



V I R T U E F O R S U S T A I N A B I L I T Y



S U S T A I N A B I L I T Y R E P O R T
2021



S&P

SUSTAINABILITY REPORT 2021

Healthier Family
Happier World

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Message From The Chairman

In 2021, the world is still encountering COVID-19 pandemic which has widely affected all sectors including individuals, companies, industries and the whole country. However, S&P has adhered to the business operation under the concept of **“Quality, Value, Virtue”** under the sustainable development guideline, and factors of environment, social and governance (ESG) to drive the balanced and sustainable growth of economy, society and environment of the Country.

The Company has managed its business under the principle of corporate governance and emphasized the operation on the basis of **“transparency, fairness and reliability”** concurrently with the risk management and business continuity management to cope with the rapidly changing situations. In addition, the Company has improved its website (www.snpfood.com) for disclosure of operating results of the Company in terms of corporate governance and sustainable development, including providing the communication channels to keep information flowing efficiently with the Company for clear and correct communication and participation of stakeholders.

Regarding the management of supply chain, the Company shall take account of **“food safety and customers’ satisfaction”** as its top priorities, starting from the responsible supply through selection of safe and traceable raw materials to the production process and transport which has been developed more effectively, as well as measures of “new normal” service and waste management after production and consumption to minimize the environmental impacts, concurrently with the personnel resources management, fair labor treatment and respects to human rights. The Company has given its supports on development of employees’ potentials for proper career growth.

Therefore, all S&P customers and stakeholders can be ensured that S&P has adhered to the business operation under the sustainable development guideline and has constantly applied its knowledge, expertise and experiences to the sustainable social contributions and environmental protection under the Company’s undertakings of **“healthier family, happier world”**, and has continuously upgraded the development of food and bakery business with care for health and environment.

Patara Sila-On
Chairman



Emphasize the operation on the basis of “transparency, fairness and reliability”

The Company shall take account of “food safety and customers’ satisfaction” as its top priorities



Message From The Chief Sustainability Officer

Despite continuous spreading of COVID-19 Pandemic, the Company is able to cope with the crisis effectively by operating business under its active and passive safety measures. As a result, all branches of S&P restaurants have been 100% accredited with Safety and Health Administration (SHA) Standard which is the safety standard on hygiene from the public sector; and it is in the process of extension for submission of SHA Plus Standard certification so that customers can be ensured that at least 70% of employees within S&P restaurants and bakery shops have been completely vaccinated. The Company has supported all employees in all units to receive complete COVID-19 vaccination.

Regarding the production section, the Company has been accredited with Industrial and Production Hygiene Administration (IPHA) Standard by the Federation of Thai Industries (FTI) that S&P is a workplace which has duly complied with the measures for control, monitoring and prevention of COVID-19 contamination in premises and production process and personnel as per the criteria for all 4 S&P food and bakery factories, including 1 food factory and 3 bakery factories.

The Company has been ranked by the Stock Exchange of Thailand in the List of Thailand Sustainability Investment (THSI) for the first time in 2021, which reflected the commitment in driving the business as per the Company's sustainable development guidelines with the criteria for selection in terms of sustainability in dimensions of environment, social and governance (ESG). The Company has driven its operation as per the criteria and plan of sustainable organizational development which is in conformity with the Sustainable Development Goals (SDGs), particularly 5 targets, including:

- **Commitment to Healthy Menu Development:** We have been committed to continuously developing healthy menus which are the key elements of the food business.

In 2021, we have developed "Wellness Menu", integrated healthy menus, and have also developed products accredited with "Healthier Choice" nutritional logo, totally 7 menus such as S&P Whole Wheat Bread, S&P Multi-grain Loaf Bread, BlueCup Cold-Brew instant coffee, S&P UHT Organic Soybean Milk and UHT instant fruit juice.

