Agency for Real Estate Affairs

# Communication on Progress (COP)

April 15, 2011

I
Statement of the President
Commitment on the UN Global Compact

II
Our Value of AREA

III
2011 Communication on Progress (COP)

IV
Extended Report on Anti-Corruption

V
Our Related CSR Activities 2010-2011

# I

# Statement of the President
# Commitment on the UN Global Compact

AREA and the International Role on CSR

We have been with the United Nations Global Compact (UNGC) since 2005 and are very proud to be a part of the UNGC. The UNGC is a really practical way of the Corporate Social Responsibility (CSR) which is the way to help sustain our business with pride, dignity and brand building in long run. We would like to exhibit that how we have followed the 10 principles in the areas of human rights, labour, the environment and anti-corruption strictly with tangible measures to show the achievement. In this report, we are proud to present to our stakeholders involved and would be very proud to be an example for other business entities. With our case study of AREA, we hove that more members of the UNGC will be in existence in the future.

Please have a look at our 2011 COP to learn about our efforts on the UNGC framework. If you have any comments or suggestion, please feel free to inform us. We are happy to learn more in order to be a better member of the UNGC and to help boost the CSR further for the benefits of all.

Sincerely yours,

Sopon Pornchokchai, Ph.D., D.FIABCI, CRS, RICS
President, Agency for Real Estate Affairs

# II

## Our Value of AREA

Founded in 1982, the Agency for Real Estate Affairs (AREA) is “Thailand’s independent property consultant, specializing in international standard valuation, survey, research and information services while refraining from real estate brokerage and self-interest property development in order to avert a potential conflict of interest, thereby ensuring the integrity of our valuation and research work”.

The above is a statement that appeared at our website and in other materials of AREA. It clearly indicates that we do not do business in order to make money by any means, especially when there are potential conflicts of interest, ethics or professional standards.

We are proud to inform you that we are the largest real estate information centre and most reliable source of information in Thailand, with the most comprehensive database from field survey continually conducted since 1994. We have released numerous warnings and have helped provide information for planning purposes for both the public and the private sectors. Our services also extend to Bhutan, Cambodia, Indonesia, Laos, Nepal, the Philippines and Vietnam.

Due to our high standard of performance and strict ethical practices, we, as local property consultants, can compete with international ones and remain leaders in the field of property consultants, thus demonstrating local initiatives and competence in fair competition in business.

Since 2009, AREA has been the only property consultant firm certified with the ISO 9001-2008 for its overall services. This is our latest development.

# III
# 2011 Communication on Progress (COP)

## Human Rights
## Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights

AREA strictly follows the Universal Declaration of Human Rights in its performance in business. The following are some examples.

Our employees (Article 1) “are endowed with reason and conscience and act towards one another in a spirit of brotherhood.”
**What we do:** We always promote this concept through our activities, such as on Songkran Day (Thai New Years and Family Day) where every year our younger staff members pay respect to their seniors regardless of their education or work status.

Source: http://www.area.co.th/English/Family/Default_E.php

According to Article 2, AREA treats our employees and clients “without distinction of any kind, such as race, colour, sex, language, religion, political or other opinions, national or social origin, property, birth or other status.”
**What we do:** We announce that everyone has equal right to work with us if they are competent. In the past, we have some minority groups as well, such as the Mhong and Karen hill tribes. In 2011, only a Mhong stays. Our Karen colleague left us to go back to their home town with their family.

According to Article 18, “Everyone has the right to freedom of thought, conscience and religion.”
**What we do:** At AREA, we recruit people regardless of their religion. Although most of us are Buddhists, some of our staff members are Muslims and Christians.

## Principle 2:
Make sure that they are not complicit in human rights abuses.
This is confirmed. During 2009 to 2011 or even since AREA has been established in 1982, we have never been accused or charged to be against the law or any regulations regarding the abuse of human rights.

