner that will damage both the employee and the Company.



6. Refrain from accepting gift which makes them uncomfortable to carry out their future duty and inform the supervisor if such acceptance cannot be avoided.

7. Refrain from using their position or exploit their duty to seeks benefits for self, related parties or compete with the Company.

8. Treat customer, partner with honesty and equality.

9. Keep confidential the secret of the customer, partner and the Company.

10. Promptly report to their supervisors upon learning of possible impacts on the Company's operation or reputation.

11. Safeguard the Company's benefit and property to allow maximized utilization, be economical and prevent such property from being exhausted, lost, damaged, or deteriorating before reasonable time.

12. Attend training at least once per year or when material changes occur.





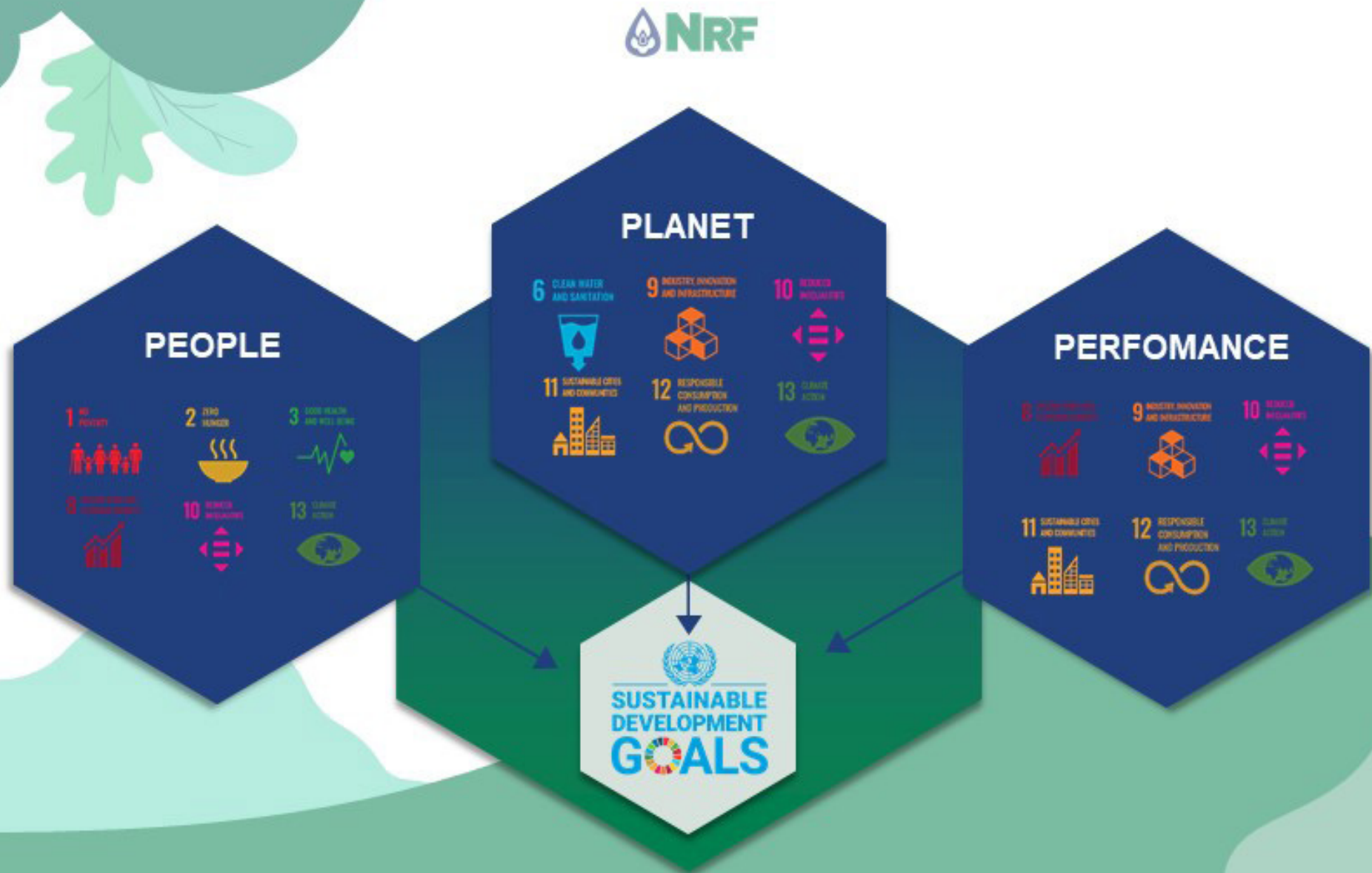
### E. Punishments for Employees

In the event that an employee behaves in a manner that results in conflicts of interest, the Company shall handle such issues according to the Company's organization structure and regulations. Each unit will conduct the preliminary determination and pass the issues along the line of command for higher positioned supervisors to make the decision and decide on the appropriate punishment. If such conflicts are severe, and the damage exceeds the authority of their respective department, it shall be presented to the executives to make the decision and decide on the punishment.

1. Verbal warning
2. Written warning
3. Pay cut
4. Suspension
5. Termination without severance pay according to labor protection law
6. Litigation



# 3Ps and SDGs



# SUMMARY

- The first purpose-led company has listed on the stock exchange
- The first and only food manufacturer in Thailand has been certified as Carbon Neutral factory for 2 consecutive years
- The first company committed to Science Based Targets (STBi)
- The first company join Race to Zero campaign
- Climate Actor organizations are recognized nationally and internationally
- Company has implemented "3P" sustainability strategies that are in the line with "Sustainable Development Goals (SDGs)"
- Company with strong global partners and leaders in each field can quickly expand the production base and customers
- Future food research and development
- Food innovation and new product development to serve customer satisfaction and take one step ahead of other companies
- Green investment to enhance our knowledge, expertise and technology in future food
- Raise environmental awareness to employees, partners and society
- Build plant-based community via Root the Future company
- The first plant-based food awards in Thailand and Asia's largest plant-based and sustainability festival
- Our plant-based platform is not only help people health but also help our planet
- Return back to our communities is one of our main priorities
- Company has production bases both in domestic and oversea, and never stop expanding production to serve market demand





**Join Our**  
**Sustainable**  
**JOURNEY**