



Virtue for SUSTAINABILITY

คุณธรรม เพื่อความยั่งยืน



SUSTAINABILITY REPORT

รายงานความยั่งยืน

2019 | 2562

S&P Syndicate Public Company Limited
บริษัท เอส แอนด์ พี ซินดิเคท จำกัด (มหาชน)



S&P

SUSTAINABILITY REPORT

2019

Healthier Family
Happier World

CONTENTS

01

S&P SR 2019 AT GLANCE

- Message from Management 4
- About this Report 9
- Business Overview 10

02

ECONOMY

- Stakeholder Engagement and Assessment of the Company's Important Issues 20
- Corporate Good Governance and Business Ethics 33
- Responsible Sourcing 36
- Food Quality, Safety and Nutrition 40
- Responsible Marketing and Product Labeling 51
- Customer Relationship Management 53
- Innovation Management 62

03

SOCIETY

- Human Capital Development 64
- Human Rights Management 69
- Occupational Health and Safety 70
- Social Impact on Community and Community Development 74

04

ENVIRONMENT

- Packaging 84
- Waste and Food Waste Management 90
- Climate Change, Energy Management and GHG Emissions 97
- Water Management 105

05

GRI Content Index

108



S&P

has pushed forward the adjustment of packaging for the environment, resulting in a decrease of plastic use by over

▼ **82** tons

S&P has pushed forward the policy **to restrict the provision of single-use plastics** to decrease environmental impacts.

S&P

is determined to develop healthy menus to be increased by

▲ **100** menus

within 2025



Message from the Chairperson

Throughout the period of over 46 years of S&P’s operation of food and bakery businesses, from an ice-cream corner to well-known S&P restaurants and bakery shops, currently with the brand’s growth of more than 500 branches, this is to affirm that the S&P brand is marked by its sustainability and stability. Carrying out the business operation under the concept of “Virtue for Sustainability”, we have the priority to take care of all of the company’s stakeholders, such as employees, customers, shareholders, as well as business partners, with sincerity.

In 2019, the global ecosystem has been affected, particularly in terms of natural resources, that the impact is increased on the environment and thus on the quality of human life and society, as well as the economic system. S&P focused on the operation of health-conscious Thai food business together with the application of environmentally friendly brand strategies. Consequently, S&P has pushed forward the adjustment of packaging for the environment and the campaign to build the earth preservation awareness to the consumers, as well as to campaign for them to maximize the exploitation of resources to the utmost efficiency and benefit, which resulted in a decrease of plastic use by over 82 tons.

For 2020, in accordance with the cooperation policy between the public and private sectors, as proposed by the Ministry of Natural Resources and Environment, for reduction and suppression of single-use plastics to decrease environmental impacts, S&P participated in the campaign of reducing plastic wastes by the propulsion of the no handle plastic bag policy as well as the switch from plastic to paper straws as another way to help reduce impacts on the earth.

S&P places importance on every production process with great care from the upstream to the downstream, i.e. the selection of safe, quality, and standardized raw materials from local formers, especially from organic farming, to be created

into good and valuable products which including the food, bakery, dessert, and the beverage. Our ultimate goal is to provide our customers with good health in a sustainable manner according to the commitment of “Healthier Family, Happier World”.

Moreover, S&P is determined to develop healthy menus to be increased by 100 menus within 2025, as to provide new choices to the customers and to respond to the behavior of healthy food consumption, by ways of increasing nutritional value, decreasing sweetness, oiliness and saltiness in food, bakery and beverage menus, as well as selecting raw materials within the range of organic products, including the development of food quality and safety standards in the production process to be accredited with the international quality management system standard, in the production line of both food and bakery factories, along with all branches of restaurant and bakery shop. S&P also aims at the improvement of personnel in order to drive the organization’s growth alongside sustainability.

On behalf of the Board of Directors, I would like to extend my gratitude and appreciation to our shareholders, customers, business partners, our management team and our employees for their support in the company’s endeavor and the business driving force until today’s growth. S&P will strive to develop our products and services simultaneously in regard to the economy, the society and the environment so that it shall always remain in this world in a balanced and sustainable manner.

PATARA SILA-ON
Chairperson



Message from the Director, Sustainable Development & Corporate Communications

Nowadays, despite the existence of numerous restaurant and bakery businesses in the market, however S&P's adherence to the principle of "quality, value and virtue", and the operation strategy that determine the business growth alongside the creation of sustainability toward the economy, the society and the environment, S&P has established its constant acceptability and trust on the customers.

The past year was a crucial step of S&P in terms of packaging change to be environment-friendly. Nevertheless, we also have a plan to constantly adjust many items of packaging to become environmentally friendly in 2020. This also included the use of paper straws in replacement of plastic straws, reduction of packing bag thickness, the cancellation of the production of smallest handle bags at more than 3.2 million pieces per year, as well as the cancellation of handle plastic bags on every 4th day of the month, the campaign to raise awareness in the involvement with the conservation of environment to the employees and the consumers.

For the Bakery Production Process, due to the installation of solar roof in 2019, solar-powered electricity could be generated at 756.34 KWh., reducing the Greenhouse Gas emission at 440 Ton CO₂e. It also comprises the development of Carbon footprint label certification for the Banana cake product in addition in the previous year.

For the Waste Management, S&P set goal to manage the wastage in bakery to decrease by 30% within the year 2030; along with the waste management by a concrete waste separation method both at the production factories and the outlets in order to lead to a more efficient management process. S&P has applied the principle of 3Rs: Reduce, Reuse and Recycle; for the food production line in the industrial sector, as a result, S&P received a 3Rs Award entitled Zero Waste to Landfill Achievement Award, and a 3Rs+ Award at

the gold medal level in the project to develop the capacity of utilizing wastes for the fiscal year of 2019, in order to promote the circular waste use, decrease the quantity of waste to be disposed, and lead to total waste utilization, with zero waste to landfill. This sets a good example for industrial waste management.

For the Customers' Satisfaction, this is at the utmost importance as S&P has targeted for generating the customers' satisfaction at no lower than 85% by an electronic evaluation form in terms of food flavors, services, cleanliness, and recommendation, as a channel to continually hear the customers' opinions in order to improve products and services for further development of the S&P brand.

For the Human Capital Development, S&P continually places importance of operating businesses with the good governance policy, including the building knowledge and understanding with the Company's business partners for them to realize the importance of operating businesses with responsibility. S&P has targeted for 100% of the critical suppliers accepted the S&P Code of Conduct to contribute the customers' trust that they receiving good quality and safety foods as well as the fair employment to achieving the goal of food security and promoting sustainable agriculture for Zero Hunger, which is a major mission of the food business.

For the Social Impact on Community and Community Development, S&P has transmitted its expertise in nutrition and sanitation management in order to create knowledge and understanding to the community and society by S&P Kitchen for Kids project, as well as professional trainings in cooking in order to create jobs and incomes to the community and the underprivileged by Vocation training for the Prisoner Project. These are to create values and positive imprints in the community and society.

“

Finally,

I would like to thank the all segments of stakeholders for supporting S&P.

Even in the face of economic challenges, We will continue to further develop our business alongside its sustainable development by creating balance in business, social and environmental management.

”



M. Sila-On

MANEESUDA SILA-ON

Director,
Sustainable Development &
Corporate Communications

Goal set

to manage the wastage in bakery to decrease by

▼ **30%**

within the year 2030

S&P has targeted for

generating **the customers' satisfaction** at no lower than

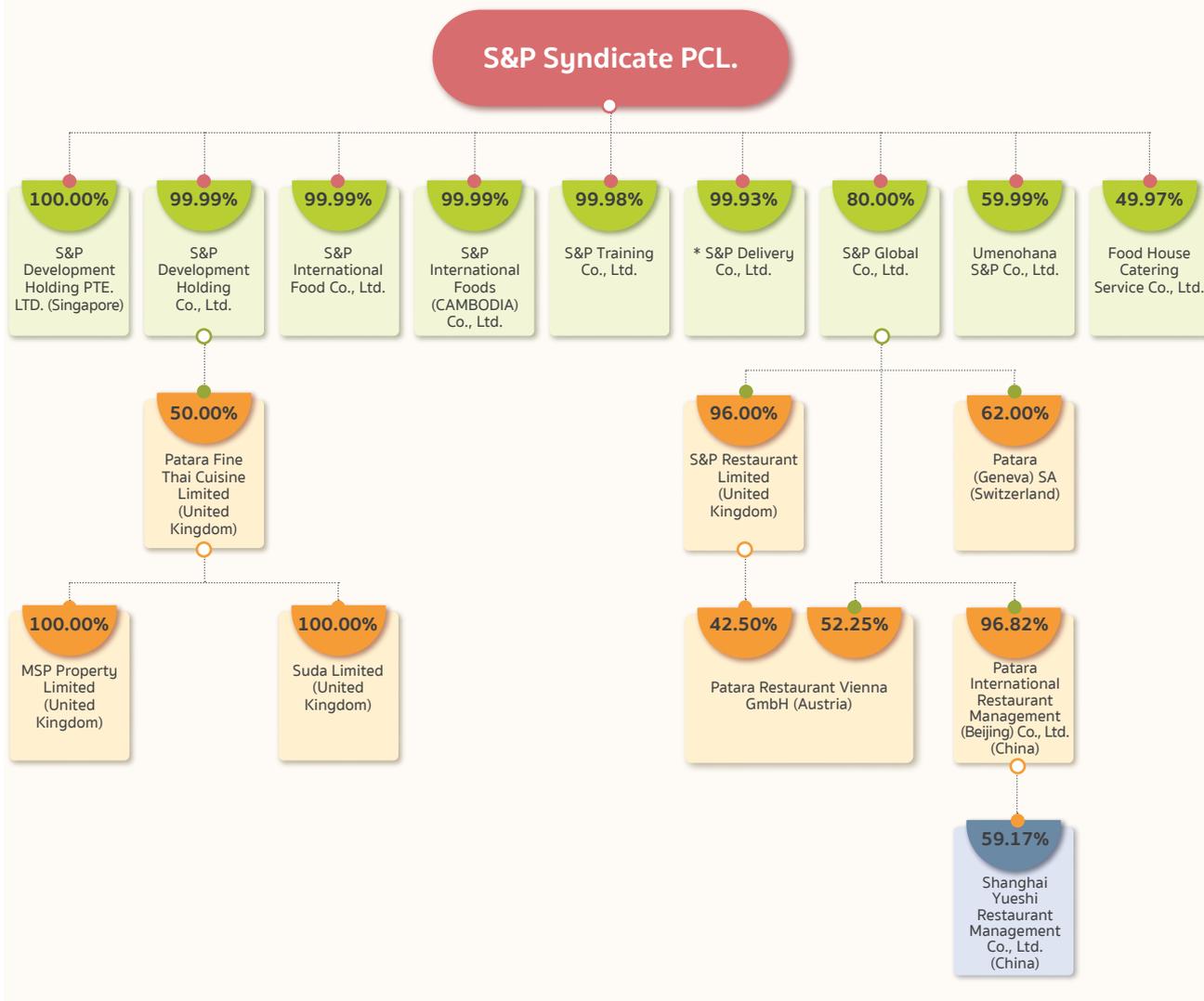
▲ **85%**

S&P has targeted for

100%

of the critical suppliers accepted **the S&P Code of Conduct**

S&P Group Structure (2019)





About this Report



About this Report

- S&P Syndicate Public Company Limited created a Sustainability Report for the second consecutive years with an objective to gather the operation results concerning sustainability, which covers 3 dimensions including economy, society, and environment as based on the principle of good governance and communication with all segments of stakeholders.



Boundary Impact and Relevancy

- The scope of this report is inclusive of S&P Syndicate Public Company Limited, referring to the S&P restaurants, S&P Bakery Shops, Bluecup Coffee, Grand Seaside Restaurant in Thailand, and the Food and bakery production factories in Thailand, in the period from January 1st to December 31st of 2019
- S&P has applied the Sustainable Development Framework to a search of the issues that society, and world business are concerned about and that they are problems the organization should take joint responsibility for action.
- In conducting the analysis of internal and external environments, we abided by the Global Reporting Initiative (GRI) Standards at a core level: sustainability context, materiality, completeness and stakeholder inclusiveness. To find out more about our materiality assessments.

Contact



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Business Overview

S&P Syndicate Public Company Limited and its subsidiaries operate business related to restaurants, bakery, coffee and beverages, and ready to eat food products, and produce various food products under the name S&P and other brands. Details of operation, types of product and service, and structures of the Company (can be found in the Annual Report, Page 30-39).

Branch Domestic

500 Branches

 S&P restaurant
144 Branches

 S&P Bakery Shop
356 Branches

Branch Oversea

18 Branches

 Europe **9** Branches |  Asia **9** Branches

The Company's factories are situated in 4 locations:

- 1 food factory at the Lat Krabang Industrial Estate
- 3 bakery factories

Lamphun Bakery Factory,

• Located at No.81 Village No.4, Ban Klang Sub-district, Mueang District, Lamphun Province

Lat Krabang Industrial Estate

- Located at No. 65/4-5 Village No. 4, Lat Krabang Industrial Estate, Chalongkrung road, Lamplatiew, Lat Krabang, Bangkok

Sukhumvit 62 Bakery Factory,

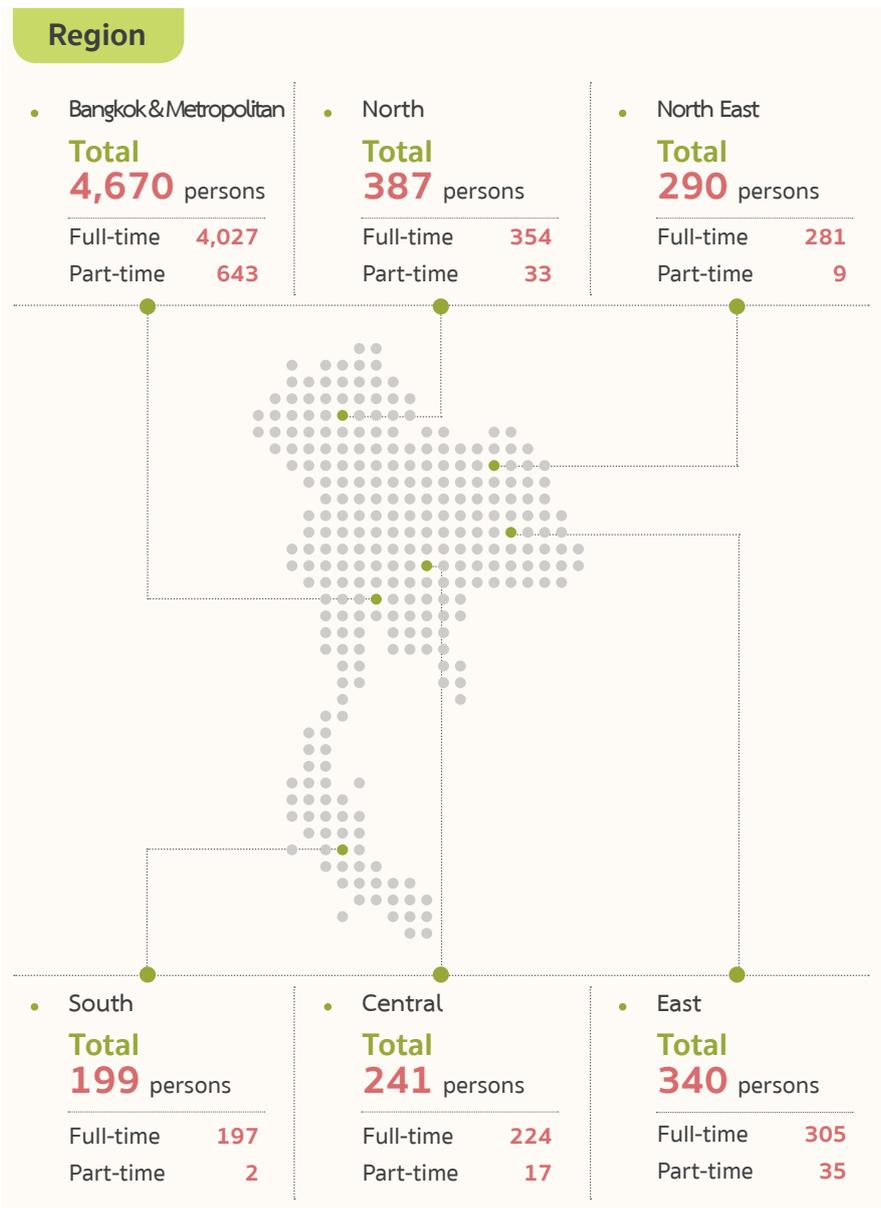
• Located at No. 2, 2/1 Soi Sukhumvit 62 (Section 3), Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok

KM. 23.5 Bangna-Trad Bakery Factory,

• Located at No. 86 Village No. 4, Bangna-Trad Road, KM. 23.5, Bang Sao Thong Sub-district, Bang Sao Thong District, Samut Prakan Province



Total Number of Employees



Products and Services under S&P Syndicate Public Company Limited



Bakery Products

The Company has continuously improved and introduced new products, while conducting, in particular, researches and development of bakery for health, including constantly designing new packages. In the present year, we are interested in using recyclable packaging and earth-friendly materials, accompanied with beautiful designs for the purpose of customers' reuse, in order to maximize efficient circular use of resources in response to the needs of various customer groups including teenagers, working people, and families, and to serve the purpose of customers' changed lifestyle: for example, health-consciousness, sources of raw materials, environment-caring products, as well as delivery services. This is also to provide our customers with convenience and to increase the competitive capacity with competitors in the market. However, in developing new bakery products, besides good flavors, the Company also values the quality of products and services with a focus on selecting good, fresh and safe raw materials to provide freshness and deliciousness, as a highlight on the slogan "S&P Simply Delicious". The bakery products can be grouped as follows:

- Cake
- Puff and Pastry
- Fresh Bread
- Cookies
- Mooncake
- Thai Sweet Delicacies



Food Products

S&P offers a variety of menus of snacks, dishes and desserts, ranging from salad, sandwich, pasta, Thai dishes, Japanese food, and vegetarian food in response to the needs of various customer groups, especially the S&P original roasted chicken menu that has won the customers' heart for more than 46 years as our signature dish. This year, 3 delicious menus have been created specially for the new year festival, namely Quinoa Fried Rice with Roasted Chicken, Roasted Chicken Salad with Purple Sweet Potato, and Roasted Chicken&Baked Macaroni with Spinach & Cheese. In addition, we also serve seasonal menus such as Khao Chae and Sweet Sticky Rice with Mango during the summer of every year. The healthy menu group has also been expanded; for instance, low-sodium menus and selected farm products to answer to lifestyles of the consumers who pay more attention to health issues and sources of raw material. Our food products can be divided in to the following groups:

- Frozen Finished Food: Quick Meal
- Sausage: Premo
- International Food Products: PATIO
- Caragenan Jelly: Jelio Jelly

Beverage Products

High quality fresh coffee is provided with a unique taste from 100% Arabica coffee beans from cultivated areas in Thailand and a selection of excellent coffee beans from abroad, along with the latte art to create a pattern or design on the surface of the latte, all under the name of BlueCup. This group also comprises a variety of beverages such as Matcha green tea, other tea beverages, cold brew beverages, Japanese soymilk “Toniyu”, available in hot and cold drinks as well as in smoothies.

For this year, S&P added products in the organic fruit juice group, including:

- **Fresh Organic guava and Fresh organic coconut juices**, with organic raw materials selected from the “Sampran Model”, a project that connects between the organic value chain and the sustainable food system development, resulting in good-taste and healthy products;
- **Doi Kham Organic Mulberry Sparking** produced under organic farming at NongPhai School, with planting stems obtained from SakonNakhon Commemoration Sericulture Center; mulberry is a super fruit in the berry family, which is rich of folic acid that helps produce red blood cells.
- **100% organic orange juice**, freshly squeezed Nan Golden oranges certified by the Sustainable Development Goals-Participatory Guarantee System (SDGs-PGS NAN) owing to the fact that farmers agreed to switch from the old way of farming to the organic farming for their good health and the consumers’ choice of good food, together with stable income generation to the community.



Services

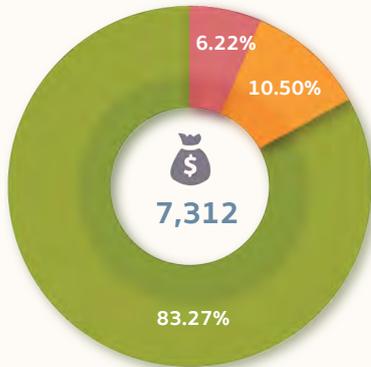
- S&P Delivery: 1344 Delivery Service or www.snp1344.com
- ‘S&P Joy Card’ and ‘S&P Delivery’ Applications
- S&P Catering Service
- Readymade food and bakery wholesale business: to facilitate customers who are consumers and traders with other channels to the Company’s products than the restaurants and bakery stores under S&P
- OEM Services for chain restaurants and leading companies in the country.

Financial Highlights

	2017	2018	2019
Statements of Profit or Loss (Million Baht)			
Total Revenue	7,987	7,706	7,385
Revenues from Sales and Services	7,786	7,608	7,312
Gross Profit	3,527	3,334	3,092
Profit before Finance Costs and Income Tax Expenses (EBIT)	578	445	349
Net Profit (Attributable to Owners of the Parent)	484	400	314
Statement of Financial Position (Million Baht)			
Total Assets	3,970	4,040	3,891
Total Liabilities	1,346	1,450	1,355
Total Parent Shareholders' Equity and Total Minority Shareholders' Equity	2,625	2,589	2,536
Paid-up Registered Capital	490	490	490
Financial Ratio			
Gross Profit Margin (%)	45.30	43.82	42.28
Net Profit Margin (%)	6.06	5.19	4.25
Return on Major Holders' Equity (%)	19.96	15.89	12.55
Return on Assets-ROA (%)	12.59	9.99	7.90
Liquidity Ratio (Times)	1.57	1.59	1.75
Debt to Equity Ratio (Times)	0.53	0.58	0.53
Per Share Data (Bath per Share)			
Closing Price as of December 31	21.90	19.50	15.70
Par Value	1.00	1.00	1.00
Book Value per Share	5.13	5.14	5.08
Earning per Share	0.99	0.81	0.64
Dividend per Share	0.87	0.73	0.56
Dividend Payout Ratio (%)	88.19	89.45	87.35

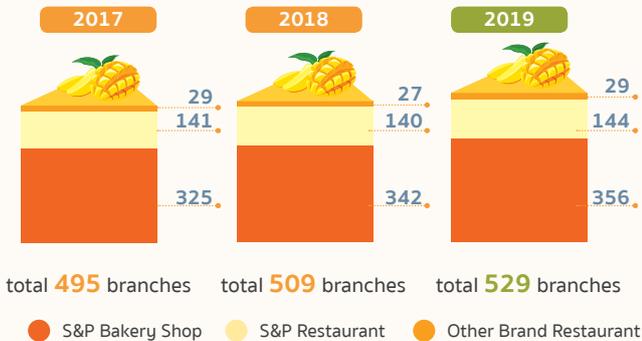
Business Total Revenues 2019

• Proportion of Total Revenues by Channel of Distribution 2019



- Domestic Restaurant and Bakery Shop **6,089** Million Baht
- Packages Food and Bakery Trading **768** Million Baht
- Overseas Restaurant **455** Million Baht
- Total** **7,312** Million Baht

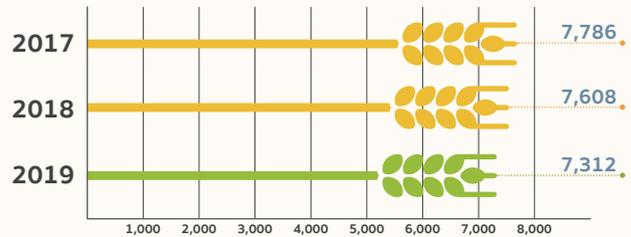
• Number of Domestic Branches



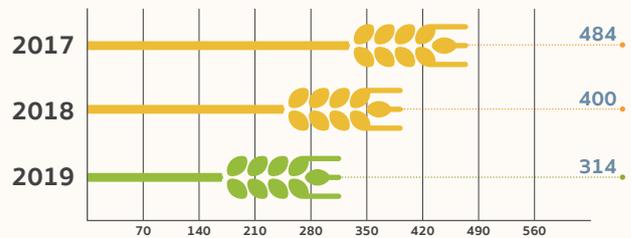
• Number of Overseas Restaurant



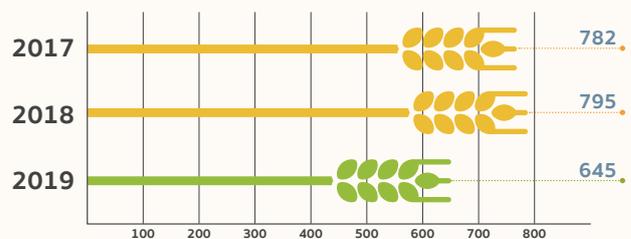
• Revenue from sales and service (Million Baht)



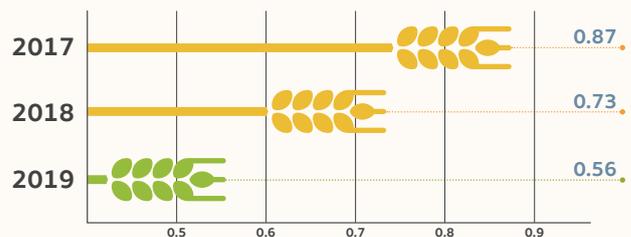
• Net profit (Million Baht)



• Operating cash flow (Million Baht)



• Dividend (Baht/Share)



Supply chain or Value chain



S&P conducts its main operation in retail food and bakery business in order to offer accessible services to the customer nationwide, with a value chain covering the processes of procurement, production, product distribution, marketing and sales, as well as management process of waste from the production process in the final stage. We realize the importance of value chain towards the stakeholders from the beginning to the final products. As a result, in operating S&P's business, an insight and recognition of the group of stakeholders must be gained, and their needs and expectation in S&P must be understood.