## Labour Standards

In AREA, with 150 staff members, most of our staff members are professionals and highly skilled labourers in research and valuation.

## Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**What we do:** Legally, we have an employees' committee which has been established by law to protect the right of the employee. However, we don't have a trade union. This does not mean that we do not promote it but perhaps, we treat our employees fairly. However, with every division every month, there is a staff meeting to allow them to raise problems, difficulties and needs (if any). The heads of all divisions will then have a meeting with top management in the next week to discuss and disseminate written results of the decisions to all staff members. In 2011, we are currently promoting the establishment of trade union across valuation firms in Thailand to help protect their own right which will bring about better standards of living and better standards of professional services.

## Principle 4:

The elimination of all forms of forced and compulsory labour.

**What we do:** We are never complicit in forced and compulsory labour at all.

## Principle 5:

The effective abolition of child labour.

**What we do:** We are never complicit in the uses of child labour forced and compulsory labour at all.

## Principle 6:

The elimination of discrimination in respect of employment and occupation.

**What we do:** We have never had any discrimination in employment or occupation regarding the sexes, race, religion or political believes. There has never been any complaint on this issue.

Our President, Dr.Sopon Pornchokchai himself is also a board member of the Employers Confederation of Thailand which has had strong relationship with many employees federations in Thailand.

## Environment

AREA is in the service or tertiary sector with no production of any pollution at all. We also help promote good environment.

## Principle 7:

Businesses should support a precautionary approach to environmental challenges.
**What we do:** AREA, though the work of our librarian, helps disseminate knowledge and recognition of issues on environmental challenges in the office, at home or in the society at large to our staff members.

## Principle 8:

Undertake initiatives to promote greater environmental responsibility.
**What we do:** We have been studying on how to be certified for the ISO 14000 on environment.

## Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.
**What we do:** AREA has a computer division to help maintain the over 100 sets of computers in our office. Computer monitors or other outdated computer items which can be harmful for health and particularly the eyes are checked and replaced accordingly.

In practice, we provide clean potable water for staff members. Refreshments, such as coffee, tea, and the like are provided as a free service to all staff members. This was worth approximately Baht 240,000 in 2010 and more or less the same during the period of 2011-2012.

Our office is clean and healthy. We also provide a swimming pool and sport facilities free for our staff members. We believe that if they are in a good environment, they will be more productive, which will be beneficial for them and for the company.

Source: http://www.area.co.th/New_Office.htm

## Anti-Corruption

Anti-corruption is our key policy and in strict practices throughout the organization. We try to have rigid quality checks to avoid any possibility for corruption among our staff members as impartial professional service providers.

## Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

**What we do:** Our business never gets involved in any corruption at all. We need to be very professionally reliable and trustworthy. That is why we never practice property brokerage, nor self-interest property developments, in order to avert a potential conflict of interest, thereby ensuring the integrity of our valuation and research work.

The following is a table that shows the costs of our quality checks (QC), including field QC by sending QC staff to check the work in the field) and telephone QC to customers on the behavior of our staff members. In the past, there was post QC by allowing customers to fill in the evaluation form and send directly to management. However, during the past two years, this was cancelled. People can send direct complaint to the management. The other two QCs are ample or adequate to ensure our quality. In addition, the number of QCs staff has decreased because of the better performance over time. This helps reduce our costs in long run.

| **Estimated Annual Costs of Quality Checks of AREA, 2007-2011** | | | | | |
|---|---|---|---|---|---|
| Items | 2007 | 2008 | 2009 | 2010 | 2011 |
| Field Quality Check | | | | | |
| Staff members | 720,000 | 777,600 | 587,866 | 419,904 | 453,496 |
| Lodging | 60,000 | 60,000 | 60,000 | 36,000 | 37,800 |
| Travel expenses | 200,000 | 200,000 | 140,000 | 112,000 | 120,960 |
| Administration | 200,000 | 200,000 | 160,000 | 120,000 | 129,600 |
| Telephone Check | | | | | |
| Staff members | 324,000 | 349,920 | 377,914 | 279,936 | 302,331 |
| Processing | 150,000 | 150,000 | 150,000 | 120,000 | 129,600 |
| Post Check | | | | | |
| Staff members | 162,000 | 174,960 | 188,957 | - | - |
| Processing | 100,000 | 100,000 | 100,000 | - | - |
| Total | 1,916,000 | 2,012,480 | 1,764,736 | 1,087,840 | 1,173,787 |

