



Report on Compliance with the Code of Business Ethics

The Board of Directors has stipulated the Code of Business Ethics of the Company under the defined values (Q-C-I-S-T), namely, Quality of Services, Customer Satisfaction, Integrity, Social and Environmental Responsibilities, and Teamwork, in order to codify formalities, define scopes, standards, conducts and behaviors which all the Company's personnel, including the Board of Directors, executives, and staff at all levels in every work unit should behave in operating the business and performing works, and to ensure performance of their works in the same direction based on the framework of ethics, morality, integrity, and to achieve an orderliness, equality, impartiality to lay foundation and keep up the Company's image as an organization with sustainable growth. The executives and staff will continuously evaluate their compliance with the Code of Ethics every year.

To communicate and promote compliance with the Code of Business Ethics of the Company, the Human Resources Department has written the Code of Business Ethics of the Company for its staff and has always provided all staff with training on compliance with the Code of Business Ethics of the Company. In 2019, there were 14 trainings for 28 new staff.

Moreover, executives and staff are arranged to evaluate their own compliance with the Code of Business Ethics of the Company. In 2019, there were 124 executives (from the levels of Section Manager upwards to Chairman of the Executive Board) who conducted such evaluation and all of them returned the evaluation results to the Human Resources Department, accounting for 100 percent, with the overall evaluation results representing very good; meanwhile, there were 1,361 staff (from the levels of Department Manager downwards to Operational Staff) who conducted such evaluation and 1,269 of them returned the evaluation results to the Human Resources Department, accounting for 93.24 percent, with the overall evaluation results representing very good.

The overall evaluation results of compliance with the Code of Business Ethics of the Company by the executives and staff can be summarized as follows:

1. Compliance with the Code of Ethics: Understanding and adhering to the guidelines as specified in the Company's Code of Ethics.
2. Guidelines for business operations: Strictly complying with the laws applicable to the Company and the trading business under the desirable morality, including the Company's policies.
3. Conflict of interests: Not disclosing any confidential information of the Company to any third party; refraining from any act which will give rise to a conflict of interest between their own interest and the Company's interest; not involving in nor holding any share in any business which may have an interest or a conflict of interest with the Company.
4. Insider trading: Not disclosing any insider information which has not yet been disclosed to the public, which may affect the prices or trading of securities of the Company and its related companies.
5. Commitments to shareholders: Performing the assigned works to the best of their ability to create value added for the organization to ensure its capability to accommodate the business growth and expand its business with continuity as well as creating value added for the shareholders in the long run.
6. Responsibilities for executives and staff: Setting out guidelines and practices for taking care of working environment to ensure safety for their life and properties at all times.
7. Commitments to communities, society and environment: Providing cooperation in making benefits for the communities, society and environment on an occasional and ready basis.



8. Disclosure of information and confidentiality: Complying with the policy to efficiently manage the Company's information; and disseminating necessary, correct and proper information to the public on an occasional basis; and not disclosing the Company's information which has not yet been disclosed to the public, including any personal information, nor using any information as known from performance of duties for their own interest.
9. The Company's assets: Setting out practices in safeguarding the Company's assets against loss, damage or misuse.
10. Gifts and hospitality: Setting out practices regarding giving of gifts and provision of hospitality, by refraining from receiving any item or benefit from counterparties, contractual parties or persons who are related to the Company's business, except during festival or according to custom, in which case, at the reasonable value as shall be considered by recipient.

Furthermore, the Company gives priority to anti-corruption, as well as supporting and encouraging personnel at all levels to have awareness in fighting against fraud and corruption in all forms, by establishing an policy on anti-corruption and prohibiting payment of any bribes for the Company's business interests or giving any gifts, assets, or any other benefits to any person in charge or any business related to the organization for the Company's business benefit, as well as clearly setting out practical guidelines for prevention of any fraud and partiality in the business operations, to which personnel at all levels, including employees, agents/representatives, affiliated companies, or any other persons which act for or on behalf of the Company, whether with or without the authority to do so, are required to adhere as a norm in performance of works. In addition, the Company deems that any acts in breach of duty are a serious disciplinary misconduct, subject to punishments as required by the work rules and regulations and as required by law.