At all events, S&P also carries out its production distribution by wholesale accounts and by means of traders through the modern trade channels including hypermarkets, department stores, supermarkets, and leading convenience stores, also in other countries across the globe such as China, India, United States of America, European countries, Australia, etc.





Procurement

S&P places importance on the procurement process, which must be efficient and transparent, with a focus on selecting quality raw materials according to S&P’s standard whereas the suppliers must accept the agreement under S&P Code of Conduct. The company has implemented the mechanism of customer risk management, with the consideration of factors about the environment, society and good governance, as well as the quality check of raw materials to be standardized.

Moreover, S&P aims to support farmers and community enterprises as the company is aware of the significance of a strong local society and economy, thus a policy to buy quality products from local farmers and to encourage environment-friendly products, organic farming and organic output. The sharing of experiences and knowledge with farmers is also provided for mutual development of raw materials and products, leading to the strength and sustainability of the local-level supply chain in order to reach the same goal of promoting the public’s good health and growing sustainably side-by-side.



Production

S&P pays attention to all stages of production and the product quality control to be standardized, clean and safe, by complying with the requirements of laws and international management standards such as ISO 22000:2005, ISO/IEC 17025:2017, GMP and HACCP. Moreover, we also take into account the use of resources such as water and energy to utmost value and for utmost benefit, as well as the use of alternative energy by means of solar roof installation in some part of the bakery production with an expectation to cause no effect on the society and environment. Besides, innovations and technologies are continuously developed; for instance, the development of carbon footprint labels and the use of Spiral Freezer refrigerant to reduce the energy consumption and therefore to ensure that S&P products are of quality and standard, environment-friendly, and placing no effect on the community and society.

In addition, S&P has developed its production innovation to reduce waste generated from the production process, with a waste separation method leading up to efficient subsequent processes, and a waste water treatment system. For biowaste, they have been put into different projects such as fertilizer and effective microorganism water. Materials or product packages such as paper cartons or plastic baskets, which can still be of use, are put to reuse to reduce waste and the loss of natural resources on the other hand.



Product Distribution

S&P strives to incessantly improve the productivity and product distribution by investing in the project for new warehouses and distribution centers, which was initiated since 2018 and expected to be ready for operation within 2020, for the purpose of increasing the management competency and controlling the cost of freight. This also includes an application of the Warehouse Management System (WMS) and new technologies to inventory management in parallel with the Transport Management System (TMS) that plans and sets an extensive distribution route while arranging for a round-trip product transportation, under the backhauling management strategy, for optimal use of resources, resulting in an on-target product delivery process from the production source to the destination at the customers' location whereas the product quality along with the good relationship between trade partners is well maintained.

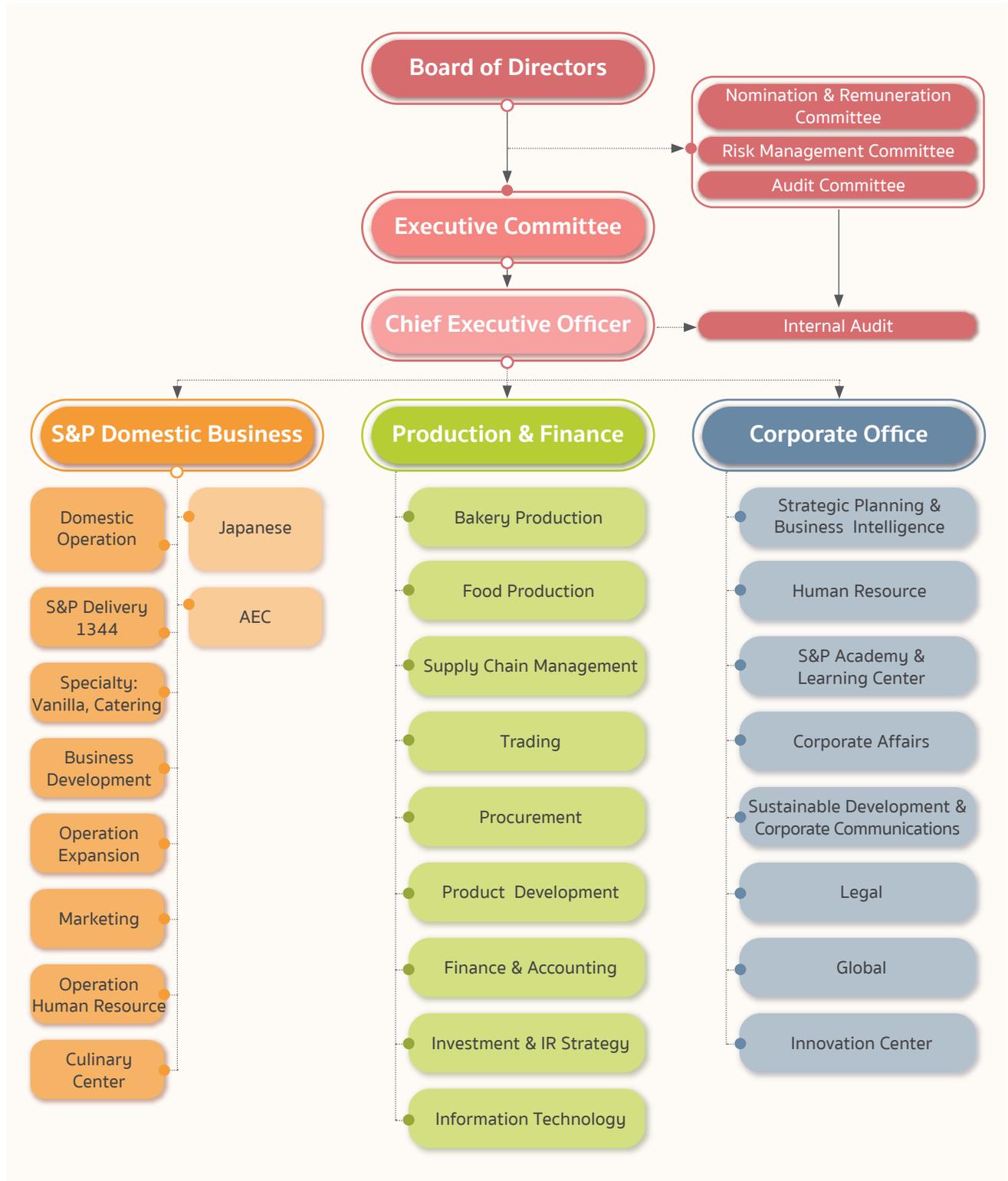
Marketing and Sales

S&P delivers products to the consumers through various channels of sales. Our products and services are mainly distributed at 500 S&P selling locations. For the present year, a new business model has been developed and known as "Food and Bakery", focusing on the sale of fresh-cooked meals in fuel service stations and transport stations, as well as the sale through traders and effective modern trade channels. The products are equipped with labels that indicate clear product details such as manufacturing date, expiring date, nutrition facts, and allergy information, as an expression of responsibility towards the customers. Sales promotion activities have been held to build good relationship with the consumers and to provide them with special offers while we are ready to receive and hear their opinions via different communication channels so that we can improve our products and services to meet their needs at the maximum.

S&P is committed to providing quality products and services as well as enabling new learning and innovation to all of its stakeholders, in contribution to the management of value chain for sustainability and responsibility.



Organization Chart in 2019





ECONOMIC

Stakeholder Engagement and Assessment of the Company's Important Issues

S&P Syndicate Public Company Limited values the rights of all groups of stakeholders in compliance with the requirements and the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, so that they will be well cared for the protection of their rights. Internal and external stakeholders can be divided into the following 7 main groups:



- **Investors and Shareholders:** The Company is always well aware of conducting its business with transparency and determination to make its business prosper and yield good returns to the shareholders continuously in a long term.



- **Government and Regulating Authorities:** The Company strictly complies with the rules, regulations, laws, and framework of social and national rules; and studies about nutrition and innovations that are good and make an impact on the industry for a leader in the Thai food and bakery business.



- **Customers/Consumers:** The Company is determined to develop the quality and standards of its products in terms of taste, safety and good nutrition in order to deserve the trust as family products; with an aim to create responsible marketing through S&P restaurant and bakery shops, online media and applications. The Company will also pay attention to excellent services and will make customer relation management team to accept customers' complaints so as to take action as soon as possible for its customers to their maximum satisfaction and the customers' personal information will be kept confidential.



- **Employees:** The Company respects for human rights that an employee must be treated fairly in terms of opportunity, benefit in return and potential development, and must be assured of their life quality and work safety as well as suitable welfare and provident fund. Nonetheless, in regard to their compensation, the Company will set a relevant policy in conformity with other companies in the same industry and with the inflation rate.



- **Suppliers:** The Company will treat its suppliers on the basis of equality and fairness, taking mutual benefits into consideration.



- **Community and Society:** The Company is determined to conduct economically and socially beneficial business and attaches importance to environmental care and preservation. To this, the Company has a sustainable development & corporate communications team to promote organizational cultures and evoke awareness in all individuals in the organization so that they take care of, develop and promote the environment and stakeholders in line with the sustainable growth of the Company.



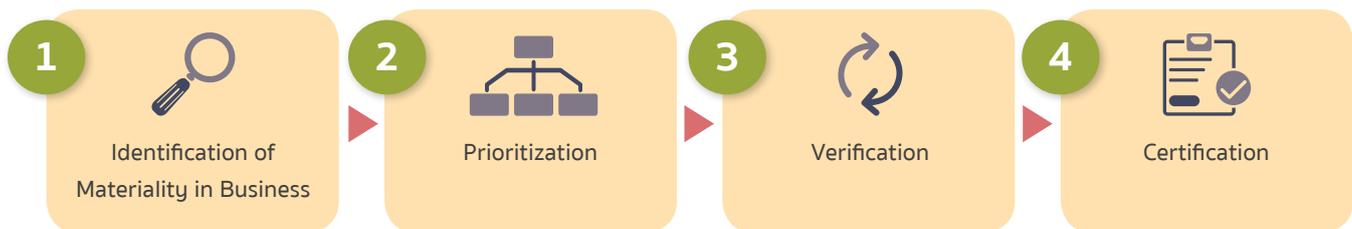
- **Independent Entities, Mass Media and Online Influencers:** These are considered as stakeholders to create value to the economy and the society through the publicity of information and facts, with transparency in disclosure of information.

The classification of stakeholders in 2019 was changed from 9 into 7 groups; Customers being merged with Consumers into the same group and Mass Media with Online Influencers as based on the importance of their business operation - both directly and indirectly in the same direction.

Stakeholders	Interested Issues	Participation Channels
Investors and Shareholders 	<ul style="list-style-type: none"> • Qualifications of the board of directors and the management • Business operation transparency • Business performance and growth • Business operation for sustainability 	<ul style="list-style-type: none"> • Information announcement through the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission • Annual sustainability survey • Annual general meeting of shareholders • Information announcement to shareholders via the Company's website to email secretary@snpfood.com, or audit@snpfood.com, or Tel. 0-2785-4000, Company's Secretary Unit or Internal Audit Office
Government and Regulating Authorities 	<ul style="list-style-type: none"> • Food quality and safety • Advertisement/Label packaging and Consumer protection • Waste management • Environment information report 	<ul style="list-style-type: none"> • Annual sustainability issues survey • Policy response and collaboration • Semi-annual report on direct marketing business operation • Periodic audience or coordination • Meetings, seminars and regular participation in activities held by the governmental sector
Customers/Consumers 	<ul style="list-style-type: none"> • Quality of products, food and services • Raw materials/Sources of food • Shops' atmosphere and places' cleanliness • Advertisement/Sales promotion activities • Reasonable product prices • Product information • Environment-affecting business operation 	<ul style="list-style-type: none"> • Annual sustainability issues survey • Customer satisfaction survey through QR code in the receipt footer • Communication via online channels and S&P Joy Card application • Receipt of complaints via S&P restaurants and bakery shops, telephone, call center 1344, Email: crm@snpfood.com, FB: snpfood, and mail • Interview with customers' representatives • Customer relation activities
Employees 	<ul style="list-style-type: none"> • Health, sanitation and safety • Compensation/welfare/benefits and employee relations activities • Communication between HR unit and employees • Personnel trainings and development • Provision of complaint receiving channels and sharing comments about the Company 	<ul style="list-style-type: none"> • Employee relations activities • Regular electronic internal communication of HR News and PacD application • Annual sustainability issues survey • Provision of skill development training courses • Receipt of complaints via telephone, Email: whistleblower@snpfood.com, and compliant mailbox
Suppliers 	<ul style="list-style-type: none"> • Food safety and raw materials • Technology and innovation • Human rights and labor practices • Operation of businesses affecting on community and environment • Anti-corruption • Confidentiality of trade secrets 	<ul style="list-style-type: none"> • Annual sustainability issues survey • Acceptance the compliance with S&P Code of Conduct for Suppliers • Annual work place inspection • Discussion and visit of businesses in the form of juristic person and community enterprise on a quarterly basis

Stakeholders	Interested Issues	Participation Channels
Community and Society 	<ul style="list-style-type: none"> Community development Local occupation and income promotion Observance of human rights Awareness of community and environmental impacts 	<ul style="list-style-type: none"> Activities for the community and the society Community field visit Receipt of suggestion and assistance via telephone, Email: pr@snpfood.com
Independent Entities, Mass Media and Online Influencers 	<ul style="list-style-type: none"> Information and news on the organization's movement Product information and sales promotion programs Customer's/ consumer's opinion towards S&P brand 	<ul style="list-style-type: none"> Annual sustainability issues survey Contact via telephone, website: www.snpfood.com, E-mail: pr@snpfood.com, FB: snpfood Information publicity and press conference Meeting with the media on different occasions such as media anniversary, New Year Festival and Mid-Autumn Festival

Identification of Materiality and Determination of Report Content



1. The Company's materiality has been identified on the account of both internal and external factors including the Company's strategies, stakeholders' interest and expectation, global and intra-industry trends, and Thailand's regulatory changes to impact on the business and supply chain both positively and negatively.
2. The Company assessed and prioritized the aforementioned material topics on sustainability; the management and the representatives of employees at the management level, joined in the assessment in a workshop to identify and assess the material topics on sustainability, with the prioritization placed on 2 dimensions, i.e. the effects caused to the Company's business operation and the assessment on interest and expectation in the stakeholders' viewpoint.
3. The Company verifies the material topics by carrying out in-depth interviews with 3 groups of prioritized stakeholders

- who were important to the Company's business operation, including 1. Customer, 2. Supplier, and 3. Government and Regulating Authorities, in order to review business materiality issues and to receive suggestions and expectations on the topics covering the 3 dimensions: economy, society and environment. The issues received from the organized activities have been put to improving the efficiency of the Company's transaction to respond to the stakeholders' interest as well.
4. The working team presented the sustainability materiality to the business sustainability development committee for consideration, confirmation and approval which led to the scope defined for reporting of material topics, in which the information was collected from different units and the groups of stakeholder most related to such topics, to be used as guidelines to further operate the business in compliance with appropriate sustainable development.



Suppliers: Thai Union Group PCL.

“Collaboration of business groups in the development of raw materials and the environment is a chance to create positive impacts on both the Company and the world’s context of sustainability. After you engage with sustainability, you will have more customers because nowadays this issue is underlined by customers. Then they will have confidence and we will become a sustainable leader”.

Stakeholders’ interested issue

- Supplier traceability system
- Climate change
- Human rights and labor practices



Customers: Business School, National Institute of Development Administration (Mr. Thongma Promkul)

“Good food quality, employees and services are the reason for my consistent support for S&P products; in the next 3-5 years, I’d like to see S&P as the number 1 in the future food business, with reduction of plastic use and attention to the environment”

Stakeholders’ interested issues

- Food and nutrition safety
- Packaging
- Customer relationship

Scope of Materiality

Topics	Related GRI Framework	Stakeholders and Scope						
		Intra-organization	Extra-organization					
		Employees	Customers/Consumers	Trade partners	Investors and shareholders	Government and regulating authorities	Community and Society	Mass Media/ Online influencers
Waste and Food Waste Management	Waste and Food Waste Management (GRI 103, GRI 301-2)	✓					✓	
Packaging	Responsible packaging management (GRI 103, GRI 471-1, GRI 471-2)	✓	✓	✓		✓	✓	
Customer Relationship Management	Customer Relationship Management (GRI 103, GRI 416-2)	✓	✓					✓

Dimensions: Environment Social Economy

Topics	Related GRI Framework	Stakeholders and Scope						
		Intra-organization	Extra-organization					
		Employees	Customers/Consumers	Trade partners	Investors and shareholders	Government and regulating authorities	Community and Society	Mass Media/ Online influencers
Human Capital Management	<ul style="list-style-type: none"> Human Capital Management Training Course and Human Resource Development (GRI 103, GRI 404-1) 	✓				✓		
Food Quality, Safety & Nutrition	Consumers' health and safety (GRI 103, GRI 416-1, G4-FP5)	✓	✓	✓		✓	✓	
Climate Change	Climate change (GRI 103, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5)	✓				✓	✓	
Energy Management	Energy consumption and GHG emissions (GRI 103, GRI 302-1, GRI 302-4)	✓				✓	✓	
Social Impact on Community and Community Development	Community and society management (GRI 103, GRI 201-1)	✓					✓	
Water Management	Water use and management (GRI 103, GRI 303-1, GRI 303-2, GRI 303-3)	✓				✓	✓	
Responsible Sourcing	<ul style="list-style-type: none"> Procurement Ethic Supplier Code of Conduct (GRI 103, GRI 414-1, GRI 308-1) 	✓	✓	✓				

Dimensions: ✓ Environment ✓ Social ✓ Economy

Stakeholder Engagement and Assessment of the Company's Important Issues

Topics	Related GRI Framework	Stakeholders and Scope						
		Intra-organization	Extra-organization					
		Employees	Customers/Consumers	Trade partners	Investors and shareholders	Government and regulating authorities	Community and Society	Mass Media/ Online influencers
Occupational Safety and Health	<ul style="list-style-type: none"> Occupational Safety and health Safety in production System (GRI 103, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9) 	✓				✓		
Corporate Governance and Business Ethics	<ul style="list-style-type: none"> Anti-corruption Consistency in compliance (GRI 103, GRI 205-2) 	✓	✓	✓	✓	✓		
Responsible Marketing and Product Labeling	<ul style="list-style-type: none"> Responsible label management (GRI 103, GRI 417-1, GRI 417-2) Consistency in compliance (GRI 103, GRI 417-1, GRI 417-2, GRI 417-3) 	✓	✓			✓		✓
Innovation	Innovation Management (GRI 103, GRI 203-1, GRI 203-2)	✓		✓		✓		
Human Rights	<ul style="list-style-type: none"> Human right and labor practices Employment Diversity and Equality (GRI 103, GRI 412-1, GRI 412-2, GRI 412-3) 	✓		✓		✓		

Dimensions: Environment Social Economy



Sustainability Management

S&P Vision

To be #1 top of mind Thai Restaurant and Bakery for Modern Family

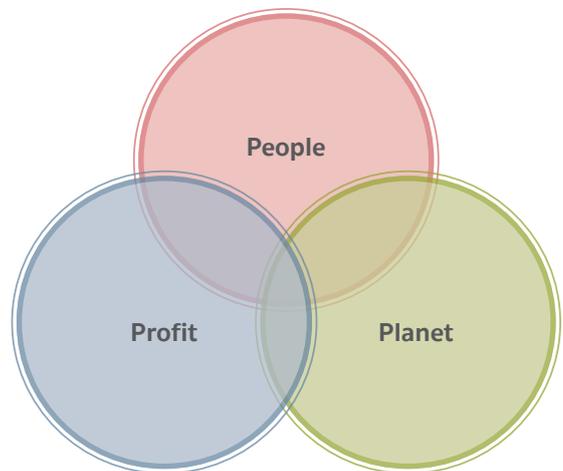
Create Goodness to Build Sustainability

S&P Value



The Company's structure, method and principle used in the management of S&P Sustainability Strategic Framework

S&P carries out the strategic direction toward sustainability under the concept of three pillars including People, Planet and Profit, on the basis of good governance under the framework of “Healthier Family, Happier World”. The ultimate goal is returns in the economic, social, and environmental spheres, optimal for all groups of the Company’s stakeholders, for good health and hygiene of consumers, business partners, and communities. The Company also takes part in the conservation of natural resources and the environment by driving an effective performance according to the organization’s strategies and sustainable development plans under the Sustainable Development Goals (SDGs) frameworks and targets.





**GLOBAL BRAND FROM THAILAND
PROUD TO SUSTAIN OUR LEGACY
PROUD TO SERVE THE WORLD SUSTAINABLY**

“HEALTHIER FAMILY, HAPPIER WORLD”



SENSIBLY PARTICULAR



S&P Sustainability Goals

Targets	Operation Results
Food Quality, Safety, Health and Nutrition	
<p>1. All S&P branches to meet the evaluation criteria for the QSC (Quality, Service and Cleanliness) Standard within the year 2025 (100% of QSC for outlets)</p>	<p>S&P Restaurant & Bakery shop has established the GMP: (Good Manufacturing Practice) Codex quality system since 2004 which was certified by the Thai Industrial Standards Institute (TISI); later in 2005, the TISI assigned the ISO Standard Certification Institute to be the auditor in lieu of the TISI.</p> <p>Nowadays, the Company has applied for GMP Codex system certification for the following 5 selling locations:</p> <ol style="list-style-type: none"> 1. Thonglor Branch 2. Sukhumvit 26 Branch 3. Bangplee KM. 23.5 Branch 4. Central Plaza Ladprao Branch 5. MBK Center Bakery Shop <p>The GMP system has been adopted for extended results to all outlets, including the QSC Standard, which is a standard dealing with the principle of Quality, Service and Cleanliness for the restaurant business operation to be further accreditation.</p> <p>Additionally, 17 branches have obtained the Food Service Standard for Tourism by the Department of Tourism.</p> <p>The Company also received an honor award with the “Clean Food Good Taste” sign and the “Food Safety” sign from the Ministry of Public Health, for a total of 70 restaurants and bakery shops in 2004.</p>
<p>2. Enhancing the production line standard for S&P food and bakery factories, with a target for the certification of ISO 22000: 2018 standard within the year 2025</p>	<ul style="list-style-type: none"> • In 1999, the S&P Sukhumvit 62 Bakery Factory and the Latkrabang Food Factory received the HACCP (Hazard Analysis Critical Control Point) Certification, an international food product safety standard as recognized in the food production industries worldwide. • In 2002, S&P bakery factories were accredited with the GMP (Good Manufacturing Practice) Certification, signifying good production criteria; and received the ISO/IEC 17025: 2017 Certificate of Laboratory Accreditation, representing the manufacture standardization by the Thai Industrial Standards Institute (TISI), Ministry of Industry. • In 2004, the food production line of Latkrabang Factory was certified with the HACCP system by RWTUV (THAILAND) LTD. and the Department of Agriculture, Ministry of Agriculture and Cooperatives. <p>Meanwhile, the bakery production line of KM. 23.5 Bangna-Trad Bakery Factory obtained the GMP Certification from the Food and Drug Administration (FDA).</p>



Targets	Operation Results
3. Product research and development/ S&P healthy menus, as an alternative to the consumers, to be increased at 100 menus within the year 2025	In 2019, a total of 35 new S&P healthy products/menus were introduced, including: <ul style="list-style-type: none"> ● Healthier Choice Beverages: 9 items ● Low Sodium Food: 7 menus ● Organic Menus: 7 menus ● Low Sugar Bakery: 8 items ● Healthy Bakery: 3 items ● Healthier Choice Ready-to-Eat Meals: 1 item, namely 'Rice with Garlic and Pepper Pork Fried'
Customer relationship	
Customer satisfaction toward S&P products and services to reach the level of 85% within the year 2025	S&P conducted an E-survey of customer satisfaction via scan the QR code in the receipt footer to assess their satisfaction in 4 aspects; the results are as follows: <ul style="list-style-type: none"> ● Taste: 86% ● Service: 86% ● Cleanliness: 89% ● Recommendation: 83% The assessment data was collected from 10,339 customers during 1 st September to 31 st December 2019.
Packaging	
The packaging for S&P products must be 100% recyclable or compostable within the year 2022	10 items of packaging were adjusted to be environmentally friendly, as a decrease of plastic use by some 82 tons in 2019.
Waste and Food Waste Management	
1. Reduce the bakery waste by 30% within the year 2030	In 2019, the bakery waste cost 220 million Baht, decreasing from 2018 at the waste amount of 234 million Baht; the volume of bakery waste was reduced by 5.98% in 2019.
2. Waste separation is conducted at all S&P branches	The Operation Team is in the process of planning the training courses to build conscious mind to the employees on the correct sorting of waste materials into 3 following types: organic waste, general waste and recyclable waste, so that the in-house waste management is carried out in a correct manner, leading up to a proper and beneficial disposal process.
Human Resource Development	
1. To reduce the turnover rate of management-level employees to be under 5% within the year 2025	In 2019, the turnover rate of management-level employees was 11%.
2. The goal of human resource development is an increase in HCROI by 20% within the year 2025	In 2019, the level of human resource development as measured in Human Capital Return on Investment (HCROI) was equal to 3.04.

