

February 13th, 2023

### **Stakeholders**

Our stakeholders have a significant impact on our business practices, and we strive to meet their expectations to the best of our abilities. We believe that by working collaboratively with our stakeholders, we can mutually grow and improve. We value any input provided by our stakeholders, as it helps us to better understand and respond to their needs.

Customers – We are committed to delivering high-quality and safe products in a timely manner, while adhering to all relevant laws and international ethical standards. Our aim is to maintain consistency in the quality of our products, ensuring that they meet the expectations of our customers and stakeholders.

Suppliers – We maintain a professional and equitable business relationship with our suppliers, and monitor their performance closely. We expect all of our suppliers to comply with local laws and regulations, and operate in an ethical and responsible manner. By ensuring that our suppliers meet these standards, we can maintain the highest levels of quality and integrity in our supply chain.

Employees – We are committed to providing a safe and clean workplace, free from any form of harassment or discrimination. We strictly adhere to local labor laws and regulations, and strive to create a positive and enjoyable work environment for all of our employees. By promoting a culture of respect and inclusion, we aim to foster a workplace where everyone feels valued and supported.

Community – As a responsible member of our community, we prioritize environmental sustainability by adhering to all relevant laws and regulations. We actively seek to reduce our energy consumption and minimize waste in our operations. Additionally, we are committed to giving back to our local community by supporting local charity projects and organizations.

### **Covid-19 Pandemic**

We are pleased to report that there were no major outbreaks of Covid-19 within our company in 2022, and we can conclude that our implemented measures against the spread of the virus were successful. During the second half of the year, our operations gradually normalized, and we were able to lift most pandemic-related safety measures and contact restrictions. Although it is no longer mandatory, a majority of the staff members still voluntarily wear facemasks. After a three-year break, we were finally able to hold our annual company event to celebrate the end of the year.

### **Waste reduction and environmental protection**

We are continuously working to reduce the environmental impact of our production. Our installed solar panels on the roof of the factory cover 25% of our electricity consumption. Further measures to reduce the use of electricity include replacing conventional lamps with LED lights, insulating our factory building, and regularly cleaning all air conditioners. We operate a water treatment facility on-site to ensure that any water we expel into the waste water stream is free of harmful chemicals.

We have maintained our carbon footprint below the Thailand Greenhouse Gas Management Organization guidelines for the past year by minimizing carbon emissions. Our employees purchase food mostly from street vendors outside of the factory, who typically use a significant amount of single-use plastic. By providing reusable plates and cutlery, we have been able to reduce plastic waste to a minimum. We actively provide the plates and cutlery to the street vendors before lunch and employees return them to the factory. This project has been successful and ongoing for several years. We will continue to raise awareness among our staff members about plastic waste and its impact on the environment.

Recycling and sustainability have become increasingly important topics for the majority of our customers. While some countries, such as the UK, have implemented a tax on non-recycled plastic imports that forces companies to seek alternative packaging solutions, other customers proactively ask for recycled solutions or, at least, thinner polybags. A major problem we face is the availability of recycled packaging solutions in Thailand. Currently, the only option we have is importing recycled polybags from third countries, which is not environmentally sustainable and goes against our principles.

### **Continuous improvement through various Audits**

In 2022, we underwent seven audits, with social compliance and sustainability being the most important concerns of our customers. Testing for compliance has become increasingly important, and we have invested more time and manpower to guarantee the safety and quality of our products by strictly supervising all incoming and outgoing goods. In addition to our existing certifications, our company has started to implement the ISO 9001 standard. We plan to conduct the ISO audit in 2023.

### **Health and Safety**

Our company has a safety committee responsible for monitoring laws and regulations to ensure our compliance. The committee communicates updates to factory employees. We aim to maintain a safe and accident-free factory environment by actively promoting a careful and safe approach to work. This is achieved through safety trainings that are specific to each field of work, public bulletins, and signage. Over the past year, we recorded 6 minor accidents, most of which were caused by non-compliance with safety rules. Affected employees received additional training after recovering to prevent future incidents. Some accidents were caused by defective equipment, and in those cases, we increased the frequency of check-ups for the affected equipment.

### **Human Rights**

We conduct a human rights risk assessment annually to check if there is a possibility of human rights violations within our operations. In the last year we could not detect any findings.

### **Charity**

We have been supporting local organizations with donations to benefit our community for several years. In 2022, we donated clothing and toys to the Orphanage Foundation of Thailand, renovated the foundation's canteen and organized an event for the kids with food and entertainment. Additionally, we helped the Traimit Wittayalai School by building an outdoor roof and donating tables and chairs for the new outdoor area.





In case you are missing any topics in the annual report on our business practices please contact [moritz@elf925.com](mailto:moritz@elf925.com). We value your feedback and try to consider the requested topics for the next year.