

The Beacon



SUSTAINABILITY



July-December 2014

Vol.11

An Introduction to
Investor Relations

The Road to
Sustainability

A Step Towards
Anti-corruption

RECO's Winner
Interview

Biography of Her Majesty Queen Sirikit



Her Majesty Queen Sirikit is a daughter of His Highness Prince Chandaburi Suranath (Mom Chao Nakkhatra Mangkala Kitiyakara) and Mom Luang Bua Kitiyakara. Her Majesty was born on August 12, 1932. She was named Sirikit, meaning the Glory of Kitiyakara family, with the title Mom Rajawongse (MR), equivalent to the Honorable. MR Sirikit went to Rajini School in 1936. Then she went to St. Francis Xavier Convent School until secondary level. She moved to England when she was 13 years old as her father Prince Nakkhatra was appointed Thai Ambassador to the Court of St. James.

After a year, Prince Nakkhatra was transferred to be Ambassador to France. While serving in Paris, he had the opportunity to meet the young King Bhumibol Adulyadej. At the time, His Majesty the King was studying in Lausanne, Switzerland. The King met MR Sirikit for the first time in 1947. Later, the Princess Mother asked MR Sirikit to continue her studies in Lausanne and keep His Majesty company. The King and MR Sirikit got to meet each other more frequently.

A quiet engagement ceremony for the royal couple was arranged on July 19, 1949 at the Windsor Hotel, Lausanne and they were married on April 28, 1950 at Sraphum Palace, Bangkok. On that day, Mom Rajawongse Sirikit was elevated to Queen Sirikit. Then, on December 5, 1956, the King's birthday, Her Majesty was elevated her again to become the Regent of the King.

Her Majesty the Queen gave birth to one prince and three princesses: HRH Crown Prince Maha Vajiralongkorn, Princess Ubolratana Rajakanya, HRH Princess Maha Chakri Sirindhorn and HRH Princess Chulabhorn Walailak.

Her Majesty has supported and been working for several organizations, such as the Thai Red Cross Society, the National Council on Social Welfare, the Wildlife Fund of Thailand and many others. Her Majesty also founded the Sai Jai Thai Foundation to help disabled soldiers, police and civilian officers. In 1976, Her Majesty's birthday, August 12, was declared by the Thai Government to become a national holiday and Thailand's Mother's Day.

Editor's Note

This edition combines a lot of variety of information. We are commencing a series where we discuss the work of people or departments that are not familiar to those who have not worked in listed companies before, kicking off with a two-part article on investor relations. We hope to interest you also in our sustainability project, which will lead the company to greater efficiency and profitability down the road. Related to sustainability is corporate governance and we will have articles on this over future editions, commencing this time with our anti-corruption program.

It is RECO time again, when we find talented designers who can produce fashions and products from recycled or reused polyester, and this issue contains an interview with the winners of the 2013 Fashion and Product Design categories. We have another article on how to make products from recycled plastic yourself too.

HR is such an important arm of any company, we have added two articles, one on talent management and another on employee engagement. To bring you up to date, we also include an article about the vicinity of our latest acquisition at Adana in Turkey.

Our editorial plan includes moving towards electronic versions of The Beacon in future. If you have any comments, please tell us if you prefer to receive a link to download the Beacon as a PDF or continue to receive a hard copy (and why). Email: ir@indorama.net

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An Introduction to Investor Relations

There is one department at head office in Bangkok that few will be familiar with if your career has been with private businesses. Unique to publicly listed companies, the Investor Relations Department, or IR for short, is the financial marketing arm of the organization, whose job is to keep investors informed of the running of the business. People often confuse IR with PR or marketing, however the differences are important. For one thing, the IR audience is much smaller and focused than that of the PR department, which deals with the general public and therefore is much broader in its reach. IR deals with people who are naturally finance-oriented but mostly interested in strategy and direction. They usually do their own number crunching but rely on IR for the story behind the numbers.

Whereas good PR seeks to provide the right information to always give a good impression of the company, or where marketing tries to convince the merits of a product or service, IR is not trying to sell shares but has the intention to provide accurate and timely information that provides investors with the facts needed to make an investment

decision. IR must remain balanced and provide useful information during bad times as well as good. Integrity is a key trait of a good IR officer.

A professional IR department focuses solely on the investment community and its own management. It requires the time to develop relationships with investors who come to trust it over time. It needs the full support of top management to reveal information vital to an investor and to be consistent with the facts over time.

Whereas people in the company will often find the IR life glamorous, flying to famous cities globally, the truth is that 10 hours spent on an airplane followed by intense day-long meetings for two days before the flight back are exhausting. However, regular face-to-face meetings are essential to building up trust.

In a company where the facts are complicated, like petrochemicals, a lot of the work is in educating people to understand the mysterious workings of the business; to enlighten them sufficiently to make educated decisions. This makes IR the generalist who can explain every aspect of the company and its industry sector in simple terms. Finance, accounting, strategy and the

ability to explain are just some abilities required. Just because a fund manager is in a trillion dollar company doesn't make him an expert on everything (which he needs to be if he is putting millions of dollars into a company). If he doesn't understand the business, he won't invest.

IR can be important to top management too. The reason why companies list in stock markets is to access investor's money. Investors not only buy shares in the open market from other investors but on occasion lend the company money, perhaps by buying its bonds or subscribing to new shares that provide money for the company to grow. A full-time IR will spend time building relationships and can advise management on the mood of investors and the market. Usually, the board of directors will ask the IR now and then to report on the company's reputation in the market; which major shareholders have bought in or sold out; which competitors are attracting investors and why.