Membership with Domestic and International Organizations

Awards and Accomplishments in 2019

1. Prime Minister’s Export Award: PM Export Award 2019, in the category of Best Thai Brand

S&P Syndicate Public Company Limited received the Prime Minister’s Export Award: PM Export Award 2019 in the category of Best Thai Brand, from General Prayut Chan-o-cha, Prime Minister, at SantiMaitri Building, Government House. This award is considered the highest government award as given to outstanding exporters as a token of national pride and declaration of honor for achievement and dedication of Thai business operators.



2. Award conferred by Her Royal Highness Princess Maha Chakri Sirindhorn: Thailand Corporate Management Excellence Awards

S&P Syndicate Public Company Limited received an award conferred by Her Royal Highness Princess Maha Chakri Sirindhorn: Thailand Corporate Management Excellence Awards, presented by General Prayut Chan-o-cha, Prime Minister, as an expression of admiration and praise, and an example set for other organizations. The award is based on a survey conducted on opinion of high executives from over 1,000 entities, the ceremony was organized by TMA and Sasin Graduate Institute of Business Administration of Chulalongkorn University, at the Athenee Hotel, Bangkok.



3. “Top Brand Thai Restaurant and Top Employer (Food & Beverage) 2019” Award

S&P Syndicate Public Company Limited received 2 awards of the year: “Top Brand Thai Restaurant” and “Top Employer (Food& Beverage) 2019” at the “2019 Asia CEO Summit & Award Ceremony”, held by Influential Brands® (Singapore). This award is considered Asia’s Top Brand in different categories, with the purpose to create brand reputation for better recognition and reliability in the Asian region. The ceremony was organized in Chatrium Ballroom, Chatrium Hotel Riverside Bangkok.

The Top Employer Brand Awards are new awards to be granted to entities with excellence in organizational culture and priority given to employees’ involvement. The award giving ceremony was conducted at the 7th edition of the CEO Summit and Award Ceremony under the name of “2019 Asia CEO Summit & Influential Brands Awards Ceremony”, held for the first time in Thailand and joined by well-known organizations and brands from various Asian countries, at S31 Sukhumvit Hotel, Sukhumvit Road.



4. Carbon Footprint Label Certification for S&P Banana Cake Product

S&P Syndicate Public Company Limited obtained the carbon footprint label certification for its banana cake product, at the Joining Forces Against Global Warming Event, as held by the Thailand Greenhouse Gas Management Organization (Public Organization); the certificate was handed by Mr. Thaneadpon Thanaboonyawat, Secretary to The Minister of Natural Resources and Environment, at the Berkeley Hotel Pratunam, Bangkok. The carbon footprint label was previously certified for S&P Butter Cake in 2018. The 2 products are favored and create great sales volume on top of the brand.



5. Certificate in “the Certificate Awarding Ceremony to the Industrial Sectors participating in the Publicity Project for the Policy on Reduction of Salt and Sodium Volume in Food Products, A Voluntary Approach”

S&P Syndicate Public Company Limited accepted a certificate in “the Certificate Awarding Ceremony to the Industrial Sectors participating in the Publicity Project for the Policy on Reduction of Salt and Sodium Volume in Food Products, A Voluntary Approach”, in the campaign activity “Knowing Label, Eating Wisely, Sodium Reduced”, organized by the Food and Drug Administration (FDA) in conjunction with the network associates from both government and private sectors. Awards were handed out by Mr. Sathit Pitutecha, Deputy Public Health Minister, in order to encourage the consumers on sodium-reduced consumption in food products, leading to adjustment of consumption behavior and decrease of risk to non-communicable diseases (NCDs). The event was held at MBK Shopping Center.

6. 3Rs Award, Zero Waste to Landfill Achievement Award, and Gold Medal 3Rs+ Awards

The S&P Latkrabang Food Factory received a 3Rs Award, a Zero Waste to Landfill Achievement Award, and a Gold Medal 3Rs+ Award, in the project to develop the capacity of utilizing wastes for the fiscal year of 2019; Mr. Banjong Sukreeta, Deputy Director-General, Department of Industrial Works handed out the awards at the Royal Thai Army Club. Industrial waste management under the principle of 3Rs: Reduce, Reuse and Recycle, is to promote the circular waste use, decrease the quantity of waste to be disposed, and lead to total waste utilization, with zero waste to landfill, which sets a good example for industrial waste management.



7. Signing Ceremony of the Cooperation Agreement between S&P and Nan Provincial Commerce Office in support of Nan Golden Oranges

S&P Syndicate Public Company Limited signed the Cooperation Agreement with Nan Provincial Commerce Office; Mr.Wi-boon Waewbandit, Nan Deputy Governor, and Ms.Thikamporn Kongsorn, Nan Organic Farming Community Enterprise, jointly signed agreements to support Nan Golden Oranges, in order to deliver safe products to the consumers and to generate sustainable incomes to farmers. The event was held at Nan Provincial Hall.

S&P aims to operate its business in a sustainable manner, taking into consideration the consumers' health and safety. We will be a force to drive farmers toward confidence and encouragement for organic farming, which will surely have supporting markets, as to create secure incomes to the community for stable and sustainable growth always alongside us.



Corporate Good Governance and Business Ethics

Background and Concerns

S&P places importance on the compliance with the principle of good governance and is committed to continually enhancing the quality and importance of good governance, with the confidence that the good governance is beneficial to its business operation, despite facing the rapidly changing situations of economy, society, environment and technology. Besides, the Company also focuses on the shareholders' rights, their equal treatment, the roles of all stakeholder groups, information disclosure and transparency, and responsibility of the Board of Directors, as well as information disclosed to associated persons in a thorough and up-to-date manner, in order to increase value and profits to the shareholders, investors and all associated parties in a sustainable manner.

The Company's Board of Directors has specify the policy of good governance, which is in line with the principle of good governance as defined by the Stock Exchange of Thailand and the regulation of the Securities and Exchange Commission, with constant review and update of such policy and principle. The Company also communicates and builds understanding on good governance to the management and employees for constant acknowledgment and observance, in order to strengthen the Company's performance efficiency, including the relationship

between the Board of Directors, the management, the shareholders, the investors, the financial institutes, the business partners and all groups of stakeholder. This is a mechanism that conducts the company to achieve the business objective in terms of both efficiency and productivity, with the ability to build competitiveness, increase the business value and enable the Company's continual and sustainable growth.

Management Guideline

S&P Syndicate Public Company Limited recognizes the significance of the anti-corruption and adheres to the principle of righteousness and transparency as the basis for the organizational administration. The Company also encourages and supports the organization's employees to realize the importance of anti-corruption, by setting a written policy to prevent and suppress corruption, announcing and communicating it to everyone in the organization for acknowledgment and observance of the defined principles, as well as disclosing information related to anti-corruption measures to the public. Also, we conduct trainings on Ethics/Anti-corruption/Whistleblower to new employees monthly along with communication to trade partners and customers for acknowledgment. All employees can find additional information on the organization's intranet.



In addition, the Company has also complied with the related laws and requirements, with verification conducted on the performance of the audit committee. The Company has also announced the policies and guidelines on anti-corruption and giving and receiving gifts for enabling the management and all employees to follow the policies, regulations and ethics in order to operate the Company's business in compliance with the principle of good governance. The Company has an internal audit unit that functions to investigate the performance and internal control system of the organization's internal units on the basis of the Professional Practice of Internal Auditing in accordance with the Internal Audit Charter, using the audit criteria

according to the results of risk assessment and the key control point and focusing on the preventive control to ensure that all units perform up to quality and standard, with a sufficient internal control that helps to prevent and reduce the chance of corruption.

At all events, the Company participated in the declaration of intention with Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and Thai Institute of Directors (IOD), and received the 2012 NACC Integrity Award in 2012, its CAC member status was certified in 2016 and has consecutively been up to the present.

Operating Results

Operating Results (Indicators)	2017	2018	2019
• Percentage of the management communicated with the anti-corruption policy	100	100	100
• Percentage of employees communicated with the anti-corruption policy	100	100	100
• Percentage of trade partners communicated with the anti-corruption policy	80	90	95

From the declaration of policies on ethics/ anti-corruption/ whistleblower and giving and receiving gifts as communicated and publicized to the employees, trade partners, customers and the public, the Company has provided monthly trainings to all new employees together with publicized internal media via the Intranet/ Email and Whistleblower.

In any case, the Company has the policy to protect and provide fair treatment to all employees who inform against corruption or non-compliance with the laws, rules, Company's regulations and ethics, allowing 4 channels to receive complaints from the employees including:

 Telephone 089-204-5542 or 0-2785-4000 ext. 386	 Email: whistleblower@snpfood.com	 Complaint Mailbox Head Office, Food Factory and Bakery Factories	 Sealed Letter Audit Office S&P Syndicate PCL.
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Operating Results (Indicators)	2017	2018	2019
Number of complaints	-	9	10
Accepting benefits/Promotion with suppliers	-	3	1
Financial corruption	-	5	8
Cheat on working hours/Deficiency in duty	-	1	1

Risk Management

Assessment and Management of Business-Related Risks

The Company has approved an appointment of organization-level risk management committee in addition to the unit-level risk management team since 2012 with the following scope of authorization:

1. To set up policies and strategies of controlling and monitoring the assessment of organization-level risk management;
2. To supervise the organization's operating results in different areas.

However, The Company has promulgated the Risk Management Instruction dated 10th May 2012, with an objective to execute the risk management under the policy with efficiency and the same standard in compliance with the international.

For 2019, the Board of Directors hold 2 meetings to assess the risk factors in the organization; such risks were prioritized with consideration given to their severity of effects and frequency of occurrence, in order to determine guidelines of risk management and to arrange for measures to control and manage such risks to be at an acceptable level. The assessment takes into consideration the environmental effects in 3 aspects namely economic, society and environment, both internally and externally, as to build trust to all stakeholders and achieve the Company's targeted goals.

The Company's main risk factors and managing methods are as follows:

1. **Strategic risk:** the Board of Directors has put in place the strategic and budgetary plans in order to define the strategy for business operation in both short term and long term, through analysis of feasibility and factors affecting business operation, such as the internal and external factors, the economic, the industrial movement, and the competition, as well as the change of consumers' behaviors such as increasing health-consciousness, and the opportunity to expand its business both domestically and overseas to be analyzed.
2. **Operational risk:** the Company has provided operation manuals/guidelines and trainings to build awareness and understanding for each level of employees; there is clear

separation of duties to serve as checks and balances for each other, in addition to have processional reporting and monitoring as well as to consider approaches for developing the methods of work to enable efficiency, promptitude and accuracy and control the costs of production, management and services. Furthermore, the Company has put in place an internal audit division in order to check and monitor for workers to perform under specified tasks, and thus result in an effective propulsion for the organization.

3. **Financial risk:** the Company's financial management mainly takes into account the liquidity risk, credit risk and market risk such as the world's economy, the foreign exchange volatility or the interest rate adjustment. At all events, the Company has properly prepared financial projection, management guideline, monitoring and standards, such as debt-equity ratio and reserves, in order to reduce the risk to an acceptable and controllable degree.
4. **Information technology risk:** the Company has an IT unit to take responsibility for the work system and strengthen the readiness to support new technological innovations for the organization. IT master plans have been set up to match the organization's business plans, and IT security plans to prevent cyber-attacks, as well as emergency back-up plans. Reports and follow-ups for compliance with these plans are also carried out for to be constantly acknowledged by the management. Moreover, assessments are done on the change and development of digital technologies or social media with possible effects on the business alongside the consideration of opportunities based on technologies that assist the increase of service channels and efficiency, and communication with customers.
5. **Natural catastrophe and political risks:** in circumstances where the world is facing risks due to increasing climate change such as hotter temperature, flood, disease outbreaks, risk of extinction in certain species of plant and animal, as well as political unrest such as protest, traffic blockage, all of which currently tends to increase in frequency and severity, the Company has prepared short-term back-up plans for events of emergency and business continuity plans (BCP) to respond to immediate events. Our employees

have also been trained to handle natural disasters, including those arising from accidents or human actions such as fires or strikes. Furthermore, the Company has intermediate to long-term plans to minimize the effects on business operation, as well as the management of remaining risks by providing insurances to related assets.

6. Other risks: as the Company operates within the comprehensive food business, i.e. producing, distributing and managing restaurant, certain risks remain possible at any time. These are industry-specific risks, which are concerned with high competitive situation, fluctuation of

raw material prices, lack of labor, governmental alteration of regulation or standard; for instance, that of the Food and Drug Administration (FDA), as well as measures on consumption taxes such as sugary drink tax, environment tax such as Greenhouse gas emission tax, liquid propane gas tax and labor tax. It also includes standard changes by the private sector; for instance, HACCP and GMP. The management will have systems or guidelines to handle and control these risks; if any of them shows a tendency to increase a significant impact on the business, the risk management committee shall be involved and provide consultation.

Responsible Sourcing

Background and Concerns

Sustainable supply chain management begins with an efficient sourcing as a cornerstone to ensure that quality raw materials and packaging are obtained at suitable prices and the same standard, in a quantity optimum for the production capacity needs.

Therefore, S&P, as a food and bakery producer and service provider with up to 500 branches, requires a strict selection of raw materials and suppliers in order to assure the customers that S&P's products are intended to offer happiness due to quality materials and deliciousness, as well as good health to the consumers. This is a reason why the Company has steadily thrived in the food business for 46 years.

Commitment

S&P's suppliers must be equipped with reliability and responsible management in which raw materials are selected from the production sources that comply with the laws and cause no environmental damage. Suppliers' employment must be conducted in accordance with the principle of human rights, with transparency and traceability throughout the production chain. With these suppliers, collaboration in the development of products is also expected to meet the consumers' needs and enhance competitiveness in a mutual manner.



Goals

- S&P's critical suppliers must accept the compliance with the S&P Code of Conduct for Critical Suppliers at 100%
- The Company is able to select quality and standardized main raw materials and packaging to be delivered to the production at 100%
- The Company has a plan to develop 10 suppliers/year of the suppliers having passed the assessment.

For suppliers with high product value and trading volume, the Company will set out criteria for execution of long-term purchase and sales contracts in order to decrease risks and allow the suppliers to prepare raw materials and packaging, and provision of support products in a sustainable manner.

With a vision to promote the concept of “Healthier Family, Happier World”, S&P carries out management guidelines and product development goals on the basis of responsibility, with a focus on the procurement of quality raw materials and packaging safe for the consumers, including the attention paid to the society and the environment. The process to manage the operations is as follows:



In addition, S&P also takes into account the supplier’s capacity improvement, considering the factors of economic, social and environmental risks concurrently; therefore, the following guidelines have been defined:

Assessment of Supplier’s Economic, Social and Environmental Risks

- S&P has put in place the strategy to manage the supply chain by emphasizing on an effective use of resources and the responsibility towards the society in a sustainable way, as well as communicating the economic, social and environmental responsibilities to the suppliers in the supply chain
- S&P continually manages the suppliers while simultaneously verifying their capacity and assessing their performance to be in line with the Company’s Supplier of Conduct, other requirements as well as the occupational safety, health and environment, society and the good-governance policies, which the employees and the suppliers must strictly comply
- The Company’s supplier risk management system consists of the assessment of risks in the supply chain in order to identify important suppliers in the supply chain and to create the Approved Vender List (AVL).

Sustainable Procurement Procedures

1. New Suppliers

To develop new suppliers who are not yet selected in the trading, the Company’s screening process is based on the assessment in terms of product quality, services and risk factors or raw material fluctuation with possible effects on the trading, the data processing and collection to plan the development of suppliers towards sustainability.

- Registration of new suppliers: Supplier guidelines and sustainability assessment
- Screening of new suppliers: Supplier on-site assessment

2. Current Suppliers

To develop the current suppliers, business groups have been classed by S&P considering the monthly assessment result according to the vendor assessment criteria in 4 aspects: 1. Price, 2. Quality, 3. Transportation, and 4. Service.

- Product purchasing consideration: Compliance with supplier regulations in the purchase and sales contract
- Supplier performance assessment: On-site assessment of important suppliers and suppliers with sustainability risks.

Supplier Assessment

- Verification of qualifications for those to be registered as the Company’s supplier is based on the assessment criteria in all 4 aspects by way of questionnaire in order to verify suppliers in each aspect and to jointly find solutions and annual assessment results, as follows:
 1. Ability of product quality assurance and control
 2. Responsibility for safety, occupational health and environment
 3. Assessment on ethics and compliance with labor laws
 4. Good-governance operations: suppliers will be assessed on the annual performance capacity in order to follow up results of the control self-assessment (CSA) or the criteria-based site audit. S&P has created annual plans for supply chain audit in regard to production site, production process and quality management, as well as transportation. Supplier’s capacity improvement: organizing meetings with suppliers and giving awards to suppliers
- For 2019, S&P conducted the site audit with 22 suppliers and the control self-assessment (CSA) was carried out by 141 suppliers.

Assessment of Management Guidelines and Operating Results

Procedures of Raw Material and Packaging Selection:

- The Procurement Unit has the supplier assessment requirements that include the standards of quality assurance, safety, ability of delivery from the research and development unit; after having passed the assessment, suppliers will be chosen as main suppliers in the trading
- The Quality Assurance Unit will inspect the product quality prior to acceptance of raw materials and packaging for further production
- The responsible procurement procedures with quality and sustainability:
 1. Studies, researches and analysis
 2. Seeking out the possibility of sources
 3. Coordinating
 4. Selecting sources: from the current suppliers and the new suppliers having passed the criteria of standard quality selection
 5. Procurement results
 6. Quality assessment and supplier development.

Operating Results Indicators

Operating Results (Indicators)	2017	2018	2019
Total number of suppliers	1,684	1,917	1,958
Number of new suppliers	259	282	227
Number of new suppliers acknowledging the S&P Code of Conduct for Suppliers	-	100%	100%

Highlight Case: Projects and Benefits gained by the Organization

Nan Golden Oranges

S&P collaborated with Nan Provincial Commerce Office in supporting organic golden oranges of Nan Province in order to forward safe products to the consumers and build sustainability and stability to the farmers. S&P had a target to sustainably operate its business in 2019, supporting the Nan Organic Farming Community Enterprise for the purchase of approximately 3.4 tons of golden oranges, and sending them to the quality test by the research and development unit, as well as to the marketing department to present a healthy drink menu to the consumers and create a new market in which a large quantity of oranges with small size and non-beautiful peels could be bought from the organic farmer group. The test was passed and certification for chemical-free orange was given by Mahidol University; traceability of the source can be done according to the SDGsPGS Certificate.

Sustainability Together 2019 Workshop Activity

S&P held the “Sustainability Together 2019” workshop to create good mutual experiences between the Company and the S&P Suppliers. The objectives of this activity were to share ideas and drive sustainable food system and the organic value chain on fair trade. The event provided knowledge on the balanced food system for sustainable development in society, and the importance of organic food. S&P prefers buying products from local farmers, and communicate to our customers the importance of organic food. The fact that organic is not only good for customers’ health, but also kind to the environment including supports local farmers. The activity included a visiting ‘Sampran Model’, the model of organic tourism for sustainable development in society. 100 S&P suppliers participated in the activity at Suan Sampran, Nakhon Pathom Province on 15th Mar 2019.

Food Quality, Safety & Nutrition

Background and Concerns

Product Research and Development

Food and Drink

Nowadays, the healthy lifestyle is being considerably favored in Thailand as the consumers have begun to increasingly realize the importance of health and well-being; healthy foods or drinks, as well as supplements, are demanded in the market. As a leader in the Thai food business, therefore, S&P intends to create and improve new menus for food, bakery and beverage to be constantly beneficial and increasingly nutritious. The Company also encourages factors and choices that are good for health; for instance, the provision of information on raw materials and sources of food and drink to ensure the consumers that S&P's foods are from safe sources with no danger to health, transparency in the selection of raw materials and traceability from all suppliers. Our intention also includes the production conducted with attention to the food quality, safety, health and nutrition, which is one of the most important issues for sustainability.

Meanwhile, preventive factors are another element that S&P takes into account as a healthy alternative, such as reducing sweetness, saltiness and oiliness to prevent health problems from chronic non-communicable diseases such as obesity, diabetes, high cholesterol or high blood pressure, as well as readiness for entry into the elderly society.

At all events, the National Committee on Salt and Sodium Reduction Policy for NCD Reduction has driven the Thailand Salt and Sodium Reduction Strategy (2016-2025), with an objective for Thai people to consume 30 percent less salt and sodium or 7 grams per person per day as targeted by the World Health Organization (WHO) by 2025, as well as to be aligned with the international standards according to the Notification of the Ministry of Public Health No. 392, B.E. 2561 (A.D. 2018), which states that an individual who requires total daily energy of 2,000 kcal., should receive nutrients with recommended daily sodium intake of less than 2,000 mg. Besides, according to the statistics of 2018, in Thailand there were 8 million patients suffering from the kidney disease, or 1 in 8 of all the population. Being aware of such situation,



S&P has developed low-sodium food menus to provide the consumers with good and optimum nutrition; the sales of these menus was initiated in the pilot selling locations at the hospital branches in May 2018. In this matter, the Company received an award of “Outstanding Organization for Healthy Product Creation (Sodium Reduction)” from the Office of Health Promotion Fund (OHPF) in August 2018.

Bakery

As a result of the growth of urban societies, people's lifestyles are rushed Consumers' behavior has changed. Our bakery and Blue Cup beverage products are the answer to the people's urban lifestyle because these products are easily accessible, convenient, fast to eat and providing energy for day-to-day work. In addition, due to the fact that in the Thai society the number of elderly people increases and that Thailand had the third highest number of NCD patients with diabetes in the ASEAN region, S&P intends to develop healthy bakery products with good taste and natural ingredients that are beneficial to health and body, and to develop the sugar-reducing formula in bakery products, in line with consumers' behavior and needs of good nutrition.



Service and Quality

The World Health Organization has revealed that food-induced diseases, especially those caused by unhealthy foods, are a global threat and require international cooperation to oversee the food chain, in order to ensure that people around the world will have healthy foods. The slogan “From farm to plate, make food safe” has been raised to campaign for the whole world to realize the importance of healthiness from what is eaten.

Thus, S&P is managed under the quality policy of “Continuous development and production of quality and safe products satisfied by the customers”, by laying the foundation from the personnel development to build the food safety culture, and focusing on the care for good nutrition for the consumers, as well as improving the quality management system that is international and modern standard. From there, an effective workflow has been developed and the standard of work for the organization has been established, including the creation of food security to the consumers. As a result, S&P can compete and grow sustainably in business.

