



Principal Capital Public Company Limited

Sustainability
Report 2020







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Message from Chairman of Executive Committee



The year 2020 is the year that the countries around the world including Thailand experienced with healthcare crisis from the COVID-19 pandemic. Principal Capital Public Company Limited (“The Company”) determined to build a sustainable Thai public health system along with the expansion of the hospital network and public health network to be accessible by people at all levels.

In the past year (2020) the Company opened 2 new hospitals which are Virajsilp Hospital in Chumphon Province and Princ Hospital Ubonratchathani and the construction of another 2 hospitals including Princ Hospital Lamphun and Princ Hospital Sisaket were completed and will be officially opened in

2021, making total number of Princ hospital network increase to 12 hospitals in 10 provinces. Besides, the primary care clinics will be operated by Klai Baan Klai Jai Co., Ltd. The Company targets to open 10 primary care clinics this year to provide medical services to those who is the Universal Coverage cardholders in Bangkok with the target to increase the number of clinics to 100 in 2022, which in line with the business expansion plan and the company’s resolution to operate the business based on the sustainability of the public healthcare, provide an opportunity for the people at all level in Bangkok and provincial area to access to the quality healthcare services at the appropriate price.

The visionary to bring in the technology to manage the hospital and to facilitate the patients, touchpoint reduction was in line with the COVID-19 outbreak situation. This also provides competitiveness for our hospital network and enhances the effectiveness in cost and resource management. As a result, the patients can be obtained various services at a reasonable price and get an opportunity to access to the quality healthcare services.

The hospital business operation last year focused on the quality standard development. Principal Healthcare Co., Ltd. achieved ISO9001:2015 certification and Princ Hospital Suvarnabhumi, one of the Princ's network hospitals received international standard certification for Covid-19 Certification of Conformance (GHA Covid-19 for Medical Travel Program), being the third hospital in Thailand and the fourth hospital in the world that received this certification from Global Healthcare Accreditation (GHA), a world-class organization that certifies the quality of hospital that provide medical services to the foreigners.

The company set the activities to improve the personnel within and outside the organization under COVID-19 outbreak situation and minimize the potential of infection by introducing the Telemedicine under the name "Dr.PRINC" that enables the patients to receive medical advice via an online advisory system without any additional cost.

In term of personnel development internally, the Company developed a central training program to train the staff under the same standard and to enhance the relationship among the staff within Princ's network as well as develop the external network to transfer the patients who need the advanced medical treatment from the specialized doctors for the highest benefits of the patients of all hospitals.

The year 2020 is definitely a challenging year to be faced with the contraction of the economy and the crisis of COVID-19 outbreak that makes technology important to the life and business. The increasing potential of services will not be limited to only medical service within the hospital but also lead to Digital Health or the medical service providing via an online channel which plays an important role in the healthcare business, which in line with the Company's business plan to enter into HealthTech. The Company is determined to operate the business with sustainable growth and balance between economic returns and the contribution to the society and environment to grow together sustainably.



Dr.Satit Vidayakorm
Managing Director

Sustainable Business Development Policy with Corporate Social and Environment Responsibility

Principal Capital Public Company Limited (the “Company”), operates the private hospital business in parallel with property for rent located in the CBD area. It also offers full-service office building management services in term of sale, administration, accounting etc. by the professional team with fairness and transparency, delicate to develop sustainable business growth with responsibilities to society and environment to achieve continuous benefit for all stakeholders such as shareholders, investors, counterparties, staffs, societies, and environment, thereby specifying policy to comply as follow:

1. Generate business growth with transparency, good corporate governance, and ethical for benefit to stakeholders, societies, and environment.
2. Manage our stakeholders objectively and encourage free trades with no conflict of interest and anti-corruption.
3. Dedicate and respect human right and fair treatment to staffs in terms of compensations, welfares, safety and work sanitarities. Also, training to enhance knowledge and skills for career advancement, engagement between staffs and organization, and staff participation in internal and external corporate social responsibility are supported in both direct and indirect manner.
4. Create value and quality by developing products and services which reduce impacts and harms to consumers and environment while enhancing better quality of life that suits for consumers demand.
5. Generate benefits to life quality development for surrounding local communities and Thai society by employing business processes which reduce society impact.
6. Focus on the environment management by considering potential impacts, maintaining safety, using resources effectively and saving energy.
7. Encourage innovation from stakeholders which creates value to communities, society, and environment with sustainable business development.