In our next article, we will discuss the role of IR in enhancing the company's reputation.

The Road to Sustainability

Sustainability (n. /-ˈbɪlɪti/ the endurance of systems and processes) It's a word that seems to mean different things to different people. A search on Google for sustainability, shows list of hundreds of definition of sustainability, such as being viable for the future, acting responsibly or simply 'doing the right thing'. Inspirational – but vague. The word has become rather fashionable and we read that many companies are seeking a “sustainable supply chain.” What do they mean?

Very often, we associate “sustainability” with concepts of ‘environmentally friendly’, ‘CSR for the community’, ‘carbon footprint’, ‘global warming’, ‘green’, ‘recycling’ and ‘renewable energy’. The meaning can be rather simple. Sustainability means everything we do to ensure we minimize our impact on things or people around us, so that they don't come back to haunt us and damage the business. Sustainability is like a vaccine. We lower energy usage to lower costs – so we can be competitive - but also to avoid future impacts. Similarly for employee welfare, we have to develop human resources to be able to retain valuable staff. Risk management foresees potential issues that can interfere with business and effects a plan to prevent or deal with them.

Therefore, this word covers almost everything we do in our company that may be seen as negative by almost anyone. Being sustainable means acting in a socially, environmentally and economically responsible way in everything we do.

Sustainability can refer to

- Safer and healthier work environments
- Social compliance
- Community development
- Talent attraction and employee retention
- Employee development
- Diversity and equality
- Good governance
- Recycling and waste reduction
- Reducing resources and logistic costs
- Energy savings
- Acquiring materials from reliable sources
- Operational efficiencies
- Innovation
-and much more

Why is it important?

It is important that sustainability concepts are able to deliver visible results for companies that execute them. Otherwise, it can be difficult to convince people to pursue it consistently. However, public awareness regarding sustainability has grown. Businesses are being forced to adopt a sustainable approach to business and conduct business in ways that are more responsible practices.

In addition to pressure from the public, companies face pressure from investors. They are paying more attention to sustainability and recognize that the areas of Environment, Society and Governance (ESG) can have long-term consequences on a company's financial performance. They want to know how companies are addressing current global challenges such as climate change, natural resource scarcity, global population growth and social and economic inequality. Major institutional investors are now using sustainability to evaluate companies when making investment decisions.

Governments are also putting companies under pressure by introducing new legislation and mandating standards that



must be achieved. This has forced companies to consider their impact on the environment as well as manage and address risks effectively.

Market demand and customer expectations are other important drivers for business to adopt more sustainable and responsible practices. Customers are demanding high-quality products, more environmental-friendly materials, better environmental practices and more sustainable partners and suppliers.

Sustainability makes good business sense

Sustainability can bring direct benefits to a business and serves as an opportunity for business in many ways.

By incorporating sustainability as a business practice, companies will not only increase their brand value but also ensure a long life for the business. Becoming more transparent about what you do and how you manage performance is increasing the level of trust and positive opinion about your brand as well as providing an opportunity for differentiation.

Similar to brand value, companies that can prove to its stakeholders that it is a sustainable business tend to lower their company's risks, securing future earnings and building a more resilient business. Other than risks, companies can avoid negative publicity and gain a “license to operate” by engaging with stakeholders and addressing sustainability issues.

The mega forces, such as climate change, resource depletion and rising energy costs have led companies to explore how things can be done more efficiently and effectively with fewer resources and less impact. By improving operational performance and efficiencies, companies are able to drive down costs and gain competitive advantages.

Sustainability is now a key driver for innovation and has opened huge business opportunities. By integrating sustainability, companies have the opportunity to innovate new solutions, processes and products to differentiate themselves and unlock new potential for growth.

Other major benefits of addressing sustainability are to attract the top talent and enhance retention. Generation Y is showing a preference to work for companies that have a reputation for environmental and social responsibility.

Sustainability touches every aspect of business and has become a game-changer for business nowadays. Being more sustainable requires attention and continuous improvement. Therefore, it is important that companies must understand the benefits of implementing sustainable practices.

Coming next...

In the next article, we will talk about how Indorama Ventures has commenced its journey along the road to sustainability.



• The company issued free warrants in two series to its shareholders following an extraordinary general meeting of shareholders held on August 6, 2014 at 2 p.m. at the Plaza Athenee Bangkok in order to prepare for capital needs in the future as the company continues its growth plans. The two series of warrants, named IVL-W1 and IVL-W2, will have exercise dates of two years and three years from the date of their respective issue. IVL-W1 is expected to raise approximately US\$ 541.6m in capital for the company. The IVL-W2 warrant is expected to raise approximately US\$ 497.6 m.



• In November, the company successfully completed the transaction for its first issuance of perpetual bonds with total amount of THB 15,000 million. Although the perpetual bond is a new financial product in the Thai debt capital market, the transaction attracted robust participation from investors which reflects investors' confidence in both IVL's business and its financial stability perpetual bond is one that offered with no maturity date and is shown in as company equity for the first five years, bringing the company's net debt to equity ratio down to 0.8:1.



• On February 23, Indorama Ventures reported fiscal 2014 results where core earnings of THB 5.1 billion, an increase of 146% over 2013. Core EBITDA grew 30% over 2013, to THB 19.5 billion in 2014. The High Value-added (HVA) portfolio has started to bring in rewards.