Commitment

Food and Drink

S&P is committed to developing healthy food, bakery and drinks, with an aim to improve sodium-reducing menus and organic beverage menus to meet the consumers’ needs, and to continually develop additional new menus with the level of recommended sodium intake per day. This information is to be communicated with the consumers so that they can choose to eat with appropriate nutrition and quality. It is also concerned with the selection of raw materials from sources that are safe and chemical-free, such as organic raw materials from organic farming in conjunction with the Sampran Model, and raw materials from Doi Kham to create organic juice menus to be delivered with safety and quality to health.

Bakery

For the bakery products, S&P has developed a sugar-reduction formula starting at 10%, so that the consumers can start adjusting their behavior, but can also eat delicious bakery. At the same time, the Company also focuses on developing the products in the packaged cake group and the mooncake group with lotus granules that can be eaten as often. Besides, the amount of sugar is also reduced in the products in the butter pound cake and buttercream group; sugar used for decoration is reduced as well.

Service and Quality

S&P recognizes the consumer’s needs in terms of service, product quality and safety, so the Company focuses on every step of the production process, with an aim to “enhance the safe food standard for the consumers” with quality control throughout the product chain from the upstream by raw material quality control, development of suppliers and production processes to achieve quality products for the consumers. We are committed to inventing healthy menus based on the principle of good nutrition as prescribed by the Ministry of Public Health. The Company also adopts modern knowledge, concepts and technologies to constantly develop the operation system, both in the factories and the restaurants, covering various channels to standardize the operations and enhance services that provide convenience and respond to the consumers’ needs.

Goals

In 2019, S&P set the goals for the operations in terms of food quality, safety and nutrition to promote and push forward safe production, quality foods and good nutrition, for a period of 5 years, with determination for the achievement of the following 3 subjects:



Management Guidelines



S&P focuses on developing nutritious and quality products that will be able to pass the criteria of the project to develop and promote the use of simplified nutritional logo, which is served as decision-making information for the consumer’s choice of products to reduce the consumption of sugar, sodium and fat. Meanwhile, it is a way of ensuring that the consumers can really buy nutritional products. The Company is committed to developing at least 100 healthier menus by 2025.

Properties of Healthier Menus

1. Reduction of non-health-friendly nutrients	<p>Sodium</p> <ul style="list-style-type: none"> At least 10% reduced from the previous product New products must have the average amount of sodium at no more than 660 mg./menu. <p>Sugar</p> <ul style="list-style-type: none"> 10% reduced from the previous product. <p>Fat</p> <ul style="list-style-type: none"> 10% reduced from the previous product.
2. Addition of good nutrients	<ul style="list-style-type: none"> Adding nutrient ingredient/nutritional value minimally at 3-5%, for example: vitamin or fiber Adding good raw materials in an obvious quantity, for example: superfood.
3. Organic products	Menus with raw materials from organic products minimally at 25% of all raw materials.

Guidelines for Development of Food and Drink Menus

1. Low-Sodium menus: from the hospital branches, the menus have been improved with the amount of sodium at no more than 2,000 mg. in accordance with the Notification of the Ministry of Public Health, including: Noodle with Kurobuta Pork Slice & Phuket Fish Ball, Noodle with Hot & Sour Kurobuta Pork Slice, Noodle with Chicken & Phuket Fish Ball, Quinoa Rice with Hot & Sour Seabass Soup, Quinoa Rice with Steamed Seabass & Thai Herbs, Steamed Egg with CrabMeat & Quinoa - Gaba Rice, and Rice Vermicelli with Braised Chicken Drumstick in Clear Broth.



2. Organic juice menus: from standardized producers or farmers with certification of chemical-free raw materials such as organic guavas from Sampran-Model farmers, organic Nan golden oranges from Nan Sustainable Agriculture Association, organic mulberries from Doi Kham.

The selling menus are: Fresh-Squeezed Organic Golden Orange Juice, Organic Golden Orange Juice Extract, Fresh Organic Guava Juice (Extract), Fresh Organic Guava, Fresh Organic Guava with Chia Seeds Smoothie, Fresh Organic Coconut Juice, Fresh Organic Coconut Juice with Chia Seeds Smoothie, and Organic Mulberry Sparkling.



3. **Tea and coffee menus with certification for nutritional logo “Healthier Choice”**: the standard to confine the amount of fat and sugar from Mahidol University, for the consumers’ good health. This group comprises Hot Jasmin and Floral Village Tea, Hot Doi Chang Oolong Tea, Hot Chamomile Mint Tea, Hot Cranberry Apple Tea, Hot Earl Grey Tea, Cold Brew Coffee, Americano, Charcoal Brew Cranberry Apple, and Charcoal Brew Organic Oolong.



4. **Ready-meals with certification for nutritional logo “Healthier Choice”**: 1 ready-meal menu has been developed to be certified with the logo “Healthier Choice” by Mahidol University for the consumers’ good health, that is Rice with Garlic and Pepper Pork (S&P Easy Meal Brand), in July 2019.



Guidelines for development of bakery products

Products adjusted with sugar reduction are:

1. Packaged cake, including Banana Cake, Chocolate Brownie, Chocolate Fudge Cake, Toffy Cake, Macadamia Cake, Fruit Cake, and Éclair
2. Lotus mooncake
3. Butter pound cake and buttercream cake



Products with highly nutritious ingredients beneficial for health are:

1. Acai mixed fruit delight cake
2. Acai berry mooncake
3. Dates & Grains mooncake



Service and Quality

The Company has established the standard for raw materials used in production, including the S&P Code of Conduct for Suppliers to be notified to the Company’s suppliers for implementation, then inspection will be conducted in order to reinforce cleanliness, safety and non-toxicity. Standard accreditation has been obtained for all S&P products, enabling to build trust for consumers and customers. S&P has management guidelines for related sections as follows:

Food Factory

- **Management System**

At present, the production of foods with quality and safety requires the management of production process throughout the food chain from the upstream to the downstream; this is a keynote in sustainable business operation.

- **Quality and safety assurance system**

S&P has defined the standard for raw materials and packaging with criteria for quality inspection of raw material and packaging. The control is configured in the production process for product consistency. The standard of finished products is set to be used as quality inspection criteria before achieving quality products and safety for the consumers. The focus is on raising the standards of the production process in accordance with international standards.

Bakery Factory

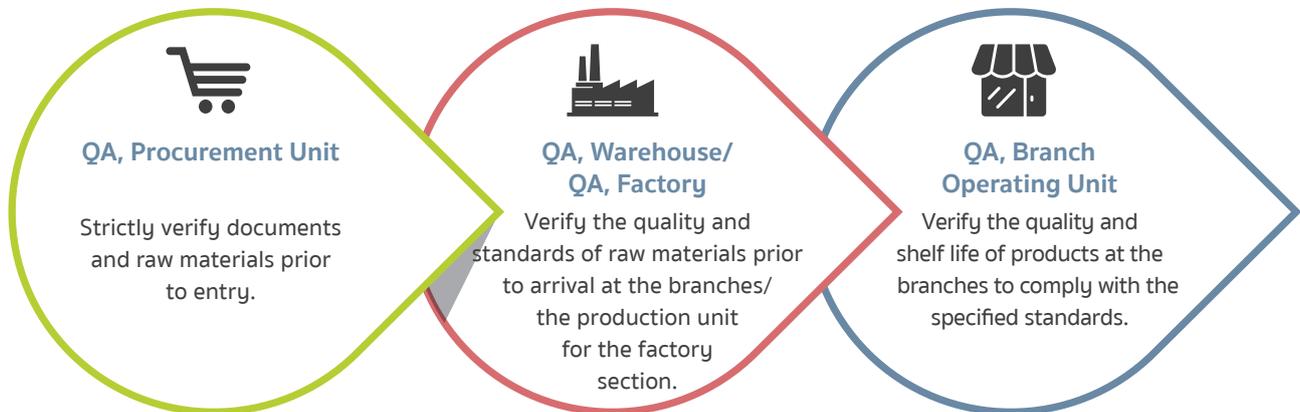
- **Management System**

S&P’s quality management system is an international standard for food safety, in line with the specified quality standard and the value creation for the consumers. The system has been inspected and certified by independent agencies; therefore, it can be guaranteed that S&P’s operations meet the rules, regulations and laws, ensuring that S&P’s products are safe and standardized throughout every step of the way until they are delivered to the consumers.

- **Quality and safety assurance system**

In the production process, important points are controlled at each stage; thus, the danger of foreign matters can effectively be prevented. such control includes for example cross-contamination control, physical, chemical, and biological control, as well as allergen control; and it has to be conducted particularly at the Critical Control Point (CCP). Then, final product verification is carried out by the product test laboratory, which is certified by ISO/IEC 17025 from the Department of Medical Sciences, Ministry of Public Health.

Furthermore, in regard to the process of raw material selection from the suppliers, S&P has the procurement unit to be responsible for supervision and inspection of manufacturing sources of raw materials, in order to ensure that the products meet the standards and the requirements. It is considered as a control from the upstream to the downstream before the products are delivered to the consumers. The Company also has the quality assurance (QA) unit in each section as follows:






S&P QUALITY SYSTEM FOR OPERATION

GMP : Codex

ยื่นขอรับรองระบบ GMP: Codex กับสถาบัน
รับรองมาตรฐาน ISO ปัจจุบันบริษัทได้ยื่นขอรับ
รองจำนวน 5 จุดขาย ได้แก่

1. สาขาทองหล่อ
2. สาขาสุขุมวิท 26
3. สาขาบางพลี กม. 23.5
4. สาขาเซ็นทรัลลาดพร้าว
5. เมเจอร์ช้อปปิ้งมาบุญครอง

**มาตรฐานบริการอาหาร
เพื่อการท่องเที่ยว**

บริษัทได้คัดเลือกร้านอาหารที่ตรงตาม
เกณฑ์ที่กรมการท่องเที่ยวกำหนด คือในจุด
ท่องเที่ยว หรือจังหวัดท่องเที่ยว จำนวน 17
จุดขายเข้าร่วมโครงการ

FOOD SAFETY

บริษัทได้เข้าร่วมโครงการกับทางกระทรวงสาธารณสุข
โดยการส่งตัวอย่างวัตถุดิบที่ใช้ในการผลิตอาหาร
และเบเกอรี่ ให้กับสำนักคุณภาพและความปลอดภัยอาหาร
กรมวิทยาศาสตร์การแพทย์ กระทรวงสาธารณสุข
ทุกจุดขายของบริษัท S&P ได้รับการรับรองจากโครงการ

S&P INTERNAL AUDIT

S&P มีขั้นตอนการทวนสอบประสิทธิภาพของระบบ
มาตรฐาน โดยทีมผู้ตรวจประเมินที่มีความรู้ความ
ชำนาญ ซึ่งจะมีการตรวจติดตามทุกจุดขายอย่าง
น้อยปีละ 1 ครั้งต่อจุดขาย พร้อมทั้งการตรวจสอบ
มาตรฐานงานควบคุมกับระบบคุณภาพ เพื่อให้ทุกจุด
ขายของร้าน S&P มีมาตรฐานเดียวกัน

S&P Restaurants & Bakery Shops

S&P has a quality unit to monitor and control the store's products and services, in order to maintain food quality and safety, allowing the customers to receive products that meet the defined standards, by monitoring and assessing the operation of branches at least once a year at all selling points, to continuously improve the quality of the stores and services.

Nevertheless, S&P has applied for accreditation of quality management system in several items, for instance:

1. GMP CODEX System
2. Food Service Standard for Tourism
3. Food Safety System.

For 2020, the Company aims to manage quality systems by developing an assessment on Quality, Service and Cleanliness (QSC), a standard regarding important principles of quality, service and cleanliness in the operation of restaurant business. It will be used at all selling points in order to maintain the standards and good services, as another way to add value and good experiences to our customers.



Operating Results

Number of new healthier menus:

Menus	No. of developed menus in 2018	No. of developed menus in 2019	Sales volume of 2017 (MB.)	Sales volume of 2018 (MB.)	Sales volume of 2019 (MB.)
Low sodium menus	6	7	-	3.44	2.10
Organic menus	2	7	-	3.91	4.49
Healthier Choice drinks	-	9	33.11*	33.33*	40.41
Healthier Choice ready-meals	-	1	7.99*	7.53*	8.54
Sugar reduction bakery products	-	8	605.90**	672.60**	627.20
Healthier bakery products	-	3	0.80	0.75	8.10
Total	8	35	614.69	722.27	693.95

Note: * The sales volume of 2017 and 2018 are those of regular products, the certification of "Healthier Choice" logo was not yet applied.

** The sales volume of 2017 and 2018 are those of regular products without adjustment of sugar reduction.

Operating Results on Quality Project Organization

Food Factory

- GMP
- HACCP
- ISO 9001:2015
- ISO 22000:2005
- British Retail Consortium (BRC)

BRC
Issue 7

improved to

BRC
Issue 8

- Standard for frozen food export factory quality system (Frozen ready to eat: Non Meat Product)
- Halal Food Standard (Jelly and salad dressing product groups from the Central Islamic Committee of Thailand)
- Passed the USFDA assessment

Bakery Factory

- GMP
- HACCP
- ISO 22000:2005
- ISO/IEC 17025:2017

ISO/IEC
17025:2005

improved to

ISO/IEC
17025:2017

Goal : To enhance to the ISO 22000:2018 accreditation within 2025

The number of products certified in terms of food safety in the production line (factories):

Operating Result	Unit	2017	2018	2019
Total bakery production volume	Tons	8,784.53	9,225.17	8,866.27
Bakery production volume certified with food safety standards under the domestic laws such as GMP, FDA.	Tons	8,784.53	9,225.17	8,866.27
	%	100	100	100
Bakery production volume certified with international food safety standards such as ISO 22000, HACCP	Tons	5,398.84	6,191.40	5,741.99
	%	61.46	67.11	64.76
Total food production volume	Tons	6,366.00	6,058.00	6,119.00
Food production volume certified with food safety standards under the laws or international standards such as GMP, GMP Codex, ISO 9001:2015, ISO 22000, BRC, HACCP	Tons	6,366.00	6,058.00	6,119.00
	%	100	100	100

Operating Results Indicators

Operating Results (Indicators)	2017	2018	2019	Middle to Long-term Goals
Having received certificates and the Food Safety sign from the Ministry of Public Health	135 restaurants	141 restaurants	142 restaurants	All newly opened branches to be certified.
	300 bakery shops	327 bakery shops	347 bakery shops	
• Restaurants and bakery shops certified with the GMP Codex standard	5	5	5*	To be accredited with the Quality, Service and Cleanliness Standard (QSC) within 2025.
• Food Service Standard for Tourism	11	17	17**	To increase the number of participating branches to 25 branches in the tourist service areas.
***Internal Audit Scores of all branches				
• Score under 70%		5	207	0
• Score 71-79%		114	87	<25
• Score 81-89%		212	69	>250
• Score 91-100%		116	17	>225

Note: * The assessment was accepted and conducted by the ISO standard institute in lieu of the Thai Industrial Standards Institute (TISI); currently, the Company has applied and received the accreditation of the GMP Codex standard for the pilot branches of 5 sales points including 1. Thonglor Branch, 2. Sukhumvit 26 Branch, 3. KM. 23.5 Bangna-Trad Branch, 4. Central Ladprao Branch and 5. MBK Bakery Shop.

** 17 branches include Tha Maharaj Branch, Donmeung 1 Branch, Suvarnabhumi 1 Branch, Suvarnabhumi 2 Branch, Central Phuket Branch, Central Suratthani Branch, Central Festival Chiangmai Branch, Central Chiangmai Airport Branch, Central Khonkaen Branch, Central Chiangrai Branch, Central Ubonratchathani Branch, Central Udonthani Branch, Central Festival Pattaya Branch, Robinson Petchaburi Branch, Cha-am Branch, Hua Hin House Branch, and Grand Seaside Branch.

*** In 2019, the internal audit topics were adjusted, resulting in a decrease in the scores of each branch from the previous year.

The BRC Food Safety (Issue 8) Standard

Stakeholders beneficial from the Project			Certification obtained in August 2019 Project supporting budget: 84,500 Baht
Customers/ Consumers	S&P Organization	S&P Employees	

Project for Enhancement of the ISO/IEC 17025:2017 Laboratory Standard

In a highly competitive state in the food industry nowadays, building reliability to products and business operations practices is absolutely necessary. That is why S&P places great importance on the product quality and standards in the top place to be recognized internationally. The Company has been accredited for the quality system in relation to the production and management such as GMP, HACCP, ISO 9000, ISO 22000 and other standards; and in order to demonstrate the standardized procedures of product quality control, product testing results must be provided by standardized and reliable laboratories. Regarding the ISO/IEC 17025 of the Bureau of Laboratory Quality Standards, Department of Medical Sciences, Ministry of Public Health, it is an accurate and credible standard for testing laboratories; the consumers can be assured that S&P's products are of quality and processed with procedures and tests in line with the internationally accepted standards.



Figure of the BRC Food Safety Standard (Issue 8) Certificate



Figure of the ISO/IEC 17025:2017 Laboratory Standard



The ISO/IEC 17025: 2017 Standard (Food Microbiological Testing)

Stakeholders beneficial from the Project			Certification obtained in August 2019 Project supporting budget: 79,000 Baht
Customers/ Consumers	S&P Organization	S&P Employees	

Responsible Marketing and Product Labeling

Background and Concerns

Complete urbanization results in the consumers’ spending a longer period of their time outside the house and the increasing needs in ready-to eat food; the development of proper product label is therefore part of the responsible marketing as the product label is a decision-making information for the consumers to choose nutritious food products that are suitable for each individual.

S&P, as a leader in the food and bakery business, places importance on the marketing by displaying the product details on the label in a correct and complete manner in accordance with the standards of law and production system, so that the products are of quality and it can be another instrument to protect the consumers and to be verified by the authority, as well as to build confidence towards the customers.

Besides, the Company also encourages the consumers to choose the food that is suitable for their own body and health. This is an important preventive strategy based on the Company’s awareness in a social problem with the rate of people having non-communicable diseases (NCDs), which is a result of a lifestyle with risk behaviors due to various factors including eating excessively sweet, oily or salty foods, using refrying oil and non-quality raw materials. However, the non-communicable diseases can be prevented if the consumers are able to adjust their risk behaviors in parallel with the choice of nutritious food, by learning about the product label, food’s nutritional facts, manufacturer, health indications that include possible allergens and other harmful ingredients. Thus, this information is an important part to the consumers’ decision on food products.

Commitment

S&P is committed to conduct marketing with responsibility towards customers, suppliers and all groups of stakeholders. Before a menu or a product is delivered to the customers, it starts from the product research and development team, the procurement unit for quality raw material selection, and then the quality check unit as another stage until the product label development stage where information on nutritional facts, energy, amount of sugar, GDA fat and others is verified and fully indicated according to the legal provisions as

prescribed by the Ministry of Public Health, so that the customers will receive correct and complete information that is most beneficial to them.

In addition, S&P is determined to develop the products to meet the additional requirements to be certified with the “Healthier Choice Symbol” accreditation, which is a simplified nutritional logo meant to reduce complication and help customers to make an easier decision on products. This logo represents food and beverage products with low sodium, sugar and fat to decrease the risk of over nutrition and other associated diseases for Thai people.



At present, Thailand has established a maximum safe intake of food for Thai people to stay healthy and away from diseases, by recommending the following daily amount of seasoning consumption:

<p>The amount of salt intake should not exceed 1 teaspoon per day (no more than 2,000 mg. of sodium/day)</p>	<p>The amount of sugar intake should not exceed 6 teaspoons per day (1 teaspoon = 4 grams)</p>	<p>The amount of oil intake should not exceed 6 teaspoons per day (approximately 30 grams)</p>
<p>S&P’ Responsible Marketing Commitment</p>		

Customer Relationship Management

Background and Concerns

S&P intends to provide the customers with the best as we offer good quality products, along with an aspiration to deliver impressiveness to all customers by ways of systematic customer relationship management that aims to supervise, collaborate and create highest satisfaction to customers, including the Company’s operations of employees’ trainings, customer satisfaction surveys, and result assessments, in order to enable continuous improvements by holding firm to the ethics, virtue and responsibility towards the society at the same time.

Commitment

S&P is committed to provide excellent services and care to the customers’ complaints which are handled in an orderly and fast manner, with the sincerest responsibility. Also, the Company organizes customer-relation activities to build good relationships and experiences jointly with the customers. S&P is determined to develop Joy Card members’ Application to be served as communication tools with better convenience, in order to reach the goal of creating the utmost satisfaction to our customers.

Management Guideline

1. Applied Principles and Employee Communications for maximize customer satisfaction

The Company places great importance on internal communication as it helps on in strengthening the bond among the management and the employees within the organization. Once the staff understands the Company’s policies, it will result in their work efficiency, enabling them to work in the same direction and to achieve the set targets. However, S&P has established a variety of communicating channels to publicize its policies, information and news; for instance, E-mail/ Intranet/ PacD Application, and so on.

2. Employee Training on Customer Service

The Company has set up a “S&P Training center”, which plays an important part in building capable personnel for all fields and sections of S&P. All employees must pass the orientation, from the beginning and throughout the period of employment by the company, according to training courses to enhance different working skills. For the employee training on customer service unit, it starts with service mind, opening the door to welcome customers, taking them to be seated, suggesting new products, and repeating the customer’s order each time to prevent mistakes.

Besides, the Company also provides teaching of communicating skills such as customer welcome and thanks speeches, practices of persuasive speaking to introduce new promotions or products, toning, smiling facial expression, as well as trainings of English language, receipt of customers’ complaint, solving problems at hand in an unexpected situation. There is also a unit to take care of and receive complaints from provided services; all employees must be trained on customer care from the S&P training center and customer relationship management from an external agency.

In addition, at the head office building, the Customer Relationship Management Department functions to administer customer care and build good relationships with both general and member customers, for good connections and experiences together.



3. Customer Communication

The Company values the communication with customers of all ages and genders, whether it be daily direct communication from the attendants and waiters/waitresses, and communication through different types of publicity media suitable for each group of customers, i.e. both online and offline media such as Facebook, Instagram, Line Official Account, in-shop S&P television channel, table menus, counter stands, paper placemats. This also includes the improvement of modernized publicity media via S&P Joy Card application and other communication channels close to customers such as personal messaging, telephone, mails and emails, for customers' better convenience and highest satisfaction.



4. Management of Customers' Complaints

The Company is determined to manage the customers' complaints with utmost efficiency. Realizing the importance of customers, the Company has a systematic managing process in case of complaints, to be undertaken in a specified order, with verification to find the cause of complaint; the matter will be sent to related units for resolution and report of result to the customers in writing and always with the management's signature, including collection of complaint statistics for analysis and improvement of complaint management in order to increase the efficiency of transparency and fairness with the stakeholders.

5. Assessment of Customer Satisfaction

The Company is desirous of receiving customers' opinion on the products and services in order to enable standardized operations and set up targets in building customers' long-term satisfaction; thus, an E-Survey has been created for customers to express their opinion by scanning the QR code in the receipt footer, after which an opinion survey will be displayed with 2 types of question: 1. Satisfaction score from 1-10, and 2. Open-ended Comment.



6. Development and Adjustment of Product/Service Quality

The Company has experts to constantly carry out researches and development of new products, including modern devices to produce new products that can respond to the customers' needs and build their satisfaction. Moreover, the Company also cooperates with other organizations such as food institutes, universities and communities, in order to create more knowledge on the development of new products, as well as the use of community's local materials into new products to be introduced to the market, under the Company's quality control and standards.

Operating Results

Summary of satisfaction scores from the assessment conducted with a total **10,339** customers as of 1st September to 31st December 2019:

Indicators	Satisfaction in Food Quality	Satisfaction in Service Quality	Satisfaction in Cleanliness
Target of 2019		≥ 85%	
Operating Results	86%	86%	89%



S&P

is committed to maintain the quality of foods, services and cleanliness with a target set for customer satisfaction of each year at a level of no less than

85%

Highlight Case: Outstanding Projects/Activities of the Year

NO BAG MORE POINTS Project

As the company has set a policy on environmental and social responsibility, the Customer Relationship Management Department has then provided a “NO BAG MORE POINTS” campaign, offering 10 points to the member of S&P Joy Card, when making purchases without getting a plastic bag, so that they can be part of earth conservation, as well as the subscription promotion for S&P Joy Card in the Mobile Application, in which an Earth Conservation Bag is given to help campaign the reduction of plastic waste in Thailand and build good awareness on environmental conservation.