Business Development with Responsibilities to Society and Environment ISO 26000



Role of the Stakeholders

The Company responds and takes into account of all groups of stakeholders by considering the rights of stakeholders that are established by law or through agreements with the Company. The Company has set the clear guideline on roles of each group of stakeholders as follows:

1. The Company's stakeholders include customers, employees, trade partners, shareholders or investors, creditors, competitors, or public sector and relevant agencies. The communication channels shall be adequately provided for each group of stakeholders to communicate and respond to their needs.
2. The Company has a commitment to customers to continuously develop products and services, and to set fair prices in each circumstance. The company shall not take advantage of customers and shall operate neutrally and fairly without taking advantage of trade partners.
3. The Company shall consider the welfare of its personnel. Their employment contracts shall be fair. The remuneration shall be reasonable and appropriate to the employee's capability in order to build motivation. Training and opportunity to pursue their education shall be provided to enhance the performance of employees. The Company shall also create a pleasant working environment by setting the safety standard and working discipline to ensure all employees are well taken care. An appropriate compensation plan shall be drawn up if, under any circumstances an employee must stop working.
4. The Company consistently and continuously addresses the Company's consideration and concerns for the stakeholders.



Relationship Among Organization, Stakeholders, and Society

Our Stakeholders



Concept for sustainable business development with corporate social and environment responsibility

The Company aware that major factor contributing to sustainable business growth is to create the balance of economic, social and environmental profit. Therefore, other than the determination to expand the business to meet the target, the Company has set up more continuous social and environmental activities that show clear concrete outcomes, by focusing on building the understanding and awareness within the organization as the first priority. When sub-units of the organization understand, the outcome shall be fruitful as expected. The Company has adhered to the 7 main policies, which is in accordance with the guiding principle of the Stock Exchange of Thailand and ISO 26000 standards as follows:

1. Good corporate governance

The Company has determination to operate the business with transparency, accountability and disclosure of important information comply with the laws and other related regulations, including taking the benefits of all stakeholders into consideration. To make it clear and the employees have the same understanding of the best practice, the Company has outlined the Corporate Governance Policy and other related policies and posts such information publicly on the intranet for the employees' acknowledgement.

2. Doing business with fairness

To do business fairly, the Company has announced the anti-corruption policy as an operational guideline, which will help reducing the problems on conflict of interest or violation of laws. Also, the Company has set up the information technological policy that covering the use of products with valid license in order to eliminate the problem of intellectual property infringement by having the penalty code and published such information on intranet of the Company for employee's conduct and acknowledgement. In addition, the Company reviews the corporate governance standard and improve the policy to be in line with the international standard. Furthermore, the Company receives the Certification in Collective Action Coalition Against Corruption or CAC reflecting the determination to pursue anti-corruption policy and put into practice in the organization as well as joining every form of anti-corruption campaign.

On June 7, 2018 the Company obtained the Certificate in relation to "Thailand's Private Sector Collective Action Coalition against Corruption (CAC)"

3. Human rights and employment treatment

The Company treats its employees equitably and fairly, providing welfare, safety and hygiene in line with labor standards. Employee compensation covers more than wages, salaries and bonuses. Training is also provided to develop employee skills in various areas. Relationships within the organization are promoted, as well as effective communications and teamwork. Specialized training is provided to upgrade the knowledge and capabilities as well as potential of the employee and enhance effective communication

skill and teamwork spirit. Special courses for various area is provided, for example, Transformative Leaders (Continuity course), a course that focus on developing soft skill of the executives. Collaborative Team for Leaders, a course that focus on the development of skill to understand, appreciate, listen, ask, reflect and communicate for the team leaders. New Leader Essentials, a course to foster the new team head's successor as well as the advance courses for specialized doctor such as PHTLS (Prehospital Trauma Life Support) and PALS (Pediatric Advanced Life Support) etc.