We are developing a portfolio that has multiple assets in complementary operations within the hygiene fibers space and are developing further into automotive and industrial fibers and yarns, especially where they pertain to health and safety such as tires, safety belts and airbags. While we have seen the impact of crude oil prices falling leading to inventory write-downs in the fourth quarter, the benefit has been improvements to our cash flow from operations as we use less working capital on lower prices. IVL targets to maintain a net debt to equity ratio of around 1.0 time in the long term. As on December 2014 it stands at 0.83 times. IVL businesses have a track record of strong cash flows since the majority of sales are to the consumer necessities sector.



• The company's new 300,000 tonnes per annum fiber plant in Indonesia, PT. Indorama Polychem Indonesia, was completed and commenced operations this year. Formerly referred to as CP4, this plant is reputed to be the most efficient in the world of its kind and has the advantages of lower input costs than many regional players. Customers are not only in Indonesia but around ASEAN, in Europe and North America.

Head Office HR Department arranged orientations for new employees. Mr. Richard Jones, Vice President for Investor Relations and Corporate Communications, provided new staff with general information about our businesses, corporate governance issues and policies under our Corporate Governance Policy Awareness Campaign, or CGPAC, and an introduction to cultural awareness. New employees learned about their rights and the rights of others as well as how to work with people from different national or cultural backgrounds at head office.

Asia's Fab 50 Companies

• Indorama Ventures Public Company was once again recognized by Forbes Magazine as one of the Asia Fabulous 50 companies (Fab 50). The Fab 50 comprises the best of Asia-Pacific's biggest publicly traded companies, chosen from a pool of 1,300 companies in the region that have at least US\$ 3 billion in market cap or annual revenue and consists of the "best of the best". The exceptional honor of appearing in the list is a mark of the effort that the company has made to continue to make good returns through industry cycles.



• IVL has also been ranked 47th in C&EN's Global Top 50 ranking of the world's largest chemical producers for 2014



• Indorama Ventures received certification from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). Companies that are certified by the CAC have demonstrated their commitment to fighting against corruption through the implementation of policies and effective mechanisms. Indorama Ventures initially declared its intention to join the CAC in 2013 and has been improving its anti-corruption framework to ensure that implementation remains at the top of the operational drive and is embedded in the company's business culture.



Mr. Richard Jones (right), Vice President, representing Indorama Ventures Public Company Limited (IVL), received the Outstanding Sustainability Report Awards 2014. The event organized by The Thai Listed Companies Association, The Securities and Exchange Commission and Thaipat Institution. This year there were 64 nominations from listed companies. The award aimed at recognizing best practice for corporate sustainability reporting and encourage companies to have transparent disclosure of their environmental and social impact.



Mrs. Suchitra Lohia (right), Director and Chairperson of the Sustainability Committee, representing Indorama Ventures Public Company Limited, received the CSR Recognition Award 2014 in the category of Rising Star from Dr. Chaiwat Piboonsawat (left) President of The Corporate Social Responsibility Institute. This award was given to companies that join the competition for the first time and deliver outstanding performance in corporate social responsibility.



Mr. Dilip Kumar Agarwal (right), CEO – PET and Feedstock Business, representing Indorama Ventures Public Company Limited, received The Top Corporate Governance Report Award from Mr. Sommai Phasee (left), Finance Minister. The Top Corporate Governance Report Awards was arranged by The Stock Exchange of Thailand (SET) and was bestowed upon companies with an outstanding corporate governance report.



HRH Princess Soamsawali presented the Certificate of Excellence in the WNTD (World No Tobacco Day) Campaign to Ms. Prapai Palakawong Na Ayudhaya, representing Indorama Polyester Industries, Nakhon Pathom. The ceremony was arranged at Future Park Shopping Mall, Pathum Thani, Thailand.



TWE Group, one of the world leading nonwoven producers based in Germany, honored Indorama Ventures with their “Supplier of the Year” Award for excellence in innovation. The award was presented by Mr. Jorg Ortmeirt, COO of TWE, and Mr. Hugo Christian, Global Purchasing Head of TWE, at Jakarta, Indonesia.



Mr. Stephen Woods, Mr. Tom Zaiser and the management team of FiberVisions, together with Mr. Z Shimomura and the management team of JNC Corporation, arranged a meeting at Indorama Ventures Head Office in Bangkok to discuss the performance of the joint venture and discuss further business development.



Mr. Hans-Bernd Luchtefeld from PHP (4th from left), Ms. Naweensuda Krabuanrat (4th from right) and the Trevira marketing and business development team led by Ms. Anke Volenbröker (3rd from Left) held a meeting in Hattersheim, Germany, to discuss joint communication procedures.



Mr. Kosit Panpiemras, the Chairman of the Board of Executive Directors of Bangkok Bank, along with Mr. Alope Lohia, Mrs. Suchitra Lohia, Mr. Rathian Srimongkol, Mr. Kanit Si and Mr. Dilip Kumar Agarwal joined the opening ceremony of Indorama Poly Chemical Indonesia (IPCI) (CP-4 Project) at Purvakarta, Indonesia.



Trevira GmbH, Germany, participated in MoOD (Meet only Original Designs) International Trade Fair to offer joint presentations at its booth, Trevira CS Square. The event was held during 9 – 11 September at Brussels, Belgium.