Please note that the budgets for 2009-2010 fiscal years were lower because we minimize the cost of field quality check. After years of rigorous checks, fewer mistakes were found over time. This implies our good mechanism. Therefore, we reduce the number of checks from 20% of the cases done to 10%. This also implies that the mechanism of good practices has been established in our firm. The ISO 9001-2008 external auditors also suggested us that the number of QCs can be reduced over time due to the better quality performance.

# IV
# Extended Report on Anti-Corruption

As indicated, two major measures on QC and anti-corruption are the telephone check and field check. This part of the COP describes the reflection from our beneficiaries directly. This is the real key performance index.

| Quality Control by Telephone to Clients, 2010 | | | | | |
|---|---|---|---|---|---|
| Month | No. of Jobs (Valuation) | No. of Jobs Called | | Satisfied | |
| | | Number | % | Number | % |
| January | 535 | 139 | 26.0% | 138 | 99.3% |
| February | 528 | 170 | 32.2% | 170 | 100.0% |
| March | 1011 | 219 | 21.7% | 216 | 98.6% |
| April | 386 | 119 | 30.8% | 118 | 99.2% |
| May | 389 | 110 | 28.3% | 110 | 100.0% |
| June | 756 | 175 | 23.1% | 175 | 100.0% |
| July | 549 | 148 | 27.0% | 147 | 99.3% |
| August | 492 | 115 | 23.4% | 114 | 99.1% |
| September | 505 | 131 | 25.9% | 130 | 99.2% |
| October | 499 | 140 | 28.1% | 140 | 100.0% |
| November | 540 | 116 | 21.5% | 116 | 100.0% |
| December | 555 | 117 | 21.1% | 117 | 100.0% |
| Total | 6745 | 1699 | 25.7% | 1691 | 99.6% |

According to the table above, our beneficiaries particularly the clients and the bankers who commissioned us to conduct valuation jobs were extremely satisfied to our services. This implies the high quality of work.

| Quality Control by Field Check, 2010 | | | | | |
|---|---|---|---|---|---|
| Month | No. of Valuation Jobs | | Number in Field Checked | | |
| | Total | Checked | % checked | Minor Mistakes* | % |
| January | 560 | 83 | 14.8% | 18 | 21.7% |
| February | 518 | 73 | 14.1% | 0 | 0.0% |
| March | 591 | 72 | 12.2% | 15 | 20.8% |
| April | 986 | 95 | 9.6% | 13 | 13.7% |
| May | 393 | 49 | 12.5% | 5 | 10.2% |
| June | 418 | 66 | 15.8% | 6 | 9.1% |
| July | 558 | 73 | 13.1% | 15 | 20.5% |
| August | 553 | 72 | 13.0% | 9 | 12.5% |
| September | 585 | 82 | 14.0% | 9 | 11.0% |
| October | 526 | 73 | 13.9% | 9 | 12.3% |
| November | 481 | 75 | 15.6% | 9 | 12.0% |
| December | 454 | 85 | 18.7% | 9 | 10.6% |
| Total | 6623 | 898 | 13.6% | 117 | 13.0% |

According to the field checks, the expected proportion of the QC was 10%; however, the actual check was 13.6% in 2010. Minor mistakes appeared 13%. These minor mistakes implies to the minor measurement of area, evidences of comparable properties. There were few cases of valuation with wrong value appraised due to receiving bribery from clients. That the total numbers of jobs for the telephone and the field check are slightly different, is due to some double counts in the checking.