S&P Mobile Application Project

S&P has developed an S&P Joy Card Application to respond to the customers' today lifestyle, as well as to be prepared for entering the fully cashless society. For this, the S&P Mobile Application has been developed to increase more facilitation to membership and serve as another channel to send information and news to the customers. Details on membership card users in the Mobile Application are shown in the table below:

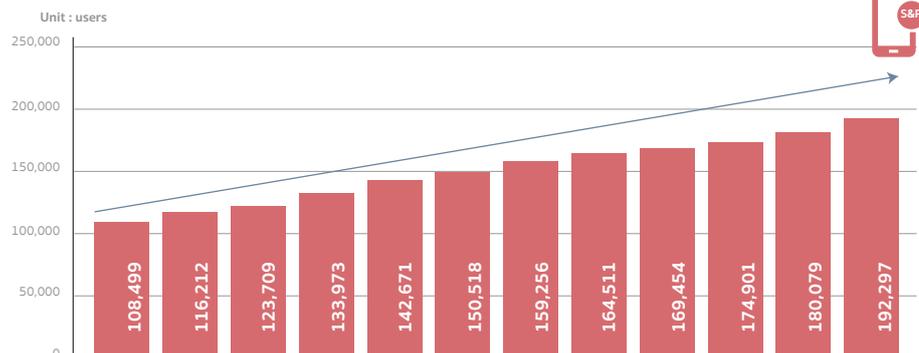
ดาวน์โหลด S&P Mobile Application
ได้แล้ววันนี้ สละประโยชน์มากมายให้คุณอยู่

- ✓ สะดวก ใช้งานทุกที่ทุกเวลา
- ✓ ใช้งานง่าย ใช้งานฟรี
- ✓ สามารถใช้ 3D QR Code ในการชำระเงิน
- ✓ สามารถใช้เพื่อทำธุรกรรมได้ทุกที่
- ✓ สามารถใช้รับสิทธิ์สมาชิก S&P

The number of **S&P Mobile Application** users increases monthly

As of 31st December 2019, there are **192,297** users Equivalent to a proportion of **59%** of all S&P Joy Card member

Graph summarizing the number of S&P Mobile Application users January to December 2019



Annual projects to build good relationship with customers with a focus on learning-promoting and beneficial activities for members

S&P Summer Camp Activity

The 2019 S&P Summer Camp took the S&P Joy Card members from the age of 7-14 years on an agricultural trip to Patom Organic Farm at Suan Sampran, Nakhon Pathom Province, where the members got to learn about the organic farming; for example, seed selection, germination, soils, making of bio-fermented water as fertilizer, making of salted eggs in clay mud, making of vinegar from banana peelings, and collecting of organic duck eggs from duck pen to be cooked by the children themselves. They also got to taste freshly squeezed organic guava juice, which is a product available at S&P restaurants through the Company's support of purchasing organic products directly from the farmers. Besides, the members made DIY earth-saving fabric bags to be later used instead of plastic bags, which was a cultivation of good awareness on environmental conservation. The last activity was S&P DIY cake decoration where the kids were to put their imagination into creativity. This event encouraged to gain both direct experiences and knowledge in organic farming, as well as to take care of the environment. The activity was joined by a total 50 participants; the survey shows that 96% of the members liked the activity and 4% with moderate likes.



Low Sodium Menu Cooking Workshop Activity

The objective of this activity was to create good mutual experiences between the Company and the S&P Joy Card members. The event provided knowledge on sodium consumption and selection of cooking raw materials by certified dietitians from Kidney Center, Bhumibol Adulyadej Hospital; and scholars from the Low Salt Network of Thai Health Promotion Foundation (ThaiHealth), educated in reduction of salt consumption, advantages and disadvantages of sodium intake. The activity includes a workshop of cooking low-sodium healthy menus with 2 special menus from S&P: Quinoa Fried Rice with Herbal Steamed Sea Bass and Spicy Soup Noodle with Kurobuta Pork. 30 members participated in the activity.



2019 S&P Joy Card Members Appreciation Activity

S&P took the family of S&P Joy Card members on a nature trip to Red Lotus Sea, Nong Han Lake in Kumphawapi District, Udon Thani Province, which is the largest natural lake of Thailand; and for the participants to be opened to a new experience of learning the culture and ways of life of the northeastern community at the Life Community Museum of So Phisai District, Bueng Kan Province, where new generation people are encouraged to learn about the household's original custom of the northeastern region in the past through the display of utensils that can still actually be used. Additionally, they had a chance to see the artistic work of Naga drawings unique to Bueng Kan Province; each Naga drawing expresses the livelihood of the community's people. In this activity, apart from appreciating the culture and learning the local way of life in the northeastern region, the members were also to support the community's agricultural and OTOP products. "S&P" takes pride in being a part to provided support to a role-model community in sustainable tourism, together with the intention to operate the business alongside with the sustainable maintenance of society, community and environment. The activity was participated by 10 families, 30 persons, all of whom stated that they liked the activity 100%.



S&P Joy Card Movie and Stage Play Activity

This activity was held as a privilege for the S&P Joy Card members to watch movies and stage plays in sneak previews. In 2019, a total of 7 activities were organized with 660 interested joining members, 100% of whom stated to like the said activity.



S&P Joy Card Partnership Project

This project was organized for the purpose of adding privileges to the S&P Joy Card members to be entitled to receive a special discount when using the services with the business partners of S&P. For instance, a maximum 40% discount was offered for services used at the hotels and resorts of Centara Group, a special discount for Bangkok Airways, discounts on the purchase of tickets to SEA LIFE Bangkok Ocean World, tickets to KAN SHOW, tickets to Scenario stage plays; discounts on the use of services or purchase of products at the Klinique beauty institute, the Body Shop, Rama 9 Hospital and Phyathai 2 Hospital. In this project, there were 4,261 members having used the privileges.



S&P Unity Project,

operation begun since 2014, with the following objectives:

1. To assist and provide information and basic resolution guidelines to the branch in case of customer's complaints;
2. To improve personnel's capacity and enable better work efficiency;
3. To exchange opinions and be informed on problems and jointly find a good solution to them, as well as to build love and unity in working, which is an important key to lead the team and the organization to success; and
4. To reduce the number of complaints and possible effects on customers such as health effects and safety, etc.

Stakeholders beneficial from the Project:

1. Employees; and
2. Customers

Operation

The customer relationship unit has prepared a complaint management manual and go on to provide knowledge and suggest basic resolution methods to customer service teams on a 3-month basis (to be joined by employees from approximately 4-5 nearby branches), with the content to cover the subject of how to provide services to impress customers, what procedure to follow in managing a customer's complaint, and how to preliminary observe and deal with a customer's food allergy symptom, including first aid, so that the employees are able to take care of customers properly. This project aims to reduce the number of complaints and possible effects on customers, and to eventually satisfy them.



Process of customer service and building a good relationship between the organization and the customers

Complaint Management

The Company is committed to manage the receipt of customers' complaints with utmost efficiency by always realizing that the customers are important persons. In case of complaints, a systematic managing process shall be applied and undertaken in a specified order. The Customer Relationship Management has set up a target for the number of complaints in 2019, not to exceed 200 complaints/year. Received complaints are classed into the following 2 types:

Management Problems/General Problems

- Delayed serving of food/wrong order
- Incomplete food/wrong product delivered
- Wrong displayed label
- Wrong product price charged
- Impolite/uncaring staff
- Negligent staff
- Product replacement in case of non-standard such as product appearance/product shelf life

Serious Problems

- Health effect: customer having diarrhea after eating the food
- Accident
- Adulterated matter in foods
- Sales of expired products
- Cases on social media such as unstandardized product quantity, worsening product quality



Number of complaints at S&P

Type of Complaints	Year 2017 Number of Complaints	Year 2018 Number of Complaints	Year 2019 Number of Complaints
Product Quality	6	20	15
Surroundings	5	0	1
Customers' Health Effect	5	12	14
Adulterated Matter	39	36	29
Service	95	101	87
Taste	1	0	0
Accident	2	0	1
Total Complaints	153	169	147

Complaint receiving channels are allocated as follows:

1. Call in and E-mail of the Customer Relationship Management Department
2. E-mail: crm@snpfood.com
3. Facebook Fanpage: [snpfood](https://www.facebook.com/snpfood)
4. Call Center: 1344 Delivery (9.00-21.00 hours)
5. Others (Management Team/other units/mail)

Company following channels

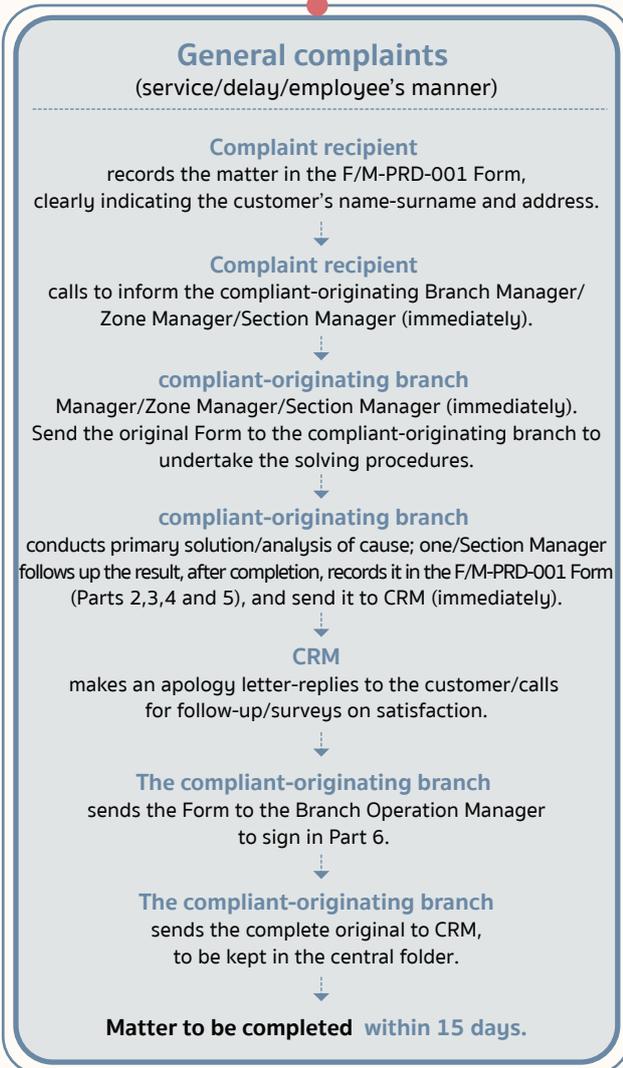
1. www.snpfood.com
2. www.facebook.com/snpfood
3. Instagram: [snpfood](https://www.instagram.com/snpfood)

Process of Complaints Management

Managing of serious complaints

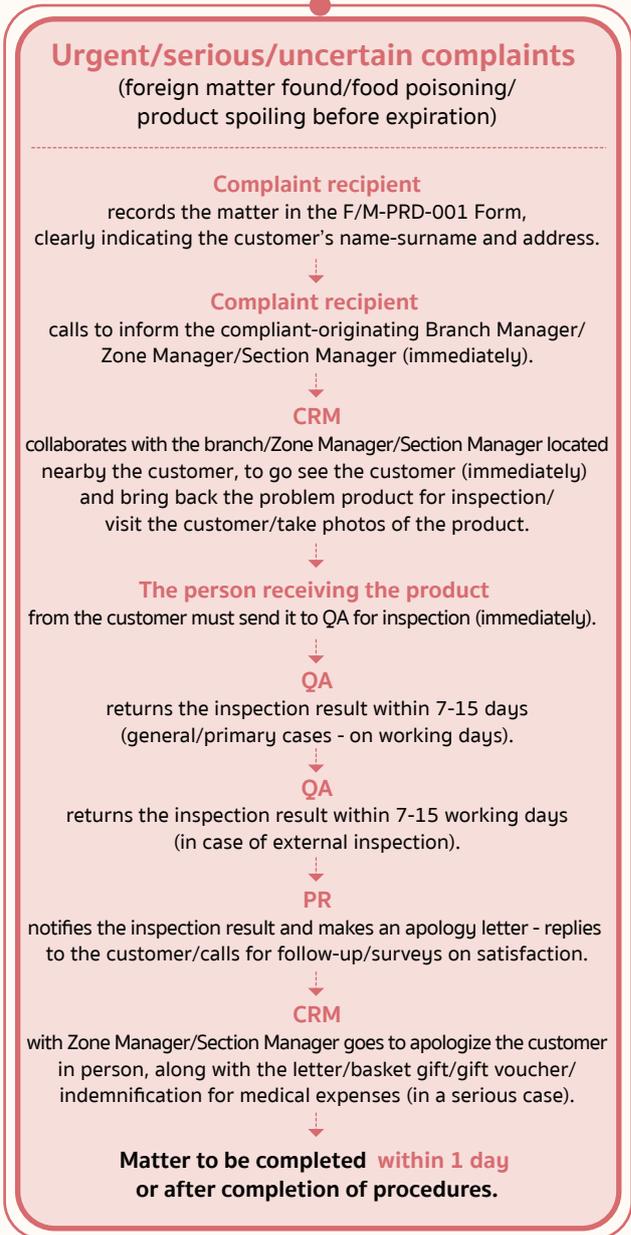


Customer making a complaint



Remarks:

In case of customer's replacement/return/foreign matter/ mold, a confirming evidence is required such as receipt or product box/package or exact purchasing date/exact purchasing location, including the status of the problem product at the time being.



Innovation Management



Background and Concerns

In an era when numerous food businesses emerge, innovation is one of the key tools for S&P to promote the potential for business competition. In addition to knowledge, capacity, experiences, and expertise, creativity is also relied on, including technological advancement, to assist in managing, developing and producing new products to be able to respond to the rapidly changing customer needs and market.

However, S&P has already adopted existing machines into cumulative advantages to create economic benefits and build a unique identity based on changes that occur around, to be as opportunities toward new ideas with a result in the creation of worth and value added in the field of innovation that benefits itself and society sustainably.

Commitment

1. Product Innovation
2. Business Innovation
3. Process Innovation
4. Human Resource & Training Innovation

Management Guidelines

S&P focuses on research, development and innovation that cover all aspects of operations for progress and growth in a stable way, with the aim for all segments to contribute to building innovation in their responsible tasks such as products, packages and work procedures, in order to create worth and value added to the organization.

In addition, S&P's commitment to invention of innovation will focus on operations for sustainability, by creating new "innovations" into the market to meet the constantly changing needs of customers and consumers. In this regard, the most important thing for S&P's creation of innovation is based on the basis of understanding the "customers" or the "competitive markets", to be combined with knowledge and skills of the human resources, which are the key to driving S&P to thrive steadily.



Highlight Case: Projects and Benefits gained by the Organization

Project: Production of frozen Tapioca Dumplings with Pork Filling by encrusting machine instead of manual shaping

“S&P’s Tapioca Dumplings with Pork Filling” is a delicious product highly favored by the customers and demanded by the market. Previously, S&P only used human productivity with the process of manual shaping, which was not sufficient; thus, the product could not be distributed to all S&P’s selling locations across the country. The production unit then sought a new technological innovation to substitute the human labor in shaping the tapioca dumplings, in order to increase the productivity. As a result, the project to produce frozen Tapioca Dumplings with Pork Filling by encrusting machine was originated in 2019. Consequently, dumplings can be produced and shaped under the standard, i.e. with a consistent size. Also, the production has been improved with the quick-freeze process, providing Tapioca Dumplings with Pork Filling with quality and freshness, as well as a longer storage life.



Project Name: Production of frozen Tapioca Dumplings with Pork Filling by encrusting machine instead of manual shaping

Process Innovation

- Increase of productivity by 5 times (in comparison to the previous productivity of 700 pcs./hr., as increased to 3,600 pcs./hr.)
- Increase of selling points from 50 to 265 locations
- The sales volume after deduction in 2019 was 11,945,706 Baht (equal to 246,260 boxes).

Operating Results

From July 2019 onwards, the volume of sold products increased to approximately

▲▲ **73%**

in comparison to the first 6 months of the year 2019.

Production of Frozen Tapioca Dumplings with Pork Filling by encrusting machine

▲▲ Increase of the Standard and Productivity

and improved with the quick-freeze process to keep quality

Freshness & Longer storage life





SOCIAL

Human Capital Development Background and Concerns

S&P Syndicate Public Company Limited firmly believes that the factors of success and continued growth of the business over the past 46 years consist of the executive’s vision of “Human Capital”, which recognizes that wherever they are, are the most important asset of the Company, which needs to be developed to maximize the benefits. Therefore, the Company attaches great importance to developing human capital with knowledge and skills in the job so that they can effectively connect learnings and apply them to customer service.

The development of personnel in order to respond to the organization’s sustainable growth is a huge challenge because in the 21st century, all organizations focus on development with the digital age, where technological changes occur rapidly, resulting in facilitator by the introduction of technology in application. Therefore, human resources development patterns can be implemented with new methods that encourage continuous learning culture, effectively responding to change. In this regard, the Company provides support for technology and equipment, especially learning through digital technologies such as video clips, which can be learned quickly via their mobile phone. This is to drive the development of individuals to knowledge management to create new innovations that have a positive impact on the economy, environment and society in a sustainable manner.

In addition, S&P also supports disable people by hiring them to be S&P’ athletes. They will be developed their abilities to maximize their competency and potentials which are able to increase their self-esteem and values. Moreover, they will acquire stable occupations and incomes, cultivating their well-being and good living. This opportunity is an another way to decrease the inequalities in society as well. At the present, S&P has 60 incapable athletes, and some of them are successful in the world sport competitions such as Asean Para Games and Paralympic Games etc.



It has been the pride of the Company to be a part of the social fulfillment; shaping the remarkable fame alongside the sport strategic plans of Thailand for the past 6 years by supporting the disable person.

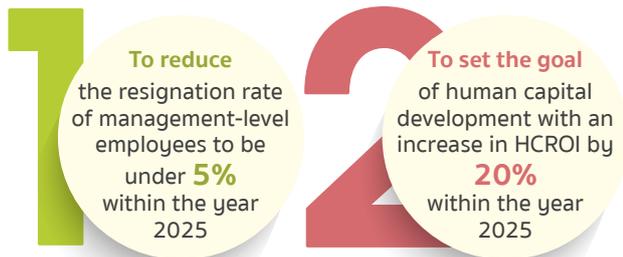
Commitment

S&P is committed to develop organizations in accordance with the practice of Learning Organization (LO), i.e. an organization that is an environment conducive to learning and promoting learning exchanges, participation in identifying problems and obtaining the power to resolve issues. The emphasis is placed on improving good communication skills, collaborating with others with mutual trust, along with knowledge sharing to the employees with pleasure and willingness, in order to respond to business operations and create quality people for the Thai society.

S&P’s employees will therefore get to develop their knowledge and ability to maximize their potential, which is also to increase their competitiveness for the Company and at the same time to create relationships between the employees and the Company, resulting in a decrease in employee resignation rates.



Goals



In 2019, the resignation rate of management-level employees was equal to 11% and the level of personnel development as measured in Human Capital Return on Investment (HCROI) was equal to 3.04

Management Guidelines

S&P has adjusted its employee development strategy and changed the learning model. A new course has been designed by reducing the redundancy of content in various courses, creating a link between learning and applying to work, corporate culture that converts to practices, and building relationships with the Company through activities, as well as inspiring the employees to learn and develop themselves for career advancements.

In addition, the Company attaches importance to the development of the core skills needed to perform work according to the role-based competency, as assigned to enable all employees to cope with the rapidly changing current situation, as well as developing the potential of executives at all levels to be able to develop subordinates to be more potent as the Company's core in the future.

As such, S&P applies the learning management system to promote learning efficiency and the same standards in all regions, and to increase the capability in developing the employees with equal potential and knowledge for them to work as currently assigned. The system is also meant to



prepare for the employees' career advancements for their future tasks, and to maximize effectiveness by way of applying digital technologies to learning, namely E-learning through the mobile application "PacD", in which learning-assistant video clips are used to improve specific skills such as instructions of sandwich making, food cooking, beverage making, pie baking, etc. In this manner, the employees can learn and review at any time via their mobile phones, while they can assess their knowledge and understanding of learning immediately.

S&P has prepared a training roadmap in correspondence with the Functional Competency and the Technical Competency, for example:

- Job standards for employees at the basic, intermediate and chief levels
- Sandwich making
- Basic knowledge on coffee
- Baking
- Cake decoration and receipt of customized cake order
- Cooking at Levels 1-2
- Raw material supervision
- Technique of Service Unit System Management

Moreover, in 2019 S&P also provided other training courses including:

1. Governance and Business Ethics: Financial discipline course (Happy Money, Investment for Security)
2. Responsible Management: Food Quality, Safety and Nutrition:
 - Courses on GMP, HACCP, ISO 22000:2005 system for factory employees and storefront working employees of all levels
 - Courses on Control, prevention and elimination of carrier animals (factories)

- Courses on ISO/IEC 17025:2017 requirements and applications
 - Courses on Food Safety Culture for factory employees
 - Courses on CG work skill development (knowledge on organic raw materials)
 - Courses on Healthy food menus, e.g. making beverages from chemical-free organic raw materials (golden oranges)
 - Hospital group cooking (low sodium) courses
 - Food cooking and beverage making (Fresh from the Farm) courses.
3. Climate change, Energy Consumption and Greenhouse Gas Emission: Thailand Voluntary Emission Reduction Program (T-VER).
 4. Issues regarding Labor Laws and Fair Employment:
 - Knowledge on social security courses
 - Courses on Investment in provident fund and selection of investment plans.
 5. Issues regarding responsible marketing:
 - Sustainable Packaging courses
 - Courses on How to Create and Design Sustainable Packaging
 - Courses on Creating Value through Innovation: Launching Ideas to Market
 6. Issues regarding customer relations, complaints management and customer service trainings: Courses on CG work skill development.



Assessment of Management Guidelines and Operating Results

After trainings, team of experts (instructors) from any unit; food, beverage, bakery and service units, will follow up the training results at the branches; such follow-up is regularly scheduled every week.

Objectives of the training result follow-up:

1. To track the operational standards and inspect the operating procedures to comply with the specified reference
2. To use information in adjusting teaching methods and improving training courses to be in line with actual operations.

Methods of training result follow-up:

1. Work procedures and processes will be observed by experts
2. Work procedures are inquired from the unit head and the branch manager
3. In case of an employee's misperformance or misunderstanding, the right way will immediately be instructed by experts
4. Results will be notified to the branch manager and the senior unit head responsible for employee supervision, in order to monitor the operation alternatively.



Operating Results

Number of Training Hours (Skill Training)							
Position	Number of Average Training Hours/Year (hours)	2017		2018		2019	
		Female	Male	Female	Male	Female	Male
Executives (Senior Executive Vice President, Director, President)	Hour/Person/Year	6	6	4	6	7	44
Management	Hour/Person/Year	7	7	5	5	10	6
Employees	Hour/Person/Year	7	8	7	5	6	7

Budget for 2019 human capital development was **52** Million Baht

2019 : HCROI

$$\frac{\text{Revenue} - (\text{Expenses} - \text{Pay and Benefits})}{\text{Pay and Benefits}}$$

(Unit: Billion Baht)

$$\frac{6,697,434 - (3,027,054 - 1,802,802)}{1,802,802}$$

= 3.04

HCROI			Intermediate Target (20% increase)
2017	2018	2019	2025
3.16	3.08	3.04	3.65

Employee Operation Management Chart



Highlight Case: Projects and Benefits gained by the Organization

1. Course: Happy Money ... Secrets of Financial Happiness Building

This course provides the employees with knowledge on analysis of their own financial status, with examples from studies cases and guidance on investment, in order to build financial disciplines to the employees.



2. Course: Managing Employee Performance (MEP)

The course aims to improve the capacity of executives and unit heads, with key training topics such as unit head roles, problems with subordinates and unit heads, MEP principles, employee operation management chart, and performance improvement.

There were 253 trainees as follows:

1. Branch Operation Staff
 - Branch Managers, Assistant Branch Managers, and Cashiers 142 persons
 - Zone Managers 37 persons
 - Operation Managers 6 persons
2. Support Staff
 - Department Managers 51 persons
 - Section Managers 13 persons
 - Division Managers, Assistant Division Managers 4 persons



3. Course: Professional Selling Skill

Building positive and correct mindsets and thoughts towards working under the service standards of S&P; upon completion of the training, the employees are able to build an effective selling team, have pride in the career, and impress serviced customers.