Mr. Ramesh Kumar Narsinghpura and Mr. Ashok Upadhaya, representing Indorama Ventures, participated in the seminar on “Trade and Investment Opportunities for Thailand in India”. The seminar was organized by Royal Thai Embassy in New Delhi and The Federation of Thai Industries, at Dusit Thani Hotel, Bangkok, Thailand.



Indorama Holdings, Lopburi, Thailand, arranged a Puja Ceremony for the start up of the Solar Power Roof at the plant. Electricity produced from this Solar Power Roof will be supplied to the Provincial Electricity Authority (PEA) in Lopburi.



Four subsidiaries of IML received National Outstanding Industrial Establishment of Labour Relations and Welfare Award 2014. Indorama Polyester Industries PCL (Rayong) won the Honorable Award for Excellent Establishment of Labor Relations and Welfare 2014 for the tenth consecutive year (2005-2014) Indorama Holdings Limited won for the ninth consecutive year (2006-2014), Indorama Polyester Industries PCL (Nakhon Pathom) won for the fifth consecutive year (2010-2014) and Indorama Petrochem Limited won for the fourth consecutive year (2011-2014).

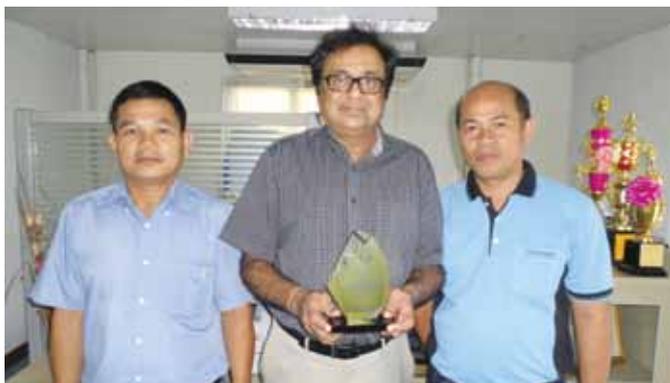


Ms. Prapai Palakawong Na Ayudhaya, representing Indorama Polyester Industries (Nakhon Pathom), received the Certificate of Excellence for Employee Skill Development from the Department of Skill Development, Ministry of Labor, Thailand.

Indorama Polyester Industries Nakhon Pathom (top) receiving the Outstanding Establishment on Safety Occupational Health and Environment Award, National Level, for the fifth consecutive year (2010-2014). Indorama Petrochem (bottom) received the same award for the fourth consecutive year (2011-2014).



TPT Petrochemicals, Indorama Polyester Industries and Indorama Petrochem, Rayong, Thailand, received recognition for the project “ECO FOR LIFE” from Ms. Sirirat Jitseree, Deputy Director-General of Department of Industrial Promotion, Ministry of Industry, Thailand.



• Asia Pet (Thailand) was recognized as an Excellent Workplace of “Health, Safety and Happiness”. The recognition was given by the Ministry of Public Health of Thailand.



• Mr. Sandeep P. Kamat , Senior Vice President & Site Head (right), representing Indorama Petrochem, received the “Thailand Energy Award 2014” (Outstanding Factory) from General Prayut Chan-o cha, Prime Minister. This award is organized by the Ministry of Energy to honor those who have outstanding performance in energy conservation and renewable energy development in order to encourage businesses and factories in both public and private sectors to recognize the importance of such development.



• Mr. Anivesh Tiwari, Vice President (Operations) of Indorama Polyester Industries (left), received an award for “River Conservation and Restoration” from the Ministry of Industry, Thailand.



• Indorama Holdings Limited received a certificate acknowledging compliance with the legal requirement to employ the disabled from Mr. Thanakom Jongjira, Lopburi Governor. The certificate was given during the ceremony to mark the occasion of International Day of Persons with Disabilities 2014, organized by the Lopburi Provincial Social Development and Human Security Office, Lopburi, Thailand.



• Mr. Santithep Saleengam, Senior Manager – Safety, Health and Environment of Indorama Petrochem, received the award of “Zero Accident Campaign 2014” from Mr. Jirasak Sugandhajati, Permanent Secretary of Ministry of Labor.



• Asia Pet (Thailand) received the Environmental Impact Assessment (EIA) Monitoring Award 2014 presented by the Ministry of Natural Resources and Environment Thailand. The award was given to organizations for having an excellent environmental impact assessment report and environmental management.



• Asia Pet (Thailand) and Petform (Thailand), Lopburi, received the “Good Corporate Governance Award 2013” from the Department of Business Development, Ministry of Commerce of Thailand. The award was presented by Mr. Thanakom Jongjira, the Governor of Lopburi Province, Thailand.



■ Mrs. Suchitra Lohia represented Indorama Ventures at an MOU signing ceremony between the company and Operation Smile Thailand to provide monetary support for surgery on children with cleft lips and cleft palates in the country.



■ Indorama Ventures arranged for Shareholders Factory Visit Program No.2/2014 at Indorama Polyester Industries, Rayong, Thailand. The visit aimed to help our shareholders understand more about PET and polyester business.



■ Indorama Polyester Industries (Nakorn Pathom) organized a workshop teaching how to weave plastic baskets for people in the nearby community. This workshop aimed to help building careers for local people and to build a good relationship between local people and the company.



■ Indorama Ventures organized “Anti-Corruption Training” to educate employees on the subject and to emphasize the company’s intention to fight against corruption. The instructor was Ms. Junsayam Somnaitam, Deputy Manager (Corporate Governance). The training was conducted at IVL’s Head Office, Bangkok, Thailand.