Our quality check and anti-corruption are also considered an education process so that our staff members can learn more and help develop themselves. This will help boost a sustainable growth of our AREA.

# V
# Our Related CSR Activities 2010-2011

The following are some of our activities related to our UN Global Compact and CSR listed by date. They all appear at our website: www.area.co.th (click activities):

## Charity:

**March 12, 2011**
**Money and aid supplies for the disabled child**
Money and aid supplies for the disabled child at Baan Nontapum. Home for children with disabilities by Staff Members of Agency for Real Estate Affairs. We also cruised to koh kred, Nonthaburi Province.

**Saturday, October 30, 2010**
**Blessing the King**
Dr.Sopon Pornchokchai, President, Agency for Real Estate Affairs (AREA) with the representatives of our AREA staff members went to pay respect to the King at Siriraj Hospital.

**Food and Clothes for the Homeless in Bangkok by Staff Members of Agency for Real Estate Affairs. (October 30, 2010)**

**Friday, July 23, 2010**
**Khao Pansa Buddhist Day.**
Every year, we do some good deeds by giving candles and other necessary things for Buddhist monks during the Khao Pansa season. This good deed is for the good fortune and pleasure of our staff members. It was done during 17.00 - 18.00 at our office.

# ENVIRONMENT

**Friday, January 28, 2011**
**Big Cleaning Day 1/2011**
The Big Cleaning Day 1/2011 at AREA was organized in order to reinforce consciousness to our colleagues and realize how importance of profitability, efficiency, service and safety.

**August 21, 2010**
**Big Cleaning Day**
Every half a year, we at the Agency for Real Estate Affairs conducted a Big Cleaning Day in order to clean up and clear the working materials to make the office in good order. We also have a lunch for them as well. This has been in practice for almost 20 years.

**Friday, February 5, 2010**
**Big Cleaning Day 1/2010**
The Big Cleaning Day 1/2010 at AREA was organized in order to reinforce consciousness to our colleagues and realize how importance of profitability, efficiency, service and safety.

# Human Development (Capacity Building)

Meeting of the Executives Staff Members of Agency for Real Estate Affairs
(February 18 - 19, 2011, at Mountain View Resort Khao Yai, Nakhon Ratchasima, Thailand)

**Sat-Sun, October 23-24, 2010**
**All Staff Training of AREA**
Twice a year, our AREA conducts training for all staff members nationwide (some 150 people). This is to educate our colleagues as well as to strengthen relationship of our colleagues. Speakers included Dr Kriangsak Charoenwongsak, Dr.Kanok Apiradi, Dr.Vichai Vongsipavattan, Dr.Surakiat Archananuparp and Dr.Sopon Pornchokchai, AREA President.

**Sat-Sun, April 3-4, 2010**
**AREA All Staff Training, 1/2010**
Agency for Real Estate Affairs' AREA organized an all staff training on Saturday and Sunday of April 3-4, 2010 at our headquarters. We organize training twice a year in order to help further develop our staff members. We believe that we, AREA will develop when our colleagues has developed themselves substantially.

**Monday, January 25, 2010**
**AREA Staff Members's Special Training**
Khun Petchpring Sarasin, Manager, Internal Learning Department, Thai Airways International Public Company Limited lectured about personality development. Some 60 of our 150 AREA staff members participated at this training.

# Staff Cohesion

**January 8, 2011**
**Happy New Year Party 2011**
Every year, AREA holds the annual new year party to thank our staff members. As usual, Dr.Sopon Pornchokchai, President of AREA gave some gifts (gold) for best staffs of the year at AREA Head Office.

**August 23, 2010, 18:30 - 21:00**
**Monthly birthday dinner for AREA colleagues**
Our executives were hosts to hold a birthday dinner for our staff members who were born in August. This is our common practice every month to celebrate to our colleagues of AREA.