Training result follow-up at restaurants and bakery shops:

To increase work efficiency, with the overall training result follow-up, most employees are able to perform their work according to the defined standards. However, in case of an employee's misperformance or misunderstanding, the right way will immediately be instructed by experts.



Human Rights Management

Respecting human rights is a great importance issue on the business operating, which is taking into consideration the expectations of all groups of stakeholders. Its operations and management have been closely inspected to minimize possible impacts from the company's operations. S&P has therefore laid down the foundation to ensure respecting human rights as S&P's fundamental practice, while upholding human rights principles as stipulated by the laws and international standards. This comprises the United Nations Guiding Principles on Business and Human Rights (UNGPR).

Goals for 2020



To set training course 'Law of Labor Protection and Welfare' to educate all employees.



To set 'human rights management' in all of the value chain which requires disclosures of risk assessment and risk mitigation plan for transparency.





Occupational Health and Safety

Background and Concerns

A good quality of life and strong physical health of the employees are considered as the Company's main priority toward occupational safety and hygiene, to encourage the development of innovations that help to reduce occupational accidents. The Company pays attention to the occupational health and safety management system that is capable of protecting our assets and employees as well as achieving excellence in business uninterruptedly.

Commitment

S&P is committed to cultivating consciousness of occupational safety in an inclusive manner in order to reduce work-related injuries and to prevent the employees and suppliers from accidents causing death or disability.

The Company will maintain strong and sound health of the employees - both mentally and physically, along with mutual well-being in the society, preventing them from declining or morbid health due to abnormal working conditions. The employees are also protected from performing any hazardous or morbid work; the working environment is arranged to be adequate in consistency with physical and mental requirements of the employees and suppliers in full measure.

Goals for 2020

1

No death/disability-causing accidents at work.

2

Decrease in accident statistics in comparison with 2019.

3

Increase of more intensive risk assessments at each point, using risk stratification to eliminate or reduce possible risks.

4

Compliance with all legal provisions in a complete, correct and timely manner.

Management Guidelines

Safety Policy

S&P Syndicate Public Company Limited conducts its business in adherence with the policy on occupational safety, health and environment for the employees, with an emphasis and awareness laid on these issues in equivalence to the other goals in business operation. Because every employee is the most valuable resource, the Company has provided good working environments, including nursing rooms supervised by registered nurses, and sanitary canteens and relaxation areas for the employees. The compliance with this policy is the responsibility of the management in each line of work, for continual and consistent implementation of the policy in the following aspects:

Safety

S&P will put in its utmost efforts to prevent accidents and hazards to the employees.

S&P will encourage the employees to have a safety mindset by way of trainings and communications.

Occupational Health

S&P will prevent the employees from all occupational illnesses, and additionally stimulate them to grow concern with health and sanitation and not to act in any way adverse to the health of themselves and the Company's suppliers.

S&P will maintain the workplace to be hygienic and safe at all times.

Working Environment

S&P will adapt the operation and the working environment to suitability.

S&P will take precautions at each step of the operations to prevent hazards to the employees.

Safety Management System

Safety, health and well-being of the employees are greatly valued by the Company as they are its most important resource; besides, the production processes are now more complex and many hazards are difficult to foresee. This is a factor that undermines the employees' capacity. Consequently, the Company has put in place a systematic management of occupational health and safety, which is constantly improved for consistency of every process in the work system in order to decrease accidents and avoid loss of people, property and process.

Assessment of Management Guidelines and Operating Results

No death/disability-causing accidents at work.
accidents = 0

Operating Results by the organization

Operating Results (Indicators)	2017	2018	2019
Number of cases:			
• Fatality Rate	0	0	0
• Total loss time incident	59 cases	65 cases	57 cases
Number of hours:			
• Total loss time incident	6 cases per 1,000,000 working hours	6 cases per 1,000,000 working hours	5 cases per 1,000,000 working hours

Suppliers/Contractors

Operating Results (Indicators)	2017	2018	2019
Number of cases:			
• Fatality Rate	0	0	0
• Total loss time incident	0	0	0



วิทยากร: คุณอมระ โภษิตาพันธุ์



Highlight Case: Outstanding Projects/Activities of the Year

Hazard Prediction Training (KYT: KIKEN YOCHI TRAINING):

An increase of capacities in the production line, to create awareness of safety to the employees prior to work.

The Company organized the KYT Hazard Prediction Training to find a solution at the origin of accidents caused by human errors, particularly working behaviors at risk of employee security, such as negligence, abstraction, clumsiness, step shortcuts or haste, which is the cause of error and the loss in the operation. The Company's safety policy zeroes in on the prevention of occupational accidents and hazards to the employees at full capacity, in order to raise awareness of safety for the employees, by identifying work-related hazards and foreseeing possible dangers. Besides, it also helps the employees to call attention before starting to work and stimulate them to perform their tasks carefully. Hazards hidden in the workplace are also explored, along with those which may happen due to an unsafe action or environment. The employees took part in searching and determining preventive methods to help them to effectively understand the caution of occupational accidents, resulting in the unity in the activity to build conscious mind for occupational safety.



Being held on-site, this activity was able to measure the risk of work. Accidents caused by human errors decreased from 9 to 6 cases; but as in 2019 several locations were gentrified, accidents in the technician group increased from 2 to 6 cases. However, the Company installed a sign for the employees to be aware and cautious of accidents that might be caused by the environment as well.

Safety Talk Project

This is one of the projects to reduce occupational accidents, helping to remind the employees to realize the importance of safety and hygiene in the workplace. The project's activity was characterized by discussions on occupational safety issues or sharing of experiences in various safety matters by those in the incident or shared from elsewhere, in order to be served as preventive advantages and reminders among colleagues. The Safety Talk activity is regularly held before daily work; not only can it prevent the accident problem, but it can also build a safety culture.



Safety Week Activity Project

Compliance specified for the employees with safety regulations or standards is not sufficient for the reduction of occupational hazard statistics as targeted; hence, it is necessary to provide knowledge on behavior changes for the organization's safety culture to be created simultaneously. This is a strategy used to encourage a body of knowledge as well as to cultivate the safety-conscious mind, for the purpose of enabling a management system that suits the type of risk and the problems causing accidents in the Company's operations, which will lead to a sustainable success in the safety management. The safety unit is responsible for providing information and advices for risk behavior adjustments; this is a safety management undertaken by cultivating the right and safe working behaviors. The process of such management comprises initially the identification of employee's risky behaviors, the behavior adjustments for better operational methods, and the promotion



of safety conduct so much that it becomes the Company’s culture. This Safety Week Activity is a project to build friendly relations between the employees and the occupational safety and health unit while the content on safety and reduction of work-related accidents or illnesses has been inserted to disseminate the safety communication. At all events, the Company views that the employees’ good health and the absence of occupational accidents are essential in parallel with the Company’s business propulsion; that is why this activity was originated.

Occupational Safety and Health Training for New Employees Project

This is an important process to understand the Company and its important safety requirements for new employees. Therefore, the Company places importance on the most effective undertaking of this activity to ensure that each new employee receives the appropriate information to create operational safety.



Annual Health Check-Up Activities Project

The activities provide health check-up programs in general and according to risk factors sufficiently and suitably to the employees, helping on screening and preventing those risk factors before they cause any occupational disease. It also keeps us informed on the situation of physical changes for the Company’s employees.

Annual Fire Evacuation Drill Project

Fire fighting and fire evacuation trainings aim for every employee to know safe surviving methods in case of fire or to minimize the danger. Moreover, this activity also helps to inform the trainees on fire escape routes and the correct way to engage the fire exit doors, as well as the safe way of fire evacuation. The participants are also drilled to be able to distinguish the fire alarm signal from other audible signals or alarming device errors as a result of negligence of those in the building; for example, smoking in the prohibited area causing the smoke to be detected by the smoke detector and activating the fire alarm signal.



Social Impact on Community and Community Development



Background and Concerns

S&P remains persistent in operating the business under the commitment of “Healthier Family, Happier World” - Healthy family ready to forward a great story to the community and society with happiness just as in the business operation. Always realizing that we are part of the society, S&P is therefore committed to develop good products with quality and meticulous selection of quality raw materials from the upstream, as a way to enhance jobs and incomes to the community, in parallel to the promotion of good nutrition by the creating delicious menus. As such, we are ready to deliver good value to the consumers for their good health alongside the Company’s growth in a sustainable way.

S&P believes that to be able to drive the business towards sustainable growth is owing to the virtue of conducting the operation with responsibility to the society in all processes, while taking into account economic, social and environmental impacts. In addition to running a profitable business that is appropriate to keep the organization moving, we have to take care of the society, communities and our employees to be happy and have a good quality of life; and we also have to take care of the environment for it to be subsistent with balance. With such awareness, S&P has implemented social projects where we intend to cultivate the concept of social responsibility to the employees in our organization, including suppliers and partners, by bringing the potential and expertise in the business operation that we have, to be conveyed to the community, and by scrupulously conducting the business to reduce possible impacts on the environment in the long run.

Management Guidelines

With the commitment of the executives, the Company adheres to the principle of ‘value, quality and virtue’ as the key to business operations, considered as sustainability foundations and strategies to achieve the balance in the economy, society and environment, and to be a model for the employees in the company in order to propel organization in the same direction. At the same time, the Company has put in place the social responsibility strategy, which complies with the commitment of “Healthier Family, Happier World”, aiming to create delicious food from good quality raw materials for consumers’ good health by operating under such guidelines, focusing on creating social value through fair business operations, promoting farmers’ steady income and elevating their career. It also helps to enhance the quality of life of the people in the society according to basic living needs concerning hygiene, way of living, incomes and education, by bringing the Company’s expertise and potential to support the business and the society so that we can grow together with strength and sustainability. Furthermore, the Company operates under the awareness of environmental effects, with precaution and prudence, and reports to the superiors at all stages in case of any tendency found to possibly lead to negative consequences, which is regarded as handling of a situation in due time.

To take part in the society and the community, S&P took the first step into the area to meet the needs of the society and the community in terms of nutrition and hygiene. Each year, the Company will rotate activity areas so that such assistance



Social Impact on Community and Community Development

can be provided across communities in different regions, with the Company’s focus on providing assistance aimed at responding to the requirement of good nutrition and hygiene in the kitchen according to the Company’s potential, by exploring and assessing the needs of the community in various aspects such as cleanliness, safety, kitchen sanitation, as well as the support provided to the self-sufficient agriculture projects, which contributes to the sustainability of foods for young people in schools. Surroundings and numbers of affected people are also taken into account. After that, these issues of needs are presented to the executives in order to plan the development of kitchens through different projects to enhance the quality of life of the people in such community and society. Subsequently, the Company will conduct follow-ups of operating result after project operation; for instance, satisfaction and advantages gained by the participants, so to improve the operating process in the following years with increasing competency.

S&P has established a unit called ‘Sustainability Development & Corporate Communications’ acting to oversee and be responsible for the society, as well as to create projects that help cultivate good consciousness to the people in the society in different

dimensions. The said unit also targets to promote the organizational culture and build awareness for everyone in the organization in the development and strengthening of the society and the environment alongside the sustainable growth of the Company. The purposes of the Company’s CSR activities must be consistent and responsive to the needs of stakeholders and improve the quality of life of the community and society. In any case, such assistance all comes from the Company’s expertise namely in terms of good nutrition, well-balanced household health in accordance with international standards, which is meant to improve the quality of life of the community and society, to have a strong body and be ready to be a part of sustainable growth in the society.

At all events, if the community or group of stakeholders around S&P’s facilities has any inquiries or complaints, they can be submitted to the Sustainable Development & Corporate Communication: Head Office or Email: pr@snpfood.com, for the unit to help solve problems and improve the work process to be friendly to the community and environment with appropriate guidelines.

Operating Results



Social Dimension: For the projects in this category, S&P emphasizes on administering activities that create positive imprints in the community and society, including cultivating youth’s good awareness as a good foundation from the young age, developing professional skills for self-earning and for family, delivering happiness to underprivileged people to build their spirit and courage for living, as well as promoting nutrition for sustainably good health; the projects are as follows:

- Project to cultivate youth’s good awareness and promote family institute: 1 activity per year, namely ‘S&P School Tour Project’
- Project to forward the Company’s expertise to the society: 3 activities per year, namely ‘Vocation training for the Prisoner Project’, ‘S&P Kitchen for Kids Project’, and ‘S&P Kitchen for Kids Follow-up Project’

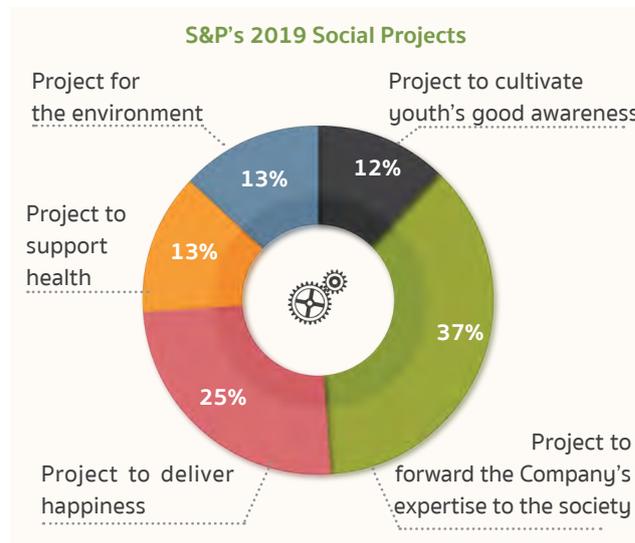
- Project to forward happiness to the society: 2 activities per year, namely 'S&P Cake A Wish Make A Wish Project' and 'S&P Heart for You Project'
- Project to support health: 1 activity per year, namely 'S&P Great Food Good Health Project'

Environmental Dimension: In this category, projects are aimed at encouraging the employees, customers and consumers to realize environmental impacts, as well as inducing good behaviors that help to further reduce the use of resources of our world, including: Project to support the environment: 1 activity per year, namely 'Say No to Plastic Bags Campaign'

Economic Dimension: This category zeroes in on the Company's suppliers, by way of field visits to meet farmers/suppliers in order to build good relationships and cooperation in improving raw materials to excellent quality, leading to steady income and better quality of life. It includes the project to strengthen sustainable income and upgrade farming career, which will be further described in the Responsible Sourcing.



For the division of the CSR projects in these 6 areas, the Company calculated from the number of social projects occurring in the year 2019 in the following proportion:



The aforementioned social projects as undertaken under the standard of S&P can be classed according to the international basis into the following 3 categories:

1. **Charitable donation project with distinct objectives:** S&P Cake A Wish Make A Wish Project and S&P Heart for You Project
2. **Projects for community and society development:** S&P Kitchen for Kids Project, S&P Kitchen for Kids Follow-up Project, and project to strengthen sustainable income and upgrade farming career;
3. **Projects for CSR activities:** S&P School Tour Project, Vocation training for the Prisoner Project, S&P Great Food Good Health Project, and Say No to Plastic Bags Project.



Important Projects on Community and Society Management in 2019

Project to forward the Company's expertise to the society

Vocation training for the Prisoner Project

With more than 46 years of business operation, S&P is equipped with experts in food, dessert, bakery and refreshments, to provide basic vocational skills that can be applied to build a steady career and income for themselves and their family after the penalty. This also helps to strengthen their potential, promoting a good quality of life back to society in return. Besides, in this project there were detainees with cooking duty, who joined to increase their skill and improve their expertise. The activity offered them more confidence and value with power of assistance and sharing for another human being in the future.

This project is part of the main commitment in the business operation regarding sustainability development, which answers to the target of “Good Health and Well Being” for everyone. Thus, the Company cooperated with the Department of Corrections, Ministry of Justice, in undertaking the Vocation training for the Prisoner Project vigorously for the second consecutive year, by providing experts to teach the professional skills in cooking, cake decorating and coffee making to detainees in 3 locations with 50 participants in each location, as follows: cake decoration training at Central Women Correctional Institution, barbecued pork rice cooking training at Bang Kwang Central Prison, and coffee making training at Correctional Hospital.



Photos of coffee making training at Correctional Hospital



Photos of barbecued pork rice cooking training at Bang Kwang Central Prison

S&P Kitchen for Kids Project

The Company initiated the “S&P Kitchen for Kids” project since 2009, with a commitment to enhancing hygiene and well-being in order to elevate quality of life of students and personnel for further sustainable improvement. The Company brought employee representative to participate in the renovation of the kitchen and cafeteria to schools in remote areas in order to have hygienic food cooking areas for children and school staffs, as well as to promote sustainable farming methods for schools with the provision of seeds and agricultural equipment as lunch raw materials with quality, freshness and cleanliness. It can also be served as a learning source to young people.

The Company also provides lunch meals in order to fulfill students' happiness, along with the Company's experts in quality and nutrition to offer hygiene and safety advice in cooking and maintaining fresh and dried food stuff to school kitchen staff and personnel, as well as correct sanitation in cooking operation. Kitchen equipment and nutrition boards are given to the schools under the project. For the criteria of school selection each year, the working team conducts survey on schools that are found deficient and facing health and kitchen insecurity problems; or in certain years, there may be schools that ask for supporting, and schools in employees' community.

S&P Kitchen for Kids Project

Photos taken at Ban Tham Hin Border Patrol Police School, Ratchaburi Province

In 2019, the Company conducted the renovation of the kitchen and delivered it to 2 schools, namely Ban Tham Hin Border Patrol Police School, Ratchaburi Province, with 225 students and 16 teachers and school staffs; and Rajaprajanugroh 19 School, Nakhon Si Thammarat Province, with 525 students and 74 teachers and school staffs. The total budget was 1,505,008.44 Baht.



Before



Before



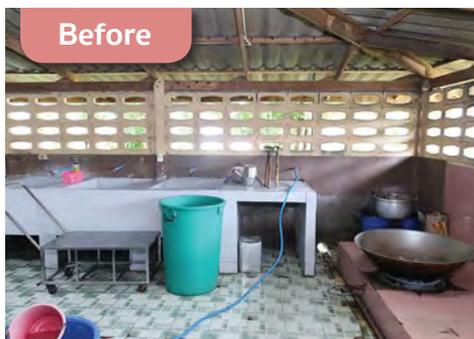
After



After



Before

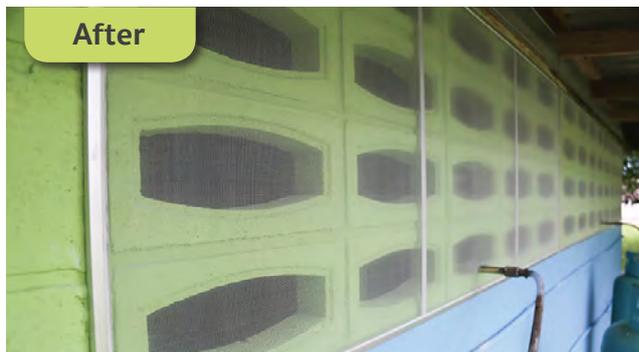


Before

Photos taken at Rajaprajanugroh 19 School, Nakhon Si Thammarat Province



After



After

S&P Kitchen for Kids Follow-up Project

After having delivered a newly renovated kitchen to the schools, in every 3 years, the Company will return to assess the sanitation and condition of the delivered kitchen under the “S&P Kitchen for Kids Follow-up Project”; and provide certificates and grant-in-aids to schools that receive Gold, Silver, and Bronze assessment results, to be considered as the evaluation for the project’s success. The purpose is also to maintain the construction given to the schools and to strengthen awareness of the teachers, students and cooks in terms of good hygiene and nutrition, and to empower students and staffs in their school to drive and continue the project to utmost productivity. Additionally, the schools were provided with an instruction manual to manage sanitation for a large food producing kitchen to be used as a teaching material.

In 2019,

The follow-up project was carried out to 2 schools: Rajaprajanugroh 26 School, Lamphun Province, and Rom Klao Watthana Nakhon Sa Kao Ratchamangkalaphisek School, Sa Kao Province. The assessment result for the 2 schools was at the Silver level. Each school received a grant-in-aid of 10,000 Baht.



Photos of Follow-up Assessment at Rajaprajanugroh 26 School, Lamphun Province

Follow-up Process:

1. Notify the follow-up schedule to the school
2. Send the follow-up criteria form to the school for preparation
3. Meet with the teacher to inform on the follow-up criteria
4. Inspect the kitchen
5. Summarize results
6. Confer a certificate

Score and Award Criteria are divided into 3 levels:

- Gold (Very Good)** - with a Gold certificate, for the score of 80 and over, grant-in-aid of 20,000 Baht
- Silver (Good)** - with a Silver certificate, for the score of 70-79, grant-in-aid of 10,000 Baht
- Bronze (Medium)** - with a Bronze certificate, for the score of 60-69, grant-in-aid of 5,000 Baht.



Photos of Follow-up Assessment at Rom Klao Watthana Nakhon Sa Kao Ratchamangkalaphisek School, Sa Kao Province



Project to forward happiness to the society

S&P Cake A Wish Make A Wish Project

It is a continuing project since 2004 to build good relationships with the communities, acknowledging social problems and creating mental value by providing special size cakes to the children care institutions and foundations according to the management's intention to share happiness and reward the society, on the basis of "quality, value and virtue". The project is conducted to promote and support the society continuously. Each year, S&P has circulated to children care institutions and foundations around Bangkok and the peripheral areas, so that this cake of happiness spreads to the recipients thoroughly. In the year 2019, the Company traveled to deliver happiness through S&P cakes of 670 pounds to 23 children care institutions, foundations and hospitals, with a total of 4,451 underprivileged people attended.



S&P Heart for You Project

The Company has been delivering products to help the society continuously in both crisis and normal times, by delivering products through public and private sectors with the potential to distribute products to the recipient's hands in different regions. For the year 2019, the Company gave out products in the following occasions:



- 240 cans of cookies given to Halfway House for Women With Disabilities Protection And Development, Pathum Thani Province, to forward happiness during the new year festival, amounting 34,800 Baht.



- 9,194 pieces of mooncake given to Krob Krua Kao 3 Foundation to provide relief for victims of the flood in the northeast region, amounting 1,022,491 Baht.



- 4,667 pieces of mooncake given to the Royal Thai Army Headquarters to support the spirit and courage of those who protect our country, amounting 497,444 Baht.

Project to cultivate youth's good awareness and promote the family institution

S&P School Tour Project

The company has continued this project since 2003 to promote learning and skills, which is to cultivate good consciousness and awareness of living with social responsibility from the young age. The activity is held for elementary school children in Bangkok and its circumference, by promoting knowledge of various aspects such as health, society, environmental conservation as children are in the age of learning and remembering and preparing to grow into adulthood as an important power of the country in the future. Each year we will circulate the event for children in different schools.

For the year 2019, the Company organized a learning activity through a theater called “Protector of the Sea”, to build environmental consciousness with knowledge on waste separation, putting garbage into the bin, and the reduction of Single-Use Plastic campaign. Besides obtaining knowledge and fun, it also strengthen imagination along with little muscles with a DIY cake decorating activity. This year’s participants were 6,698 students and 511 staff from 30 schools in Bangkok and its circumference, with a total budget of 1,935,898 Baht.



Project to support health

S&P Great Food Good Health Project

Nowadays, most Thai people experience health problems, which are partly due to the food consumption habits, due to the hustle and loss of health awareness and good nutrition; it is easy to live and to eat regardless of quality that may affect health in the future.

Therefore, S&P shares its knowledge and expertise in food with Thai people so that they know how to consume for good health and are able to transmit the knowledge to their family, as well as applicable basic exercise training for practical deployment. All this brings about a good health and sustainable happiness. This project was joined by Ms. Anorma Cook, an inspiring lecturer with experiences in nutrition and body, to transfer knowledge among the participants. The activity was held and participated by a total of 241 employees and interested people on 13th July 2019 at Suan Plern Market, Rama 4, with a total budget of 549,968.40 Baht. The result assessment after the activity shows that the

Social Impact on Community and Community Development



participants increased their knowledge on health issues and the right way of food consumption.

However, after the event, the Company publicized the project through an activity of “Shoot and Share the Change after the S&P Great Food Good Health Project” to stimulate and support the participants’ continuing care of their health.

Project to support the environment
Say No to Plastic Bags Project

S&P recognizes the importance of environmental care. Plastic waste is a major problem in the world; and the Company is one of the business organizations that use plastic as food packaging, but intends to raise awareness for consumers to reduce the use of plastic packaging. So, the Company has organized a campaign not to accept handle plastic bags, as part of reducing the problem of plastic waste and cultivating consciousness, in order to pose good environmental behaviors for the employees and the customers who come to use the services. The project started on 5th June 2019, the World Environment Day; and on every fourth day of the month, the company will refrain from handing out handle plastic bags at all branches. However, the Company has produced various types of fabric bags as an alternative and facilitation to the customers, underlying the reuse and reduction of resources and waste production. In 2019, the volume of plastic bags disbursed for storefront use decreased to 24,292 Kg. or 11.39% compared to 2018.