■ Sen Dai Kao Klai, the QCC representative’s team from Indorama Polyester Industries Nakorn Pathom, presented their project “Waste reduction in POY-8” at the SGA Kaizen Competition Stream during International Conference on Quality 2014 Kyoto. The event organized by Union of Japan Scientists and Engineers.



■ TPT Petrochemicals arranged the annual scholarship ceremony for 66 of its employees’ children. The scholarships were awarded by Mr. Sunil Fotedar, the president of the company.



■ Indorama Petrochem welcomed a delegation from the Applied Chemistry class, Department of Chemistry, Rangsit University, who visited its factory at Ban Chang, Rayong, Thailand.



■ Indorama Polymers, Asia Pet and Petform participated in the parade of the Buddha Phra Sri Ariya Mettrai image and donated food to people attending the ceremony at Lai Temple, in Lopburi, Thailand.



■ Asia Pet, Petform and Indorama Polymers organized an activity of releasing fish to celebrate the Queen’s birthday at Tha Klong, Lopburi, Thailand.



■ TPT Petrochemicals arranged a football match between the company and people in the Muslim community followed by dinner. This football match aimed to build good relations and campaign against drugs. It was arranged at Khunton Stadium, Map Ta Phut, Rayong, Thailand.



■ Orion Global PET Lithuania organized the traditional Summer Fest for employees and their families to play sports and games together at Klaipeda, Lithuania.



■ FiberVisions Athens, congratulated 18 employees for having completed the level of Yellow Belt in the Lean Six Sigma Training Project with the aim of improving the organization.



■ Indorama Holdings, Lopburi, Thailand, arranged for a Thai language course for expats, which aimed to improve Thai communication skills in daily life and business basis. The classes are held on every Tuesday from 4 to 5 PM at the company.



■ Indorama Ventures PET Group (Lopburi) helped to sculpt Phansa Candle for Buddhist Lent Day at Wat Tham Tako Buddha Sopa, Lopburi, Thailand. Bottles of drinking water were also donated to people who joined the activity.



■ Indorama Holdings, Lopburi, held a training course for employees at its facilities. Nurses from Sing Buri Hospital taught them about five diseases prevalent in Thailand.



■ Indorama Holdings organized a project called “Travel the World with Indorama Ventures Year 3” at Wat Khlong Mao School, Lopburi. While Indorama Polyester Industries (Rayong) organized a project called “English Training with Indorama Ventures” for students in primary education at Map Ta Phut School, Rayong. The purpose of these two projects was to strengthen English communication skills of the students.



■ TPT Petrochemicals, Rayong, arranged a painting contest with the theme of an “ECO Industrial Town” for students at Map Ta Phut Municipality School, Rayong, Thailand.



■ Indorama Polyester Industries (Rayong) arranged training session “Leader as a Coach” for supervisors to improve their potential and develop their subordinates in the better way.



■ UAB Orion Global Pet supported 20,000 EUR for a local basketball club in Klaipeda, Lithuania, called BC Neptunas during 2014 – 2015



■ PT. Indorama Ventures Indonesia gave a social donation on lebaran to the poor and elderly people in the Cihuni area.



■ Eight representatives from Trevira in Guben participated in the 5.5 km Corporate Race in Cottbus.

■ Indorama Ventures Europe participated at National Integration dinner 2014. The purpose of the National Integration Dinner is to understand each other better and learn more about the culture.

Talent Management (2)



The Value of High Potential

Many companies feel it important to focus on identifying, developing, retaining and rewarding their best people. Getting to put the right people into the right job is what the top companies are good at because they strongly believe that talent is essential to their growth. While most companies hesitate to invest during the economic downturn, the most highly-rated companies will choose to continue their investment in such periods. They do it with confidence and they have the financial results to prove they are right. There have been companies that reported nearly 9% higher total shareholder return (TSR) over the last three years, according to a study by Aon Hewitt.

As concluded by Brad Smart, a

co-author of the book *Topgrading*, the price of hiring people with high potential can be expensive. But when compared to ordinary players, high potentials bring two to six times the return.

Companies may have special names or titles for their talent employees such as “top players” to motivate other employees to get there. However, it is necessary that the company truly knows what can be considered “talent” or “high potential” for them. Therefore, the best practice definitions of “high potential” are agreed upon when identifying talented or high potential candidates in companies.

Defining High Potential

The first step to understanding what people can be considered high potential is to understand what cannot. Lots of people

misuse the term “high performer” to refer to “high potential”, although these two words have different meanings. High potential people are also high performers most of the time, but high performers are not always those with high potential. Besides, current performance of an employee and further development are not the same thing. While performance is an evaluation of the past, potential is an evaluation of the future. To be more specific, potential is a person’s capability to be responsible for greater scales and complexity of work in smaller scale of time. It is also a person’s basic characteristics of achieving strong results based on their own experience and depending on the company’s values.

Rob Silzer and Allan Church, writers of the article “The Pearls and Perils of Identifying Potential”, recommend an integrated model that will help companies identify their ideal high potential candidates with key indicators for talent diversity.