Furthermore, the Company encourages the directors to attend the course arranged by Thai Institute of Directors.

4. Responsibilities to Customers

To maintain standard of services for high-end customers, the Company entered into a contract with the Marriott group, who is a famous international hotel group to manage and administer Marriott Executive Apartments Sathorn Vista, Bangkok. The Company also monitors its operating result quarterly to ensure that the customers have the best services. This property has always been awarded with the excellent rating from the customers. In addition, the Company entered into the management contract with Ascott International Management (Thailand) Co., Ltd. who is a market leader in serviced apartment management service in Asia Pacific and Europe as well as middle-east, to manage Somerset Ekamai Bangkok Project.

5. Environment and Safety

The Company organizes the training on fire drill for the buildings administered by the Company and sends its staffs to attend the training on Advanced CPR with BNH Hospital to learn how to behave in case that their colleagues or customers need an emergency assistance.

6. Participation in Community and Society Development

The Company conducts CSR-In process activities, which are social and environmental activities affecting to an organization's stakeholders and surroundings. CSR - After process, which covers activities for society and the environment not directly related to the organization's operation, is also executed. During 2020, the following activities were conducted.



Doctor, a giver (#1 No Poverty / #3 Good Health and Well-Being / #9 Innovation and Infrastructure / #10 Reduced Inequalities)

This project arises from the concept to do business in parallel with the building the society and community of the giver. Telemedicine or Long distance medical services online which is to provide medical advice from doctors without any charges to those who does not want to go to the hospital and need advice from home to reduce risk from COVID-19 infection. Every hospitals in Princ Healthcare network held the activities from time to time. The activities are in various form but all activities has the same target that is to create the community of the giver. The example of the activities included free trigger finger treatment, free heart check-up for children, free eye operation for 10 patients, free cancer treatment consultation, free treatment for fishbone stucked to the neck etc.

Doctor, a giver (provide “Mrs. Saengsuree” free eye operation in Doctor, a giver project)

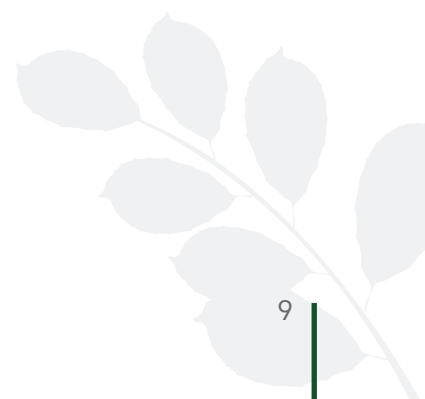


Happy sharing cabinets (#2 No Hungry / #3 Good Health and Well-Being)



Self Search Project (#3 Good Health and Well-Being / #4 Quality Education)

To educate the public, students and community regarding the career development, health caring in Covid-19 outbreaks situation to improve their quality of life and organize the activities to the schools in various areas.



Educate the students about Covid-19 at various schools



Home Health Care (#1 No Poverty / #3 Good Health and Well-Being)

The company provides primary health check-up services via mobile medical units to the community with free of charge to reduce risk from Covid-19 infection

Mobile medical units





The growth in employment rate (#8 Good Job and Economic Growth)

The company was driven by Information Technology recruiting new generation who has expertise in the Artificial Intelligence, Marketing technology as well as medical personnel who has expertise in various field of the hospital business. The number of doctor at all level increased to 2,409 person compared to 1,941 persons last year to support the target to expand the hospital business into the secondary province and enables local people to get access to good medical services quality at the appropriate price.

Taxi Hero (#3 Good Health and Well-Being)

This project provides drive-thru for covid-19 screening to taxi driver with free of charge.



7. Giving an importance to social responsibility activities

The Company intends to develop social responsibility to be more sustainable, so the Company gives an importance to the preparation of the Sustainability Report in order to declare its determination and to be a starting point for building the sustainable balance to the economic, social and environmental outcomes.

Remark: Please read for further details in Sustainability Report year 2018

in the Company's website; http://www.principalcapital.co.th/investor/good_corporate.html

PRINC's Criteria for topic Selection

The Company intends to develop social responsibility to be more sustainable, so the Company gives an importance to the preparation of the Sustainability Report in order to declare its determination and to be a starting point for building sustainable balance to the economic, social and environmental outcomes.