At all events, the Company communicates with the employees and outsiders to publicize the project through different channels such as advertising news in the main media, S&P online communication and production of infographic media in order to provide knowledge on living for sustainability.





ENVIRONMENT

Packaging



Background and Concerns

Over the period of the past years, there has been news about the death of numerous sea animals and other living creatures due to the impact of plastic wastes used and disposed by humans, with an increase in great number daily. The cause is owing to the fact that plastic wastes are not biodegradable or take many hundreds of years to decompose. In this regard, information from the Ministry of Natural Resources and Environment by the Department of Environmental Quality Promotion states that in the past 10 years, approximately 2 million tons of plastic waste were annually produced in Thailand whereas only 0.5 million tons per year were put to reuse and 1.5 million tons remained. Not only do these wastes affect human health and the environment, but they also have an impact on the country’s economy as a whole.

In 2018, the United Nations Environment Programme raised the plastic waste issue as the main agenda under the theme “Beating Plastic Pollution: If you can’t reuse it, refuse it” or “Conserve the Earth, Stop Using Plastic” to campaign for the people to refrain from plastic use.

S&P, as an operator of Thai food business, cares about health and therefore work on eco-friendly brand strategies. Being aware of this problem, the Company has a policy to switch to environment-friendly packages and to campaign for consumers

to reduce the use of plastic bags, in order to create an awareness of earth conservation for consumers to take part in reducing the quantity of single-use plastic wastes, with the intention of maintaining the world and living creatures together sustainably.

Commitment

S&P is committed to developing and procuring standardized and environmentally friendly packages, taking safety and convenience in the consumers’ usage into account, in order to help reduce plastic wastes. For this purpose, the Company carries out its operation under the principle of 3Rs, i.e. Reduce, Reuse and Recycle, with a focus on the reduction of single-use plastic. As such, the Company determines to design packages that are beautiful and reusable and lead to a reuse behavior in support of maximizing utilization and effectiveness of resources as well as their circular use in the organization.

Goals

The principles of sustainable development as targeted by the United Nations to ensure the responsible consumption and production patterns, including the integrated plastic waste management plan as drafted by the Ministry of Natural Resources and Environment to be the roadmap for plastic waste management of 2018-2030, are an important goal for the Company’s operation in terms of packages.



Management Guidelines

According to the plastic waste management plan as drafted by the Ministry of Natural Resources and Environment to be the roadmap for plastic waste management of 2018-2030, it is a basic management guideline for our packaging operation, which is divided into the following 2 targets:

1. **To reduce and refrain from plastic use**, divided into 2 stages: at the first stage, within 2019, the use of 3 types of plastic was phased out, namely plastic cap seal, oxo plastics, and microbead plastics; at the second stage, within 2022, another 4 types of plastics have been set for cancellation, i.e. handle plastic bags with the thickness of less than 36 microns, food foam packaging, plastic straws, and certain types of single-use plastic cup



2. **To reuse the targeted plastic wastes to 100%** within 2027, with a draft of operation plans divided into 3 measures:

- Measures 1** Reduce and refrain from plastic wastes at their source
- Measures 2** Reduce and refrain from plastic use in the consumption process by propelling the reduction and cancellation of single-use plastics which are environmentally affecting and unable to return to the circular economic system, and
- Measures 3** Manage plastic wastes after consumption by promoting and supporting their reintroduction to the reuse system for further advantages.



In any cases, S&P has piloted in the cancellation of the said 3 types of plastic: plastic cap seal and oxo plastics, prior to 2019, before the government announced the cancellation for those types, but for microbeads from plastics, there was no connection with the Company's business.

For the target in 2022 to phase out the use of 4 types of plastics, namely handle plastic bags, food foam packaging, single-use plastic cups and plastic straws, S&P has also initiated a pilot project for such cancellation. In addition, the Company has planned the operation for the target in 2027, in which plastic product and packaging wastes will be reused.

Assessment of Management Guidelines and Operating Results

Required Measures	Thailand Roadmap	S&P Roadmap
1. Cap Seal	2019	2018
2. Oxo plastics		2011
3. Microbeads		-
4. Handle plastics bags < 36 microns	2022	2020
5. Food foam packages		2018
6. Single-use plastic cups		To initiate
7. Plastic straws		2020
8. Plastic waste reduction at source	2027	In Process
9. Plastic use reduction at consumption		
10. Promotion of plastic waste reuse		
11. 100% reuse of plastic wastes		

In 2019, the Company set out guidelines on packaging management as follows:

- Reduce the use of handle plastic bags and decrease thickness of plastic packages
- Campaign for the reuse of bags by producing Earth conservation bags
- Switch to the use of paper straws in substitution of prototype plastic straws
- Choose to use plastic-alternative packaging or switch to reusable plastics and bio-degradable packages such as pulp-mold food packages and earth-friendly craft paper snack boxes for natural decomposition
- Design packages to be good-looking and reusable, pertaining to reuse behaviors and resource utilization to utmost efficiency and benefits
- Initiate the project to recycle plastic bottles into upcycling employee shirts, which is a part of the circular economy concept.



Operating Results of 2019

Reduction of Plastic Use

- Cancellation of No. 000 handle plastic bags
- Cancellation of 10x15 side-folded plastic bags
- Refrain from the service of handle plastic bags on every 4th day of the month (starting from June–December 2019)
- Switching from plastic to paper stripe for steam cupcake package
- Use of paper bags for large pies
- Switching Grab & Go products packaging from plastic to Pulp Molded boxes
- Use of paper straws in the hospital and seaside branches, and use of biodegradable plastic spoon straws with smoothies
- Adjustment of the 1-pound cake box design into handle box to reduce the use of handle plastic bags
- Thickness reduction for ready-meal trays
- Offering Earth conservation fabric bags as an alternative for plastic bags (for the purpose of reuse)



Outcomes

Decrease of plastic use by
82 tons

Decrease of **4.8** million
handle plastic bags use
(2.8 million Baht)

Highlight Case: Outstanding Projects/Activities of the Year

Project: Plastic Use Reduction

1st Target : Reduce the volume of handle plastic bag use

Background : Based on the concept of S&P executives who recognize the importance of plastic waste problems and waste management operations; therefore, a policy has been put in place to improve packaging to reduce the amount of plastic wastes. As a result, the project to develop handle cake boxes has been initiated to reduce the amount of plastic carrying bags without affecting the convenience of the consumers.

Achievement : Decrease of No. 02 handle plastic bags to 1 million pieces per year or 12 tons per year.

2nd Target : Switch Grab & Go products packaging from plastic to Pulp Molded boxes which are degradable to avoid impacts on the environment and living creatures

Achievement : Decrease of plastic use by 9.5 tons



3rd Target : Reduce plastic use for 4 types of ready-meal tray, as follows:

			
<p>Single partition trays: plastic volume reduced from 31 to 25 grams (Decrease of plastic use by 2.85 tons/ year)</p>	<p>Double partition trays: plastic volume reduced from 37 to 27 grams (Decrease of plastic use by 9.75 tons/ year)</p>	<p>Dessert trays: plastic volume reduced from 16 to 12 grams (Decrease of plastic use by 8.68 tons/ year)</p>	<p>Cancellation of red plastic trays.</p>



Target for 2020

Decrease of plastic use by **21.28** tons

Achievement :
Decrease of plastic use by 100 kg.
(new trays put in use
in November-December 2019)

4th Target : Reduce the use of sausage package and screen-printing film on packages for the Buy 1 Get 1 Free promotion on ready-to-eat grilled sausages; And reduce the plastic package thickness for Premo sausage product

Achievement: Decrease of plastic use by 4,894 Kg.



Target for 2020

Decrease of plastic use
by **8.15** tons

Signing MOU of the Cooperation between S&P and SCG Packaging in supporting the project “Sharing is caring, fest giving back to the environment”

S&P Syndicate Public Company Limited signed the memorandum of understanding (MOU) of the cooperation agreement with SCG Packaging Business, Mr. Rachada Suriyakul Na Ayutthaya, the Director-General of the Department of Environmental Quality Promotion and Pol.Lt.Gen. Prapan Chan-Aim, the Secretary of The Sirindhorn International Environmental Park, jointly the ceremony to support the use of food safety packaging and environmental-care taking activities to achieve the sustainable growth in Thai society. For every buying Fest product, 1 bath per Fest package will be donated to The Sirindhorn International Environmental Park Foundation under the patronage of the HRH princess Maha Chakri Sirindhorn to support the foundation’s mission in recovering mangrove, beach and mixed deciduous forests for sustainable environmental development. S&P was total supported 642,000 packs throughout the project, during June 2019 to January 2020.



Waste and Food Waste Management

Nowadays, the waste problem in Thailand increases yearly with a tendency of continuing increase as a result of the growing population, urban expansion, tourism and increased consumption, as well as lifestyle changes from technological advances leading to the development of more human facilities. Consequently, the amount of garbage and waste also multiplies.

As the Company's business operation has also increased its productivity and products; and to accommodate increased consumption, 500 S&P restaurants and bakery shops were opened to consumers in 2019, as well as the sales that failed to meet the expected estimates, a greater volume of waste has been produced, resulting in increased leftover from the production. Therefore, the Company has established effective management guidelines in order to improve the resource utilization to the utmost worthiness and benefit. This will also lead to the reduction of processes in waste management.



Commitment

The Company is committed to managing waste management properly in compliance with the laws and in concord with the environment. The process of such management ranges from reducing the amount of waste incurred from the source, selecting quality raw materials, strengthening effective production processes, to developing the organization's waste management under the principle of 3Rs in a continuous manner.

Moreover, S&P has developed an E-Ordering system to be applied to the restaurants and bakery shops as a tool for sales estimation, which helps the employees to properly order products corresponding to the sales volume of each location. The Company also has training courses on sales and service skills to develop the employees' potential enabling to increase sales volume. This is one of the guidelines to reduce the amount of wastes in the stores. The company also has a waste sorting policy, divided into three categories: organic waste, general waste and recycling waste. The Company also provides trainings and builds awareness to the employees for them to be able properly sort out waste in order to manage the waste in the store correctly, leading to the next effective management process.



Goals

In 2019, the Company set up short and long-term targets for the operation of waste and food waste management to promote sustainable management and efficient resource use, as follows:



Management Guidelines

Guideline for reduction of bakery wastes by 30% by 2030



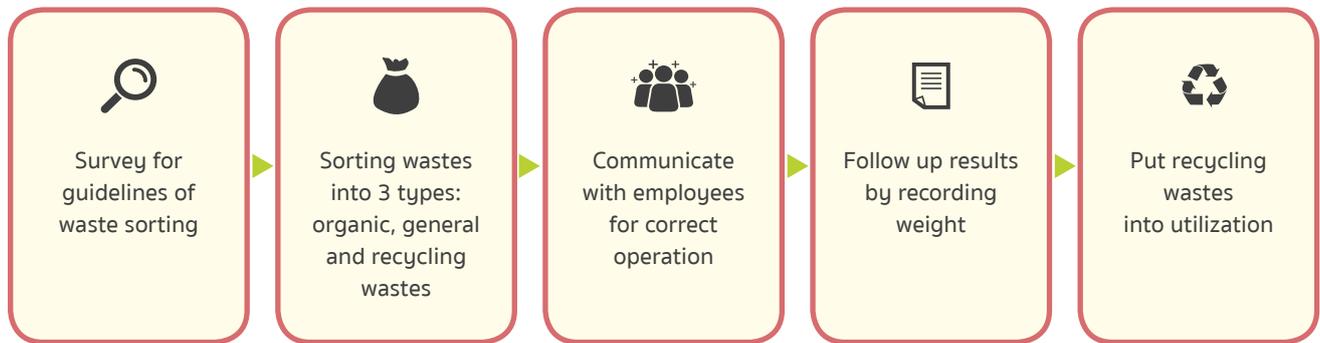
In 2019, S&P was able to reduce the storefront bakery waste by 4% and expected to reduce wastes by an average of 3% per year continually, owing to the more efficient sales estimation management, suitable for the sales volume of each branch, and to the sales skills trainings to enable the employees to sell products and provide promotions appropriate for product shelf life in order to drive the sales. This can help reduce the amount of wastes that can occur.

Product Type	Shelf Life
1. Bakery or Pastry	1 day
2. Pound Cake	1-2 days
3. Sandwich	1 day
4. Packaged Cake	4-7 days
5. Bread	5 days
6. Cookies	3-7 months
7. Frozen Cake	6 months
8. Bean Cake	1-6 months
9. Mooncake	3-7 months

Bakery Product Management Process for Waste Minimization



Waste Management Methods



Guideline for waste management per production unit:

The focus is on how to effectively use and maximize production resources throughout the value chain, and to minimize waste production on the basis of the 3Rs comprising Reduce, Reuse and Recycle. The Company also emphasizes on the employees' participation in the process from sorting, storing, transporting to disposal.



Waste sorting guideline: the 3 types of wastes include



Knowledge Sharing Project

To produce interesting public relation media in order to augment knowledge of the employees and the public through the social media, which is also to encourage the earth conservation awareness and present a way of taking part in sustainable environmental preservation.

รู้หรือไม่ว่า โลกเราทำสิ่งเขยื้อย 3 ปัญหาสิ่งแวดล้อมที่ทวีความรุนแรง
แล้วเราจะมีส่วนร่วมช่วยโลกอย่างไรบ้าง

ปัญหามลพิษจากขยะพลาสติก (Plastic Pollution)
กำลังทำลายสุขภาพและสิ่งแวดล้อมของเรา

ปัญหามลพิษทางอากาศ
ส่งผลกระทบต่อสุขภาพและสิ่งแวดล้อมของเรา

ปัญหาการตัดไม้ทำลายป่า
ส่งผลกระทบต่อสิ่งแวดล้อมของเรา

5R หลักการที่จะช่วยคุณเปลี่ยนโลกได้

- Refuse** ปฏิเสธการใช้พลาสติกแบบใช้ครั้งเดียว (single-use plastic)
- Reduce** ลดปริมาณการใช้พลาสติกแบบใช้ครั้งเดียว
- Reuse** นำพลาสติกแบบใช้ครั้งเดียวกลับมาใช้ซ้ำ
- Recycle** แยกขยะพลาสติกออกจากขยะอื่น ๆ และนำมารีไซเคิล
- Recover** นำขยะพลาสติกไปฝังกลบอย่างปลอดภัย

หลักการไม่เปลี่ยนแปลงพฤติกรรมสิ่งแวดล้อม
โลกจะเปลี่ยนไปในทิศทางที่ดีขึ้น
ถ้าเราร่วมกันทำมันทุกวัน

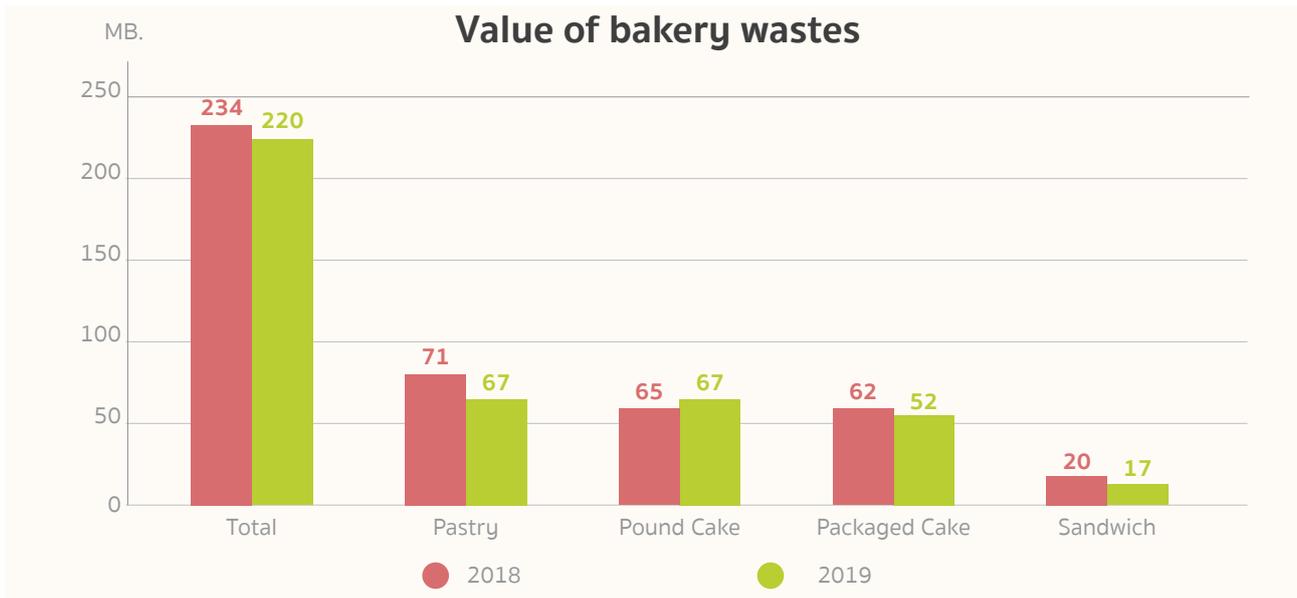
รู้จัก 7 สัญลักษณ์พลาสติกแบบโพรไซเคิลเป็นอะไรได้บ้างนะ

- หมายเลข 1 PET หรือ PETE** พบสัญลักษณ์นี้ได้ในขวดบรรจุภัณฑ์น้ำดื่มและเครื่องดื่มอัดลม
- หมายเลข 2 HDPE** พบได้ในขวดนม ขวดน้ำ และบรรจุภัณฑ์สำหรับทำความสะอาด
- หมายเลข 3 PVC** พบในท่อประปา สายเคเบิล และผลิตภัณฑ์พลาสติกอื่นๆ
- หมายเลข 4 LDPE** ใช้ทำฟิล์มพลาสติก และถุงพลาสติก
- หมายเลข 5 PP** ใช้ทำบรรจุภัณฑ์อาหาร และบรรจุภัณฑ์สำหรับใช้ซ้ำ
- หมายเลข 6 PS** ใช้ทำบรรจุภัณฑ์อาหาร และบรรจุภัณฑ์สำหรับใช้ซ้ำ
- หมายเลข 7 Other** ใช้ทำบรรจุภัณฑ์อาหาร และบรรจุภัณฑ์สำหรับใช้ซ้ำ

ร่วมเรียนรู้กับสื่อมวลชน องค์กรสื่อสารมวลชน ภายใต้การดำเนินงานด้านสิ่งแวดล้อม
มา "สร้างวิถีใหม่ ให้สังคมยั่งยืน" ด้วยกันนะ

Operating Results

Operating Results (Indicators)	2017	2018 (MB.)	2019 (MB.)	Compared to 2018	Target of 2019	Target by 2030
Value of bakery wastes	N/A	234	219	-6.4%		
Value of wastes by category:	N/A					
Pastry		71.0	66.7	-6%		
Pound Cake		64.8	66.5	2.6%	-4%	30%
Sandwich		19.7	16.5	-16.24%		
Packaged Cake		62.4	52.2	-16.34%		



Operating Results (Indicators)	2017	2018	2019		Target of 2019		Target by 2020	
			Volume (Tons/Year)	Value (MB.)	Volume (Tons/Year)	Value (MB.)	Volume (Tons/Year)	Value (MB.)
Project to utilize leftover flour from cutting of Taro Pearls	-	-	4.68	4.3	4	4	5	4.55

Highlight Case: Outstanding Projects/Activities of the Year

Fresh Bake Management Project

The Fresh Bake Management Project has been conducted to provide freshness to the pastry, with daily sales estimation in correspondence with the sales volume of each branch. As a result, when the customers see the products with their freshness and variety, the sales volume of this product group will increase accordingly, and thus the storefront wastes will be reduced.



Sales volume increased at
7 MB./year

- Fresh and new products
- Showcasing S&P pastry as sales booster

Wastes reduced at
5 MB./year

- Effective sales estimation
- Waste reduction



Project to utilize leftover flour from cutting of Taro Pearls in Coconut Cream

Project Background

In the past, the daily production process of Taro Pearls in Coconut Cream would leave some leftover flour from the cutting process with as much as 15 Kg./day or 3.73% of the raw material. Therefore, in order to decrease the waste volume and add the production value, the Company carried out experiments and development until the Taro Pearls leftover flour could be reintroduced into the production while the quality of taste and texture is still maintained at the same standard.

Project to utilize leftover flour from cutting of Taro Pearls

Stakeholders beneficial from the Project			Wastes decreased at 4.7 tons/year	Value added at 4.3 million Baht
S&P Organization	Farmers	Suppliers	Project supporting budget: 14,000 Baht	

Project to improve the capacity in waste utilization

The Company has the policies of environmentally friendly waste management and production, by controlling the amount of waste at its origin, optimizing the sorting efficiency and utilizing the occurring wastes before the correct final disposal. The Company has cooperated with the Department of Industrial Works in the Project to improve the capacity in waste utilization of the fiscal year 2019, in order to apply the waste management principle of 3Rs (Reduce, Reuse, Recycle) in dealing with the wastes arising in the production process. Such management is supported by way of the employees' engagement in the development, creating a good image of the organization and increasing competitiveness and sustainability in the business.

Project to improve the capacity in waste utilization

Stakeholders beneficial from the Project			3Rs Award	Zero Waste to Landfill Achievement Award	3Rs+ Award Gold Medal
S&P Organization	Society	Department of Industrial Works	Project supporting budget: 70,000 Baht		



Achievement from the social project investment

The infographic features a central globe with '3RS' written on it. Three green hexagons are arranged around the globe, each containing icons and text for one of the 3Rs:

- REDUCE**: Reduce the use of resources. Icons include a truck, recycling symbol, and trash bin.
- RECYCLE**: Choose and use recyclable resources. Icons include a recycling symbol, factory, and globe.
- REUSE**: Maximize the use of resources by reuse of things. Icons include a globe, clock, and factory.

 Green arrows connect the hexagons in a clockwise cycle.

The food production line at S&P Lat Krabang Factory received awards in the Project to improve the capacity in waste utilization of the fiscal year 2019 from the Department of Industrial Works:

- 3Rs Award
- Zero Waste to Landfill Achievement Award
- 3Rs+ Awards, Gold Medal

Operation process of the food production line at S&P Lat Krabang Factory

- Reduce the volume of wastes to be disposed.
- Emphasize on the utilization of 100% waste and zero waste to landfill.
- Promote the circulation of waste utilization.

Climate Change, Energy Management and GHG Emissions

Background and Concerns

Thailand and all other countries worldwide are facing impacts from the climate changes whether they be increasing temperature, flood, drought and natural disasters that have been intensified. The International Community places importance on this issue and jointly considers solutions under the United Nations Framework that gave rise to the Paris Agreement, with an objective to strengthen the mutual responsibility for threats from the climate change, and an expectation to control the increase of the average global temperature to below 2°C and not to exceed 1.5°C.

As an operator in the food and bakery industry and of the services through 500 selling branches nationwide, S&P is necessarily dependent on the energy source from electricity and fuel. Although not a main business causing effects on the climate change, the Company has a policy on the environment and climate, with a focus on the reduction of energy consumption and greenhouse gas emissions from the production and transportation, as well as the improvement of engineering works in order to be able to perpetually save the energy use per production unit. S&P intends to take part in managing the global climate change with an awareness of mutual responsibility.



Commitment on Energy Consumption and Greenhouse Gas Emissions

S&P is committed to maintaining the environment and the climate by managing the consumption of energies and natural resources throughout the supply chain, including cost-effective use of raw materials, reduction in the use of packaging, energies and water resource, knowledge sharing on service and maintenance of electrical devices for efficient energy use, and particularly environment-friendly management of production processes. The Company has adopted the internationally standardized management system along with the compliance with the legal provisions on the environment and other related laws, leading to the zero-waste production as part in the environmental conversation and the reduction of greenhouse gas emissions to the Earth’s atmosphere in an attempt to lessen the global warming.

Energy Management Policy

S&P Syndicate Public Company Limited realizes the importance of effective use of resources and enables all employees to participate in energy conservation operations and to act in the same direction in order to reduce the Company’s costs and to save energy in accordance with the government policy.