In accordance with the model, potential falls along dimensions of foundation, growth and career, specified the by the following the features:

Ref: Building the Right High Potential Pool; How Organizations Define, Assess, and Calibrate Their Critical Talent, AON Hewitt, 2013

| | |
|---|--|
| Foundational Dimensions (Consistent and stable) | Cognitive: Conceptual strategic thinking, cognitive abilities, dealing with complexity |
| | Personality: Interpersonal skills, sociability, dominance, emotional stability, resilience |
| Growth Dimensions (Growth and development in other areas) | Learning: Adaptability, learning orientation, openness to feedback |
| | Motivation: Drive, energy, career ambition, risk taking, achievement orientation, results orientation |
| Career Dimensions (Indicators of later career skills) | Leadership: Leadership capabilities, managing and developing people, influencing, challenging the status quo, change management |
| | Performance: Performance record, career experience |
| | Knowledge: Technical/functional skills and knowledge |
| | Cultural fit: Career-relevant values and norms |

A Step Towards Anti-corruption

Corruption is a serious threat to everyone's social stability, economic development, and corporate governance. It is of huge concern to governments and businesses worldwide. When discussing corruption in the workplace, many employees believe that it is unlikely to involve them in their day-to-day jobs, or is something mostly engaged in at the top management level, which is perceived to be a high-risk area for corruption. However, it can take place at all levels, but only if the issue is being ignored or even worse, being accepted as our way of life. The evidence of public ignorance about this critical issue and impractical management in the work environment may possibly lead to organizational corruption. Nowadays, anti-corruption policies are being adopted and integrated into the vast number of international and intergovernmental working groups such as the United Nations Global Compact (UNGC), the Organization for Economic Co-operation and Development (OECD), the Transparency International for example, to help tackle this dangerous issue and move society towards sustainable growth.

Indorama Ventures embraces the values of being an anti-corruption-driven organization, therefore this is one of our key commitments to foster the ethics needed to counter corruption in our culture. We also believe that by implementing an anti-corruption awareness program in the organization we may be able to mitigate the risks.

For this reason, Indorama Ventures participated in the Thailand Private Sector Collective Action Coalition Against Corruption (CAC) and undertook the CAC certification process, to which the company became a signatory in 2013, to demonstrate our firm commitment against corruption and bribery. In January 2014, an anti-corruption policy was issued as part of the company's corporate governance policies, to ensure that the company and its subsidiaries have the appropriate systems and procedures to prevent bribery and corruption. Indorama Ventures further expanded our anti-corruption compliance and practices to cover risks of corruption through the adoption of anti-corruption procedures and a guideline.

As part of the continuation of our anti-corruption compliance program, Indorama Ventures employees shall be informed about an

Anti-corruption and Whistleblower policies from the beginning of their employment through a corporate governance policy handbook and an orientation. To ensure that these two policies are well communicated to our employees, in July 2014, the company started conducting anti-corruption training. The purpose is to provide employees with straightforward communication regarding our firm's zero tolerance of corruption, as well as to address practical guidelines and specific forms of corrupt activities that may arise in the course of the company operations. The training was conducted both at the Head Office and Thai sites, and separately run in Thai and English languages to accommodate all of our employees. Over 300 employees have been covered by our training courses and educational materials were distributed to participants during training. The program was considered successful as the post-class survey showed an increased understanding of the company's anti-corruption and whistleblower policies compared with the pre-class survey. As part of our continuous global campaign, anti-corruption training video and brochure were disseminated to overseas units to ensure that our policies are communicated, and the same standard practice made available worldwide.

These anti-corruption compliance programs have been developed under the Corporate Governance Policy Awareness Campaign (CGPAC), which aims to ensure the continuous practice of the highest standards of governance and to reinforce that everyone working at Indorama Ventures is aware of and understands all corporate governance related policies.

With our effort and outstanding commitment to anti-corruption practices, Indorama Ventures has received CAC Certification in October 2014. It is a great achievement and reflects the excellent anti-corruption awareness and enthusiasm of our company. We will continue to maintain and develop our proactive standards to ensure that our commitment and practices are implemented in the spirit that they were created. Fighting against corruption is part of an integrated framework and management needs full cooperation. To help implement our anti-corruption policy and promote Indorama Ventures to be an anti-corruption-driven organization, we need all employees to undertake to be responsible for its success and to individually uphold ethics-related policies and encourage everyone else to do the same.



Key principles you need to know

1  **Understand our anti-corruption policy and the risks you face**

2  **Do not offer or accept bribes**

3  **Report**

You are **IA Responsible**

Indorama Ventures takes corruption and bribery very seriously. Any employee involved in bribery and corruption, or who misleads or hinders investigators inquiring into bribery and corruption, shall be subject to the company's policies and regulations. Any action considered by the company shall follow that permitted under local law.

Raise your **Voice**

We value your concerns. If you have any questions related to corruption or ethics or if you become aware of any issue or practice involving a potential or actual violation of an anti-corruption policy;

 Report the matter to The Whistleblower Committee by writing to

ethics@indorama.net



or a written disclosure to

The Whistleblower Committee

Indorama Ventures PCL.
75/102 Ocean Tower 2, 37th Floor,
Soi Sukhumvit 19, Asoke Road
Klongtoey Nua, Wattana
Bangkok 10110 Thailand

Or you can call at
+662 661-6661 Ext 556

*Anyone making a corrupt activity report will be **kept anonymous. The whistleblower shall not have to fear any unfair or punitive action.***

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INDORAMA VENTURES



Corruption-Free Workplace

You can help promote Indorama Ventures to be an anti-corruption-driven organization

What is Corruption



“Corruption means bribery, extortion, fraud, deception, abuse of power, embezzlement, money-laundering and other similar activities.

Bribery is the act of taking, receiving or offering of any item value or other benefits with the intention of influencing in some way favorable to the party providing the bribe.