PRINC assess information both internal (organization goal) and external (stakeholders) on expectation, important issue, and demand that may affect the company sustainability in terms of economic, social, environmental dimensions. Then, the issue identification based on materiality, is a significant impact to organization and stakeholders, is established by focusing on training staffs to develop their capacity and learning and adjusting their attitude toward work quality, making company a learning organization with the sustainable balance among economic, social, and environmental outcomes.

Standard in Relation to Medical Services

Pitsanuvej Hospital was certified as a JCI-accredited hospital in December 2012 and was certified in other standard for example, Good Manufacturing Practice (GMP), OHSAS 18001:2007, Laboratory Accreditation (LA) and ISO 15189 etc.

Princ Hospital Paknampo was certified to have achieved HIMSS Analytics Stage 7 (the first and only hospital in Thailand to have achieved this level and being the second hospital in Southeast Asia and being the sixteenth hospital in Asia that achieve of this level.

Princ Hospital Suvarnabhumi was certified to have achieved HIMSS Analytics Stage 6 as designated by HIMSS Analytics. In addition, in November 2020, it received certificate for GHA Covid-19 for Medical Travel Program from Global Healthcare Accreditation, world class organization that certify the hospital that provide service medical tourism in the program Covid-19 Certification Conformance. The hospital is the third hospital in Thailand and the fourth in the world that receives this certification.

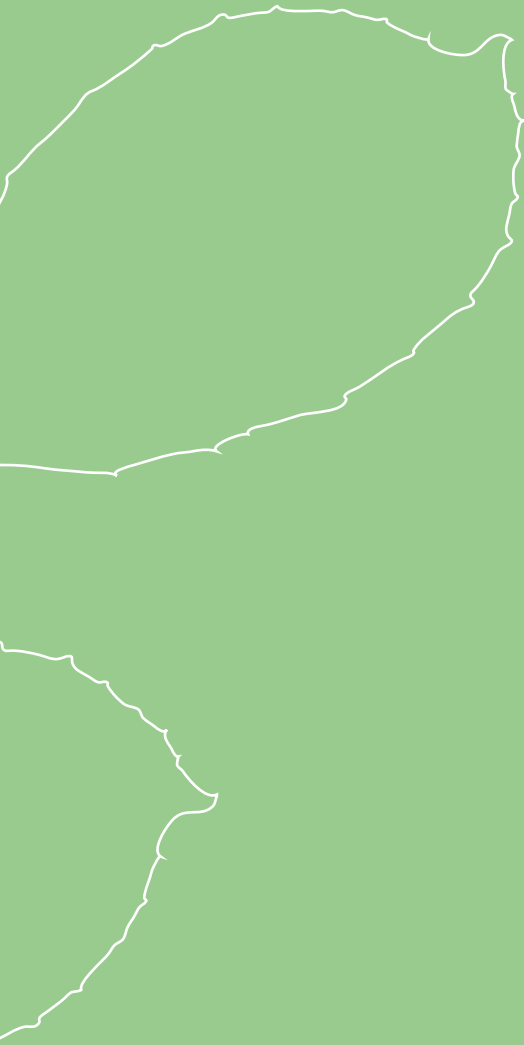
In December 2020, Virajsilp Hospital was awarded a certificate from the Healthcare Accreditation Institute (Public Organization) for following the Step 3 Path towards HA.

Risk Management

On November 26, 2015 Board of Director declared “Risk Management Policy” and “The Charter of Risk Management Committee” At the initial stage, the Committee to prepare Risk Management guideline was set up and on February 26, 2016, Board of Directors appointed Risk Management Committee to plan and rate the Company’s risk as well as outline the risk mitigation measures, manage risk of the Company and report to the Board of Directors every 6 months.

The Company gives an importance to risk management starting from finding, identifying, analyzing, evaluating, managing and controlling as well as following up and reporting result by applying ISO 31000 standard to develop the framework for risk management with reference to internal control guideline of The Committee of Sponsoring Organizations of the Treadway Commission : COSO







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