**August 16-21, 2010**
**Sport Days of AREA**
Annual sport days of our Agency for Real Estate Affairs were run for fun and friendship. The celebration was on August 21, 2010 with free lunch for all staff members.

**April 4, 2010**
**Is Songkran Day - the family day**
To pay respect to senior citizens. Every year, AREA organizes this event to pay respect to them.

**June 19-20, 2010**
**Koh Samet, Rayong**
AREA organized a tour to Koh Samet, Rayong for our staff members. Some 35 of us were in this trip. For this particular trip, AREA sponsored some of the expenses for them. This is one of our efforts to try to organize tours among staff members.

# Welfare, Special

**Thursday, September 30, 2010**
**An annual physical check at our office**
Our 150 colleagues at Agency for Real Estate Affairs went through an annual physical check at our office. This was conducted by physicians from the V Diagnostic Center.

**Tuesday, July 27, 2010**
**AREA Scholarship**
Every year, we give out scholarship for children of our employees who have worked for us for 4 years and over. In 2010, 33 children received the scholarship worth Baht 5,000 (US$ 160) each or totally Baht 165,000. We invited their children and spouses to come to our office to see their parents' office and to have lunch together with our executives. This is to encourage our colleagues to work for long term at our office.

**Friday, August 13, 2010**
**Staff of the Month**
Mr.Amornsak Churput, our young colleague who went to conducted valuation was in an accident where someone drove a motorcycle into his. He was injured but still brought the valuation cases back to our office. Our personel officer helped for the claim. He was very generous to the one who caused him hurt. Our AREA also helped support his good deed as well.

**Thursday, April 15, 2010, Surat Thani**
**Ordain Event of Mr.Charongsak Glinrueang**
Mr.Charongsak Glinrueang, our AREA Valuer of Surat Thani Branch ordained into monkhood at Wat Si Wiang Temple, Surat Thani Province. AREA helped support our staff members who did good deed at this way

**April 5, 2010**
**New Family Member of "Rengrew"**
Mr.Anupong Rengrew has a good opportunity to give birth to a new family member of AREA, Valunrad Rengrew who is a girl. AREA congratulates this opportunity with a card of congratulation from all members as well as a money gift of Baht 4,000 to every new child born (twin will get double!).

**January 24, 2010**
**Wedding party of Khun Chanoknun Mongkolchaiprateep with Khun Kaittikron Sittisomboon**
AREA's family had joined the celebrated wedding party Khun Chanoknun Mongkolchaiprateep with Khun Kaittikron Sittisomboon our colleague, AREA congratulates this opportunity with a gift vouchure worth Baht 4,000 as a special welfare for our staff members.

## OUR AREA's FAMILY ACTIVITIES

**January 14, 2010**
**New Family Member of "Khuanruan"**
Mr.Tanyawut Khuanruan has a good opportunity to give birth to a new family member of AREA, Jirachaya who is a girl. AREA congratulates this opportunity with a card of congratulation from all members as well as a money gift of Baht 4,000 to every new child born (twin will get double!).

# International CSR Activities

**March 13-19, 2011**
**2011 KOILAF Tripartite Leaders**
Dr.Sopon Pornchokchai as a board member of the Employers Confedeation of Thailand, He went to visit Seoul on labour issues applicable to Thailand.

UNGL Asia / Oceania, February 10-11, 2011, Bali

**Wed - Thu, January 19-20, 2011**
**CSR Asia Workshop**
Dr.Sopon Pornchokchai, President, Agency for Real Estate Affairs who is also a board member of the Employers Confederation of Thailand (ECOT) went to chair the CSR Asia Workshop organized by AOTS, ECOT at the Novotel, Siam Square, Bangkok.

There were a lot more activities in 2010-2011 for our staff members as well as to the public. Please see details at http://www.area.co.th/english/family/default_e.php