”

What Forms can corruption take



“Corruption can take many forms including cash, gifts, hospitality, sponsorships, political or charitable contributions. Common business practices, if abused, can be construed as corrupt payments.

”

Examples of corruption and bribery



“Excessive or inappropriate gifts and hospitality.

Offering football match tickets in exchange for a contract extension.

Issue false receipts.

Agreeing with a supplier to overstate the contract price in order to share the difference in cost savings.

Paying bribes to government officials through an agent in order to win a contract.

”

Why say 'NO' to corruption



“Corruption destroys trust, damages relationships and creates a bad image. It also increases the cost of doing business and impedes the growth and sustainability of the company. The act of corruption eventually leads to punishment under the law.

”

You are part of an organization



“Indorama Ventures believes that we must conduct our business with the highest integrity and ethics. We attach the utmost importance to transparency and practical compliance to address the issues of corruption and take pride in our integrity. Our employees are a vital part of this success.

”

DIY Project: making items from waste plastic bottles and paper tubes

In Green Corner, we introduced a DIY project: making items from waste plastic bottles and paper tubes. The class was arranged on 29-30 May 2014 at Wat Krok Yai Cha School, Rayong, Thailand, as a development of the Recycle Bank at the school. The main purpose of this project was to make valuable items from factory waste and improve the financial status of nearby communities.

Besides a development of the Recycle Bank, this DIY project was also a part of the “Eco for Life” contest, organized by the Industrial Estate Authority of Thailand (IEAT) with the purpose to transform industrial areas into “Eco Industrial Towns”. Employees from TPT Petrochemicals, Indorama Petrochem and Indorama Polyester Industries, Rayong, Thailand, volunteered to take care of students during the activities.

Activities of this project included teaching how to make valuable items from waste plastic bottles (plastic coin purses, pencil sharpeners, stools) and waste factory paper tubes (cat scratching posts and stationery boxes). The volunteers also educated students about PET, which was the key material used in most DIY classes. Many students and teachers joined the activities and snack boxes and materials were prepared for the participants.





Anuchit Buatim

Name: Mr. Anuchit Buatim (J)
Age: 22
Institution: Suan Sunandha Rajabhat University
Faculty: Fine and Applied Arts
Dream Career: Fashion Critic

Q: Why were you interested in RECO and joined the contest for the second time ?

A: I wanted to be a part of this eco-friendly contest and I wanted to improve the re-use of raw materials creatively.

Q: What's the inspiration of your work ?

A: The fact that technology has already become a part of nature gave me the idea to reflect my work on architecture and blend natural and synthetic materials, using the work of Piet Mondrian as my inspiration.

Q: What materials did you use to create your work ? Why did you choose this material ? And what techniques did you use to create your work ?

A: I used felting technique because it creates a cement-like texture on fabrics. The materials I chose were polyester fiber from an old pillow and polyester-cotton blended fabric, representing the combination of nature and modern society.

Q: What did you gain from the contest ?

A: To be a good designer is to continuously improve ourselves. We should consider our mistakes as experiences.

Q: Has your work gone through further manufacturing process for commercial production ? Do you want to develop your work further ?

A: I haven't sold or developed my work yet, but I may apply the concept of eco-friendly design to my other work in the future.

Q: Have you ever worked on designing something after the contest ?

A: I'm currently working as a freelance fashion designer while studying.

Q: How do you plan your future ?

A: This is a difficult question because things never worked out as I planned. I stopped making plans lately and I'll just do my best for today to create opportunities for the future.

Q: Is there anything you'd like to pass on to the contestants next year ?

A: Good fashion designing consists of creativity, modernity and possibility in term of commerce.





Yossawadee Prawatporn

Name: Yossawadee Prawatporn (Ae)
 Age: 21
 Institution: King Mongkut's Institute of Technology Ladkrabang
 Faculty: Industrial Education
 Dream Career: Inspiration Creator (because inspiration lies within every career path)

Q: Why were you interested in joining RECO ?

A: Because the concept of the contest was different from other contests and the conditions regarding material uses was very interesting.

Q: How did you know about the contest ?

A: I found it on the internet.

Q: Have you ever applied to any other designing contests whose concept was about conserving the environment or using recycled materials?

A: No, I have never applied to such contests before.

Q: What was the inspiration of your work ?

A: At first it was from my personal liking for polar bears. They are cute and can be recognized very easily at first sight. However, the real inspiration for my work came from the fact that "polar bears" are used as a symbol to campaign on "Global Warming" very frequently. Global Warming has a direct effect on the polar bears because they cannot swim all the time and need to stay on the ice caps. So when the ice caps melt down, the polar bears become homeless. Therefore, I used polar bears in my design to make my work expressive and understandable and to remind people the importance of the global warming campaign.

Q: Why did you choose to design your work as toys for kids ?

A: Building a behavior of conserving the environment should commence with teaching children and the best way to teach them is to create activities they can join in and learn how they can help conserve the environment.

Q: What material did you use to create your work ? Why did you choose this material ?

A: The concept is to create a work from waste materials that can be found easily in every house and design them with simple steps, so everyone can create their own work too. The main material used is PET bottles of which I found so many wasted. I wanted to reduce the amount of waste PET bottles by turning them into a valuable design. The characteristics of PET bottles are light-weight and resistant to shock. They have a shorter lifetime compared to other materials because they are produced to be disposable. I also chose another material, corrugated paper, to use in my work as well.

Q: What did you gain from the contest ?