- **Commitment to Creating Customer Satisfaction** which surveying through QR code in the receipt footer, in terms of tastes, service provision and hygiene with the evaluation result at the level of 84% satisfaction. It was found that customers had more satisfaction than those of the previous year, and the Company has been determined to constantly develop its products and services to create highest satisfaction to its valued customers.
- **Commitment to Developing the Quality Service and Cleanliness Standard:** This year, there are 326 of 433 S&P outlets which have passed the evaluation criteria with scores of 85% or above. Regarding outlets which failed to pass the criteria, the Company has provided the quality team to closely monitor for better performances of work.
- **Improvement of Packages for Environmental Friendly:** With its awareness of problems of plastic wastes which had environmental impacts. This year, the Company has successfully reached the goal by 93%. The Company determine the goal of package development for S&P products which can be 100% recycled or degraded within 2022.
- **Acceptance of "S&P Code of Conduct for Business Partners":** Whereas, our suppliers shall supply raw materials with responsibilities and acceptance the code of conduct that shall 100% respond to the policy of sustainable supply.

All branches of S&P restaurants
have been 100% accredited with
“Safety and Health Administration” (SHA)”
 Standard from the public sector

The production section,
 the Company has been accredited with
“Industrial and Production Hygiene
Administration” (IPHA)”
 Standard by the Federation of Thai Industries (FTI)

The Company has been ranked
 by **the Stock Exchange** of Thailand in the List of
“Thailand Sustainability Investment” (THSI)”
 for the first time in 2021



- Bakery Waste Management:** This year, the Company is able to reduce bakery wastes by 34.87% from those of the previous year and by 44.57% when compared to those of 2018 which was the base year of such goal, with more accurate production planning and sale estimation.

In addition, the Company has cooperated with several business alliances in waste management such as S&P Food Rescue Project in cooperation with the Scholars of Sustenance (SOS) Foundation, Project of Cooperation with Yindii Application, “Recycled Bottle Project”, “S&P Paper X (plus SCG) Project” and Project of Cooperation with “WON” and “Cosair Group”, etc.

Climate Change Management: The Company has expanded the area for installation of “solar energy”, Phase 2, for sustainable bakery production, including the construction investment project of “S&P SMART Distribution Center, Bangna Km.23.5” as the center for planning and management of warehouses and effective transport. The Company has its goal of reduction of

greenhouse gas release and reduction of impacts from climate change and global warming.

Regarding the sustainable action plan in the future, S&P has been determined to operate its business to continuously achieve the goal of sustainability as per the short-term and long-term plans; provided that all employees, customers, suppliers and stakeholders shall be part of the sustainability support and shall be key parts for sustainable growth of S&P concurrently with the Thai society.

Maneesuda Sila-On
 Chief Sustainability Officer (CSO)



ABOUT THIS REPORT

About This Report

S&P Syndicate Public Company Limited has prepared the Sustainable Development Report for 4 consecutive years for communication of the main issues to all stakeholders in 3 dimensions including economic, social and environment by passing on the determination in business operation for sustainability in all dimensions in new normal lifestyle which shall emphasize the cleanliness, safety and good nutrition for strong health of people in the society with standard of raw materials, production and quality services as well as the good governance for sustainable and balanced growth of business operation.



Boundary Impact and Relevancy

- This 2021 Sustainability Report presents the Company's operating results from January 1st to December 31th, 2021.
- Covering the restaurant and bakery business under S&P brand, Bluecup Coffee, Grand Seaside Sriracha, and 4 food and bakery factories in Thailand.
- This report was prepared in accordance with Global Reporting Initiative Standards (GRI Standards): Core option, and Thailand Sustainability Investment Index (THSI) framework of the Stock Exchange of Thailand, and consistent with the United Nations Sustainable Development Goals (SDGs).