However, the Board of Directors has approved the policy on whistleblowing and complaint for use as a tool to help the Company to perceive complaints about violation of laws, the work rules and regulations, and the code of business ethics of the Company which cause damage to assets and reputation of the Company, from both internal staff and stakeholders of all groups. The Company has supported disclosure of information relating to corruption and bribery. Moreover, staff or persons who are involved with the business can rest assured that they are protected from reprisals as a result of such information reporting made in good faith via the following channels:

1. Directors, executives, staff or stakeholders of all groups can make whistleblowing/complaint about perceived violation of the Code of Business Ethics of the Company with the Chairman of the Audit Committee or agencies in charge or the personnel department or the supervisors or the President.
2. Making whistleblowing/complaint requires name-surname and telephone number of the whistleblower/complainant, factual details, witness, evidence, together with documentary evidence (if any). In this regard, the Company will keep information of the whistleblower/complainant confidential if the whistleblower/complainant intends to keep his/her identity anonymous. In such whistleblowing/complaint, facts or evidence which is clearly obvious and sufficient to prove the corruption shall be given.
3. Making whistleblowing/complaints shall be made via the available whistleblowing/complaint channels, as follows:
 - 3.1 Letter to the Executive Vice President: Human Resource and General Administration
CH. Karnchang Public Company Limited No. 587, Sutthisarnvinitchai Road,
Ratchadaphisek Subdistrict, Dindaeng District, Bangkok 10400.
 - 3.2 Email to the Executive Vice President: Human Resource and General Administration at
ck.whistleblowing@gmail.com.



3.3 Via complaint box within the Company.

With regard to the guidelines or procedures for consideration under the policy on whistleblowing and complaint, when a whistleblowing/complaint on suspicious act in breach of duty from any directors, executives, staff or stakeholders of all groups, is received, it shall be referred to the following procedures for consideration:

1. The person who receives the whistleblowing/complaint shall collect facts relating to corruption, violation, or non-compliance with the ethics;
2. The person who receives the whistleblowing/complaint shall report on facts to the independent directors to perform duty in investigation of facts for consideration of the whistleblowing/complaint until completion within 30 days, by dividing relevant matters into issues in terms of management, development of knowledge, inspection of facts, etc.
3. The person who receives the whistleblowing/complaint shall propose the independent directors to conduct investigation of facts and formulate the implementing measures to tackle such violation of or non-compliance with law.
4. Disciplinary punishment shall be imposed against any persons who violate or fail to comply with the Code of Business Ethics, the policy on anti-corruption and the work rules and regulations as the Company deems appropriate, and damage sustained by the affected person shall be also mitigated.
5. As for reporting on result, the person who receives the whistleblowing/complaint shall have duty to notify the whistleblower/complainant of the result if the whistleblower/complainant has disclosed his/her identity. In the case of significant matter, report on result shall be made to the Chairman of the Board of Directors and/or the Board of Directors for acknowledgement.

The Company has also formulated the whistleblower/complainant protection measures, with the following guidelines:

1. Whistleblowers/complainants or persons who provide cooperation in inspection of facts alternatively may not disclose his/her identity if he/she deems that the identity disclosure will make him/her unsafe or sustain damage. On the other hand, in the event that he/she discloses his/her identity, the organization will be then able to make progress report and make clarification on facts to him/her or mitigate damage more conveniently and rapidly.
2. The Company shall not disclose name-surname, address, photo of the whistleblowers/complainants or persons who provide cooperation in inspection of facts, or any other information which can identify them, except as required by law.
3. The person who receives the whistleblowing/complaint shall keep all related information confidential/have regard to security. The measures to protect staff who makes whistleblowing/complaints and/or persons who provide information and/or provide cooperation in inspection of facts have been formulated. In this case, such staff shall be protected from unfair treatment, for instance, demotion, change of job descriptions, change of workplace, work suspension, threat, work interference, employment termination, resulting from such whistleblowing/complaint.
4. In the event that whistleblowers/complainants and persons providing cooperation in inspection of facts consider that they may be unsafe or may be in trouble or sustain damage, they may request the Company to formulate appropriate measures to protect them or the Company may formulate such protective measures without their request to do so if the Company deems that such matter has a tendency to cause trouble, damage or harm.
5. Proper and fair process shall be taken to mitigate damage for the persons who become in trouble or sustain damage.



In this regard, if, after the investigations are carried out in accordance with the procedures specified in the policy on whistleblowing and complaint, it appears that there is a violation or breach of the Code of Business Ethics of the Company, the anti-corruption guidelines or policy, and the work rules and regulations, the wrongdoer must be subject to disciplinary punishments under the work rules and regulations as specified by the Company and must be liable to compensate the Company or those who are affected by such act for damage, and may be punished under law if such act is illegal.

Nonetheless, in 2019, no any whistleblowing appeared or was reported that the Company's personnel was in violation of or in breach of the Code of Business Ethics of the Company, or committed any fraud or corruption, gave or received any bribes, or committed any act against the competition without fairness and committed violation against the work rules and regulations.