A: I had a chance to exchange some ideas with other contestants and the judges. Exchanging ideas helps broaden our vision and leads us to new ideas and further development.

Q: Has your work gone through any further manufacturing processes for commercial production? Do you want to develop your work further ?

A: I'd like to develop my work, but I think I'll have to wait because at this moment I didn't know much about marketing or doing business.

Q: Have you ever worked on designing something after the contest ?

A: I'm still working on designing. Right now I'm an intern at Kid Kid Limited, a design company whose concept is based on environmental conservation, owned by Top Pipat Apirakthanakorn (a famous Thai actor who has been a RECO judge in the past).

Q: How do you plan your future ?

A: I rather focus on doing my best today because the present is the foundation of the future.

Q: Is there anything you'd like to pass on to the contestants next year ?

A: I want them to create the work that they love and communicate their ideas logically.



In the vicinity of Adana

VL has recently acquired Artenius TurkPET in Adana, Turkey. This country is a fast-growing market for polyester that helps the company respond to high polyester demand in Europe and the Middle East. Adana is a province located in the south of Turkey with 2.1 million people. It is a major industrial and commercial center of the Cukurova region whose land is mostly flat and fertile, globally considered to be one of the most agriculturally active areas of the world.

Numerous sources said that the name Adana was given in 1600 BC by ancient Anatolian people called the Hittites while many others believed that it came from the legendary character Danaus in Greek mythology. The name was also mentioned in an ancient Greco-Roman legend to have its origin in Adanus and Sarus, two sons of the primal Greek God who built Adana and was found in an older legend under the name Adad, the Thunder God whose name was given to the region that he brought rain to.

The history of Adana is related to the history of Tarsus, another province of Turkey. They both are next to the Seyhan River and their names have changed over centuries. Adana used to be an area of minor importance while Tarsus was a



metropolis during Rome's period of influence. The area was used as a prison during the era of Pompey and, by 395 AD, became a part of the Byzantine Empire. It was once ruined badly in 1268 by an earthquake, but was rebuilt again and became one of the most important commercial centers with the construction of large bridges and roads.

Adana is 30 kilometers from the Mediterranean Sea. When crossing Cukurova region westwards, the road leads to the foothills of the Taurus Mountains. It has a typical Mediterranean climate with wet winters and dry summers.

Adana's attractive tourist spots include a beautiful landmark, Taşköprü stone bridge and the lovely neighborhood of Tepebağ (meaning: garden on the hill). It also has many beautiful mosques, such as Sabanci Central Mosque, Ulu Camii and Yeni Camii and many beautiful parks, such

as Merkez Park (Central Park), Atatürk Park and Süleyman Demirel Arboretum Botanical Garden. They are well maintained due to the warm climate and are open all year long.

Adana also has its own archaeological museum and ethnographical museum and has its own football clubs, Adanaspor and Adana Demirspor. It has hosted several international tournaments, such as the Women's European Volleyball Championship 1967 and the Men's European Wheelchair Basketball Championship 2009. It is also the home of the annual International Adana Golden Boll Film Festival, one of Turkey's top film festivals.

Adana is a hometown of the Sabanci Family of the Sabanci Business Group, a famous scientist call Ali Erdemir, Ismet Atli an Olympic gold medalist and many famous actors/actresses, sportsmen and politicians.

ICT Excellence Award 2013



In the middle of 2013, the TMA (Thailand Management Association), one of the three well-known business and ICT (Information and Communications Technology) institutes in Thailand, invited IVL to join the Excellence Award Challenge. IVL knowing the importance of a back-office system, applied to make excellence a key factor for internal business processes and management decisions for all IVL sites globally. IVL decided to accept the invitation to ensure that IVL's recently developed MIS (Management Information System) 2.0 Dashboard Project was the best.

In order to be recognized as an organization with Excellent ICT implementation, the project had to qualify and pass all of the challenging criteria regulated by the TMA committee, such as being aligned and supportive towards the corporate business vision and mission; achieving excellence in project change and risk management; proving that it

promotes skill improvements and envisions or designs the career path of each employee; achieved success and can be evaluated reasonably with a good overall achievement; meeting optimal corporate targets during its implementation; showing continuous, incremental and breakthrough improvements. To win an ICT Excellence Award, the project candidates had to acquire the highest score in each criterion.

The MIS 2.0 Dashboard is software which provides a view at a glance of business processes' key performance indicators like sales, marketing and production. We have been developing it for nine months as the project started in June 2011 and went live in March 2012. The objective of the MIS 2.0 Dashboard Project is to provide needed information to the business teams in order to help them make better decisions, thus the project was proposed in the category of "Core Process Improvement".

The MIS 2.0 Dashboard is an on-line reporting and management decision making

system, based on automatic data flow from a site's ERP (Enterprise Resources Planning) system. As the ERP system generates transactional data required by the MIS 2.0 Dashboard, the ERP must be improved for robust integration and availability of all needed data. The SBMS (Standards Based Management System) was integrated into the ERP system with an end-to-end business process solution. It has integrated modules of GL (General Ledger), inventory, production, purchase, sales, AP (Accounts Payable), AR (Accounts Receivable), fixed assets and maintenance.

Our corporate IT team has worked hard to assure the committee that our MIS 2.0 Dashboard Project met all the requirements of all criteria. A significant challenge and strength of the project is that it is not an implementation of just a single unit, but an implementation at all sites globally within the target duration of one year in cooperation with the PMO (Program Management Office).

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