Management Guidelines



To use clean energy in the production
(Installing the Solar Roof)



To increase the efficiency of energy use/to
assess the capacity of significant machinery or
equipment in order to find energy conservation
measures



To provide product carbon footprints



To reduce wastes from the production process



To promote the operation under the principle
of 3Rs



For 2020, The target is to create the organization's
carbon footprint to participate as a pilot
organization in supporting the reduction of
carbon footprint in the industrial sector.

S&P Food and Bakery Factories

In terms of the production, S&P has reviewed the production management system from the selection of quality raw materials to the production process, packaging and waste management, with the following operation guidelines:

1. To emphasize on complying with the energy management guidelines of the Energy Conservation Promotion Act (as amended, B.E. 2550 (A.D. 2007)), in which it is prescribed to review the energy management policy, the energy reduction goals and the energy conservation operating plan at least once a year. Nevertheless, in 2019, S&P set the Company's energy reduction goal by 3% of the total energy use.
2. To design production processes and machinery, and assess the capacity of significant machinery or equipment in order to find energy conservation measures.
3. To attempt to reduce wastes from the production process and the general use.
4. To use environment-friendly packaging.
5. To find guidelines for the most efficient use of resources under the principle of Reuse, Reduce and Recycle.
6. To control pollution emissions in accordance with the practices under the internationally standardized environment management systems.

Example for the capacity assessment of significant machinery or equipment of the Bakery Factory in 2019 for energy conservation measures

Energy-using System	Main Machine/ Equipment	Coordinate		Number	Useful Life (Year)	Average Active Hours/Year	Electricity Usage volume (KWh /Year)	Energy Use Portion in the System	Efficiency or Competency Value			
		Size	Unit						Coordinate	Unit	Actual Use	Unit
Production	Cake Mixer Machine	4	hp	10	20	3,650	108,891.66	5.03	7.5	A	5.5	A
Production	Tunnel Kiln	90	hp	2	20	6,570	1,764,439.20	35.40	254.2	A	238.9	A
Air Compression System	Air Compressor	15	hp	2	20	3,285	62,491.00	1.30	36.5	A	25.5	A

S&P Restaurants and Bakery Shops

In terms of the services, S&P has reviewed the store management system from the designing of store to the choice of energy-saving and efficient electric appliances, with the following operation guidelines:

1. To replace the store lightbulbs with energy-saving LED lightbulbs at all selling points.
2. To create the Preventive Maintenance (PM) system to maintain devices in the selling point to be used at full efficiency and to prolong their useful life, as well as to decrease the loss of product sales opportunity.
3. To create an energy-saving model store to be designed in correspondence with the energy reduction project without any effects on the customer services.



Operating Results

Operating Result Indicators: Electricity Consumption Volume in 2019

Description	Quantity (Unit)	EF (Kg CO ₂ e)/Unit	Kg CO ₂ e	Tons CO ₂ e
Electric energy used for S&P branches	17,990,889.2	0.5821	10,472,496	10,472.5
Electric energy used for bakery factories (Sukhumvit 62, KM. 23.5 Bangna-Trad and Lamphun factories)	10,037,357	0.5821	5,842,745	5,842.7
Electric energy used for food factory (Lat Krabang Industrial Estate)	4,610,000	0.5821	2,683,481	2,683.5
Electric energy used for catering service unit	460,320	0.5821	267,952.3	268
Electric energy used for offices	676,054	0.5821	393,531	393.5
Electric energy used for RCA Training Center and S&P Learning Center	565,732.82	0.5821	329,895	329.9
Total	34,340,353		19,990,100	19,990

Operating Result Indicators: Electricity Consumption Volume solely in the Production in 2019 (Unit: KWh)

Description	2017	2018	2019
Volume of electric energy used for bakery factories (Sukhumvit 62, KM. 23.5 Bangna-Trad and Lamphun factories)	9,116,160	9,505,208	10,037,357
Volume of fuel used for bakery factories: Liquefied Petroleum Gas (LPG)	3,879,045	4,085,631	3,720,433
Volume of electric energy used for food factory (Lat Krabang Industrial Estate)	4,520,000	4,410,000	4,610,000
Volume of fuel used for food factory: Liquefied Petroleum Gas (LPG)	4,033,906	4,364,807	4,568,486

Operating Result Indicators: Alternative Energy Consumption Volume (Solar Energy)

S&P has installed solar roof panels of 510 KW on the factory roof area of 2,700 m² at KM. 23.5 Bangna-Trad Bakery Factory, together with a Smart Look Inverter, in order to reduce greenhouse gas emissions. However, not only can S&P help to save the electric energy, but it is also like tree-planting to reduce the global warming in another way.

Volume of Alternative Energy Generation	2017	2018	2019
Electricity generation capacity (Generation: KWh)	727,749	729,414	756,339
CO ₂ emission per electricity generation unit (Kg CO ₂ e/ KWh)	0.5821	0.5821	0.5821
Carbon footprint reduction capacity (Ton CO ₂ e)	423.6	424.6	440.3
Energy value equivalent (MB.)	2.91	2.92	3.02
As equal to the number of planted trees A perennial tree planted helps to absorb 9-15 Kg. of CO ₂ per year. (Source: Department of Public Works and Town & Country Planning)	28,241	28,306	29,350

Information on the operations related to Greenhouse Gas Emissions

Operating Results (Indicators)	2017	2018	2019
Volume of air-conditioner refrigerant used			
R-22 Refrigerant	N/A	N/A	N/A
R-134A Refrigerant	N/A	N/A	N/A
R-410 Refrigerant	N/A	N/A	N/A
Volume of refrigerant used (freezer/refrigerator)	Unit: Kg.		
R-22 Refrigerant	N/A	N/A	93
R-134A Refrigerant	N/A	N/A	347
R-404 Refrigerant	N/A	N/A	-
Fire extinguisher	Unit: tank		
Green	N/A	N/A	2
Red	N/A	N/A	0
Stainless Foam Tank	N/A	N/A	5





Project of installation of blower motor to blow the spiral cooling conveyor instead of the air from the air compressor

Goal: To reduce the electricity consumption by reducing the use of air from the air compressor

Background and Concerns: Normally, after cleaning the spiral cooling conveyor, the system to dry the conveyor uses the air from the air compressor; a research to find a device using less electricity was done.

Management Guidelines: Installation of blower motor to blow the spiral cooling conveyor instead of the air from the air compressor results in electricity use reduction.

Operating Result Success Indicator

Measure	Operating Result	
	Electricity Saving (KWh/Year)	Cost Saving (Baht/Year)
Installation of blower motor to blow the spiral cooling conveyor instead of the air from the air compressor	19,305	74,903

Cleaning of air-conditioners project

Goal: To reduce the electricity consumption at 2.84%.

Background and Concerns: Cleaning of air-conditioners will reduce their electricity use from 6.45 A to 5.89 A.

Management Guidelines: Cleaning 128 air-conditioners at Sukhumvit 26 Bakery Factory at least once a year.

Operating Result: In 2019, the electricity fee of Sukhumvit 26 Bakery Factory decreased from 2018 at the rate of 10%.



Budget

7,473 Baht

Quantitative Goals	KWh	KWh/Year	Baht/Year
Referred level of Electricity use before improvement	2,485.00	1,374,105.60	4,960,521.16
Targeted level of Electricity use after improvement	2,238.00	1,237,524.48	4,467,463.37
Electricity saved	247.00	136,581.12	493,057.79

S&P Food Factory

Project to reduce the steam power used from the production process

Goal: To reduce the steam power use at 2%.

Background and Concerns: The production factory uses the steam power as energy for the machines in the production process.

Management Guidelines: Reducing the use of steam power by reducing the wasteness from the steam leak in the machines.

1. Normalizing the steam power machines to reduce the steam leak
2. Improving the steam pipes at a total of 40 meters with a useful life of 20 years
3. Installing insulations and replacing deteriorating insulations in 8 kettles and 60-meter steam pipes to reduce heat loss
4. For the use of accumulated heat by the steam producing machines (boilers), adjusting the system closing time to 30 minutes earlier before stopping the machines in the production area, sufficient for the heat energy remaining in the system to be used and minimized.



Operating Result Success Indicator

Specify the operating result	2017	2018	2019	Goal of 2019	Goal of 2020
Reduction of NGD costs	134,513	173,413	161,952	160,000	170,000

Air pump inverter project

Goal: To reduce the electricity consumption at 33%

Background and Concerns: The production factory uses the air in the machines in the factory.

Management Guidelines : Replacing with the most efficient air pumps, that replacing two 10-HP air pumps with one 20-HP air pump (inverter system), reducing the compressor load.

Operating Result Success Indicator

Measure	Operating Result	
	Electricity Saving (KWh/Year)	Cost Saving (Baht/Year)
Replacing two 10-HP air pumps with one 20-HP air pump (inverter system)	Electricity use reduced at 5 KW	33,600



Note: The factory's operation began in December 2019, saving up to approximately 2,800 Baht.

Project to replace fluorescent lightbulbs with LED lightbulbs

Goal: To reduce the electricity consumption at 50%.

Background and Concerns: S&P adjusted the installation of electric lighting devices by using the most efficient LED lightbulbs that generate no heat and reduce green house gas emissions. This also helps to reduce the energy used in air-conditioning. In comparison with the fluorescent lightbulbs, the electricity used for lighting can be decreased at 50%.

Management Guidelines : Replacing broken fluorescent lightbulbs with LED lightbulbs.

Replacement of 2,800 fluorescent lightbulbs in total, starting in 2017, reducing from 36 watt to 18 watt

In 2017, 1,200 LED lightbulbs in replacement.

In 2018 and 2019, 300 LED lightbulbs in replacement.



Operating Result Success Indicator

Specify the operating result	2017	2018	2019	Goal of the current year	Goal of the next year
Cost Saving	181,440	45,360	45,360	45,360	45,360

Note: Electricity saved at 151.2 Baht/year per lightbulb

Compressor roof improvement project

Goal: To reduce the electricity consumption at 5%.

Background and Concerns: The cooler is directly exposed to the sunlight, resulting in insufficient heat release and the compressor being decreased in function.

Management Guidelines: Installing the roof to cover up the compressor

- 3 cold storages at 15, 8, and 6 Hp totaling 29 Hp (21 KWh)
- 8 sets of air-conditioners (6.5Hp) totaling 52 Hp (38 KWh)

Operating Result Success Indicator

Measure	Operating Result	
	Electricity Saving (KWh/Year)	Cost Saving (Baht/Year)
Compressor roof improvement project	Electricity use reduced at 2.5 KWh	37,800

Note: Operation began in September 2019, saving up to approximately 12,600 Baht.



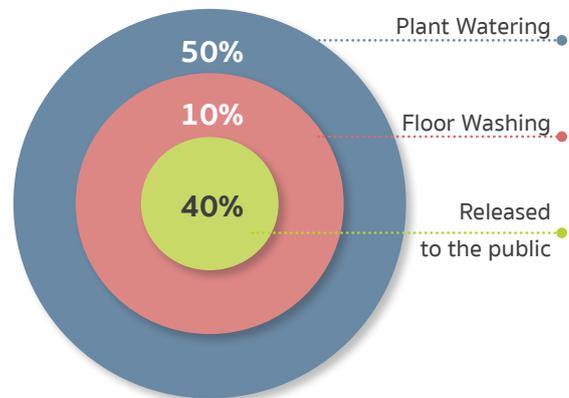
Water Management

Water is a natural resource that is vital for livelihood and economic development. Nonetheless, urban and economic expansion makes it challenging to manage water usage to be sufficient for the needs, not only for the governmental agency being responsible for supplying water to the people, but also for the business sector with awareness of the problem and risk of water shortage, as well as the water quality owing to seasonal fluctuation. In particular, a longer and more intense season of drought is the cause of a higher value of chloride in the water supplies and electric conductivity than specified by the World Health Organization (WHO), resulting in a change of water taste without, however, any effects on health.



Water Usage Management Guidelines

S&P attaches importance to the efficiency of water management and has set out guidelines to ensure that the business can maintain the balance of water use in correspondence with the water needs without posing any effects on the community and nature. The Company also promotes awareness and understanding of water resource conservation to the employees and important stakeholders, through trainings, knowledge sharing or campaigning activities to save water supplies, as well as through services and production processes.



In addition, the Company has a target in terms of production process development, by the creation and replacement of automation machines in order to decrease the use of clean water and the release of wastewater, as well as to reduce the energy used for water treatment. Currently, S&P has adopted the bio water treatment

system by sequencing batch reactor (SBR) to treat wastewater, by adding air for microorganisms to simulate the digestion of organic substances in the wastewater and the sedimentation to clarify water prior to release; hence, quality water with no impacts on the community's environment.

Operating Results for Wastewater Management by Sequencing Batch Reactor (SBR)

Control of wastewater value under the law, for factories	Bakery Factory		Control of wastewater value under the law, for factories in the industrial estate	Food Factory
COD 120 mg/L	COD 16-120 mg/L		COD 750 mg/L	COD 45-105 mg/L
BOD 20 mg/L	BOD 4-20 mg/L		BOD 500 mg/L	BOD 10-50 mg/L
	60% reserved in the clarifier for floor washing and plant watering	40% released to the public		100% released to the wastewater treatment system of the Industrial Estate Authority of Thailand (Lat Krabang)

COD refers to chemical oxygen demand (the amount of oxygen required for a chemical substance to react with an organic substance).
 BOD refers to biochemical oxygen demand (the amount of oxygen required for a microorganism to digest an organic substance in the water).

Operating Result Indicators

Description	Quantity (Unit)	Water Treatment (Unit)	Percentage of Water Management
Water supplies used for S&P branches	242,677	N/A	N/A
Water supplies used for bakery factories (Sukhumvit 62, KM. 23.5 Bangna-Trad and Lamphun factories)	115,753	43,500	37.58%
Water supplies used for food factory (Lat Krabang Industrial Estate)	68,860	33,052	48.00%
Water supplies used for catering service unit	10,437	N/A	N/A
Water supplies used for offices	3,403	N/A	N/A
Water supplies used for RCA Training Center and S&P Learning Center	5,080	N/A	N/A
Total	446,210	76,552	17.16%

Note: The S&P branches are situated in many locations, where are different of the water treatment system.



Highlight Case: Outstanding Projects/Activities of the Year

S&P Food Bakery Factory

Project to Reduce the Use of Clean Water Resource

Project starting from 2018-2019

1. Project to reduce the use of cold water in the pasta production by manufacturing a product cooling conveyor machine, which can determine the amount of cold water and the number of water changes/number of products
2. Project to improve the production standard to reduce the use of cold water in the pasta production process, by adjusting the temperature standard of boiled pasta to 24-28 °C from previously 7-12 °C
3. Project to switch to automatic hand washing faucets for the employees and to use hot-air blowers in lieu of paper towels
4. Project to switch to water-saving sanitary ware (flush toilets) (from previously 4.5 liters of water used/time to 1 liter/time).



Stakeholders beneficial from the projects

S&P Organization
- Decrease in production costs

Surrounding communities at Lat Krabang Industrial Estate
- Save the environment

Operating Result Indicators

Projects	Volume of water used (Unit/Year)		Volume of water used Reduction (Unit/Year)
	2018	2019	
1. Manufacturing a product cooling conveyor machine	1,880	627	1,253
2. Improving the production standard to reduce the use of cold water	1,020	340	680
3. Automatic hand washing faucets replacement	4,150	1,325	2,825
4. Sanitary ware replacement	2,396	399	1,997
Total reduced water use	9,446	2,691	6,775

Project support budget:



1 set of product cooling conveyor machine

390,000 Baht



22 sets of water-saving flush toilet

176,000 Baht

GRI CONTENT INDEX

Topic	Disclosure Standard	GRI Indicator (CORE Reporting and Topic-Specific Standards)	Page Number (or link) English Version	Identified omission(s)	Explanation for omission(s)
Organization Profile					
Organization Profile	GRI 102: General Disclosures	Disclosure 102-1 Name of the organization	SR 2019, P 10 https://company.snp1344.com/th/location		
		Disclosure 102-2 Activities, brands, products, and services	SR 2019, P 10 https://company.snp1344.com/th/location		
		Disclosure 102-3 Location of headquarters	SR 2019, P 9		
		Disclosure 102-4 Location of operations	SR 2019, P 10 https://company.snp1344.com/th/location		
		Disclosure 102-5 Ownership and legal form	SR 2019, P 8, 10		
		Disclosure 102-6 Markets served	SR 2019, P 10-13		
		Disclosure 102-7 Scale of the organization	SR 2019, P 10-11 https://company.snp1344.com/th/location		
		Disclosure 102-8 Information on employees and other workers	SR 2019, P 11		
		Disclosure 102-9 Supply chain	SR 2019, P 16-18		
		Disclosure 102-10 Significant changes to the organization and its supply chain	No significant change during reporting year		
		Disclosure 102-11 Precautionary Principle or approach	SR 2019, P 35		
		Disclosure 102-12 External initiatives	SR 2019, P 27-30		
		Disclosure 102-13 Membership of associations	SR 2019, P 31-33		
Strategy	GRI 102: General Disclosures	Disclosure 102-14 Statement from senior decision-maker	SR 2019, P 4-7		

Topic	Disclosure Standard	GRI Indicator (CORE Reporting and Topic-Specific Standards)	Page Number (or link) English Version	Identified omission(s)	Explanation for omission(s)
Reporting Practice	GRI 102: General Disclosures	Disclosure 102-53 Contact point for questions regarding the report	SR 2019, P 9		
		Disclosure 102-54 Claims of reporting in accordance with the GRI Standards	SR 2019, P 9		
		Disclosure 102-55 GRI content index	SR 2019, P 108		
Material Topics					
Governance and Business Ethics	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 33		
		Disclosure 103-2 The management approach and its components	SR 2019, P 33-34		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 34-35		
	GRI 205: Anti-corruption	Disclosure 205-2 Communication and training about anti-corruption policies and procedures	SR 2019, P 34-35	Information unavailable (d and c)	S&P will improve the data collection in the next reporting period
Food Quality and Safety	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019 P 40		
		Disclosure 103-2 The management approach and its components	SR 2019 P 41-42, 45-46, 49-50		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 29, 47-48		
	GRI 416: Customer Health and Safety	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	SR 2019, P 47-48		
		Disclosure FP5: Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards	SR 2019, P 29 and 48		
Health & Nutrition	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 40		
		Disclosure 103-2 The management approach and its components	SR 2019, P 40-46, 49		
		Disclosure 103-3 Evaluation of the management approach	SR 2019 P 30, 47		

Topic	Disclosure Standard	GRI Indicator (CORE Reporting and Topic-Specific Standards)	Page Number (or link) English Version	Identified omission(s)	Explanation for omission(s)
Health & Nutrition	G4-Food Specific	Disclosure FP6: Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	SR 2019, P 47		
Responsible Sourcing	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 36		
		Disclosure 103-2 The management approach and its components	SR 2019, P 36-39		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 39		
	GRI 308: Supplier Environmental Assessment	Disclosure 308-1 New suppliers that were screened using environmental criteria	SR 2019, P 39		
	GRI 414: Supplier Social Assessment	Disclosure 414-1 New suppliers that were screened using social criteria	SR 2019, P 39		
Innovation Management	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 62		
		Disclosure 103-2 The management approach and its components	SR 2019, P 62-63		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 63		
	GRI 203: Indirect Economic Impacts	Disclosure 203-1 Infrastructure investments and services supported	SR 2019, P 63		
		Disclosure 203-2 Significant indirect economic impacts	SR 2019, P 63		
Product Labeling	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 51		
		Disclosure 103-2 The management approach and its components	SR 2019, P 51-52		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 52		



Topic	Disclosure Standard	GRI Indicator (CORE Reporting and Topic-Specific Standards)	Page Number (or link) English Version	Identified omission(s)	Explanation for omission(s)
Product Labeling	GRI 417: Marketing and Labeling	Disclosure 417-1 Requirements for product and service information and labeling	SR 2019, P 52		
		Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling	SR 2019, P 52		
Responsible Marketing	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 51		
		Disclosure 103-2 The management approach and its components	SR 2019, P 51-52		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 52		
	GRI 417: Marketing and Labeling	Disclosure 417-3 Incidents of non-compliance concerning marketing communications	SR 2019, P 52		
Customer Relationship Management	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 53		
		Disclosure 103-2 The management approach and its components	SR 2019, P 53-61		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 30, 54-60		
	GRI 416: Customer Health and Safety	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	SR 2019, P 60		
Packaging	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 84		
		Disclosure 103-2 The management approach and its components	SR 2019, P 84-89		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 30, 87-89		
Waste Management	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 90		
		Disclosure 103-2 The management approach and its components	SR 2019, P 90-96		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 30, 93-96		

Topic	Disclosure Standard	GRI Indicator (CORE Reporting and Topic-Specific Standards)	Page Number (or link) English Version	Identified omission(s)	Explanation for omission(s)
Waste Management	GRI 301: Materials	Disclosure 301-2 Recycle input materials used	SR 2019, P 30		
Climate Change	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 97		
		Disclosure 103-2 The management approach and its components	SR 2019, P 97-104		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 99-104		
	GRI 305: Emissions	Disclosure 305-1 Direct (Scope 1) GHG emissions	-	Information unavailable	S&P will improve the data collection in the next reporting period
		Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	-	Information unavailable	S&P will improve the data collection in the next reporting period
		Disclosure 305-4 GHG emissions intensity	-	Information unavailable	S&P will improve the data collection in the next reporting period
		Disclosure 305-5 Reduction of GHG emissions	SR 2019, P 100	Information unavailable (c, d and e)	S&P will improve the data collection in the next reporting period
Energy Management	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 97		
		Disclosure 103-2 The management approach and its components	SR 2019, P 98-104		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 99-104		
	GRI 302: Energy	Disclosure 302-1 Energy consumption within the organization	SR 2019, P 99-100	Information unavailable (c and d)	S&P will improve the data collection in the next reporting period
		Disclosure 302-4 Reduction of energy consumption	SR 2019, P 101	Information unavailable (c and d)	S&P will improve the data collection in the next reporting period
Water Management	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 105		
		Disclosure 103-2 The management approach and its components	SR 2019, P 105		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 105-107		

Topic	Disclosure Standard	GRI Indicator (CORE Reporting and Topic-Specific Standards)	Page Number (or link) English Version	Identified omission(s)	Explanation for omission(s)
Water Management	GRI 303: Water and Effluents	Disclosure GRI 303-1 Interactions with water as a shared resource	SR 2019, P 106		
		Disclosure 303-2 Management of water discharge-related impacts	SR 2019, P 105		
		Disclosure 303-3 Water withdrawal by source	SR 2019, P 106	Information unavailable (C)	S&P will improve the data collection in the next reporting period
Human Capital Development	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 64		
		Disclosure 103-2 The management approach and its components	SR 2019, P 64-69		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 30, 67-69		
	GRI 404: Training and Education	Disclosure 404-1 Average hours of training per year per employee	SR 2019, P 67		
Human Rights and Labour Practice	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 69		
		Disclosure 103-2 The management approach and its components	SR 2019, P 69		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 69		
	GRI 412: Human Rights Assessment	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessment		Information unavailable (b)	S&P will improve the data collection in the next reporting period
		Disclosure 412-2 Employee training on human rights policies or procedures		Information unavailable (b)	S&P will improve the data collection in the next reporting period
		Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwrite human rights screening	SR 2019, P 39		
Occupational Health and Safety	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 70		
		Disclosure 103-2 The management approach and its components	SR 2019, P 70-73		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 71-73		

Topic	Disclosure Standard	GRI Indicator (CORE Reporting and Topic-Specific Standards)	Page Number (or link) English Version	Identified omission(s)	Explanation for omission(s)
Occupational Health and Safety	GRI 403: Occupational Health and Safety	Disclosure 403-1 Occupational health and safety management system	SR 2019, P 70-71		
		Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	SR 2019, P 71		
		Disclosure 403-3 Occupational health services	SR 2019, P 70		
		Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	SR 2019, P 72-73		
		Disclosure 403-5 Worker training on occupational health and safety	SR 2019, P 72-73		
		Disclosure 403-6 Promotion of worker health	SR 2019, P 73		
		Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 2019, P 70, 72-73		
		Disclosure 403-9 Work-related injuries	SR 2019, P 71-73		
Social Impact on Community	GRI 103: Management Approach	Disclosure 103-1 Explanation of the material topic and its Boundary	SR 2019, P 74		
		Disclosure 103-2 The management approach and its components	SR 2019, P 74-75, 78-73		
		Disclosure 103-3 Evaluation of the management approach	SR 2019, P 75-73		
Social Impact on Community	GRI 201: Economic Performance	Disclosure 201-1 Direct economic value generated and distributed	SR 2019, P 14, 77		
Community Development	-	-	SR 2019, P 74-83		





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