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About S&P Business Overview

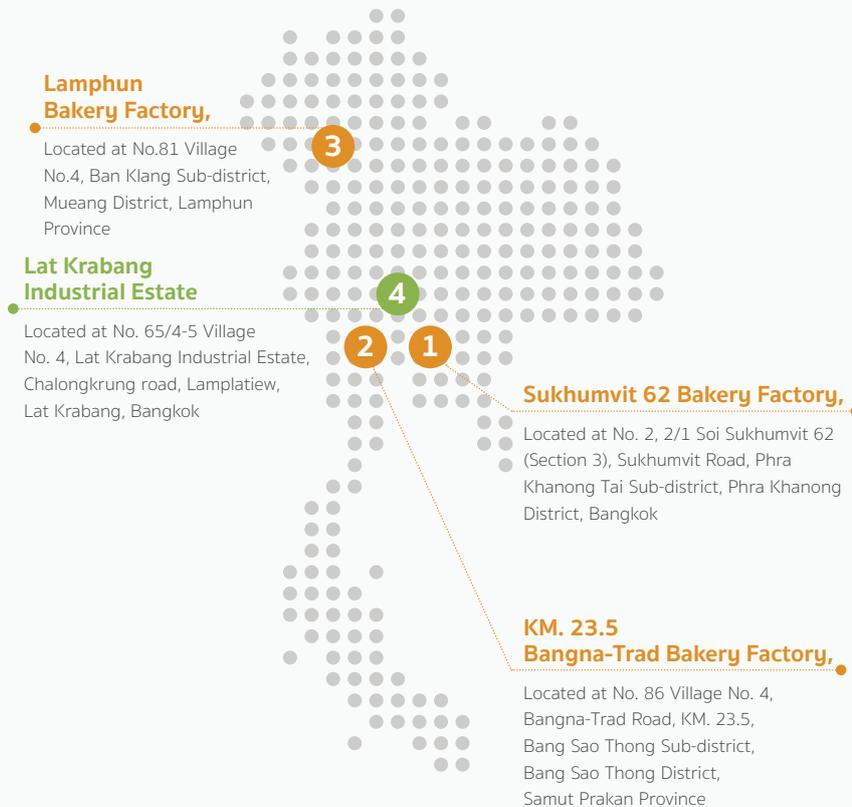
S&P Syndicate Public Company Limited and its subsidiaries operate business related to restaurants, bakery, coffee and beverages, and ready to eat food products, and produce various food products under the name S&P and other brands. Details of operation, types of product and service, and structures of the Company [can be found in the 56-1 One Report, Page 24-73]



Branch Domestic

The Company's factories are situated in 4 locations:

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



In Thailand,
S&P has totally

459 branches

of restaurants and baker shops,
as follows:

Bangkok Metropolitan Region	Upcountry
278 branches	181 branches

▶ **S&P Restaurant**
 Total **133** branches

Bangkok Metropolitan Region	Upcountry
94 branches	39 branches

▶ **S&P Bakery Shop**
 Total **297** branches

Bangkok Metropolitan Region	Upcountry
157 branches	140 branches

▶ **S&P DeITA**
 Total **29** branches

Bangkok Metropolitan Region	Upcountry
27 branches	2 branches

In addition,
 S&P also has **5** branches of S&P
 restaurants in Cambodia.

Total Number of Employees



S&P Products can be classified as follows:

1. Bakery Products

Going into the 49th year, S&P remains the leader in cake and bakery industry in Thailand thanks to its continuing effort to improve its business and products to answer the lifestyle of every group of consumers from family, teenagers and working people and also improves its cake and bakery products to be healthier. The Company also facilitates its customers by offering a food ordering channel through S&P 1344 Delivery and other service providers. Packaging was improved to meet the aspect of sustainability and continuous resource utilization. More branches were open to reach wider customers. Last but not least, S&P still adheres to its principles of caring about the quality of ingredients, freshness, hygiene and good taste, which is the heart of S&P business until today.

1.1 Cake



S&P create delicious and gorgeously decorated cakes with quality standards to ensure standards for the past 48 years by selecting high-quality ingredients and having meticulous production procedures to ensure a distinct, mellow, and fragrant taste. S&P has experienced specialists who are determined to formulate beautiful, detailed, and new styles of cakes to deliver happiness and joy on special occasions such as birthday cakes or cakes for other events. These cakes come in a variety of styles, including floral, Disney licensed characters, and Doraemon. In addition, S&P has new flavors for teenaged customers such as cookies n' cream cakes, strawberry cream cheesecakes, and soft chocolate cakes, as well as cakes that are perfect as souvenirs are also available, namely the "S&P Soft Cake" in butter, coffee, orange, and the new Foi Thong and chocolate banana flavors.

In 2021, S&P formulated cakes that are suitable for every moment of happiness and fun, gathering a variety of deliciousness under the concept of "Mixed Flavor Cake" with 8 flavors, combining new flavors such as the Fresh Creamy Coconut Cake, Blueberry Yogurt Delight Cake, and the Rainbow White Chocolate Cake, to create new experiences for customers.

S&P has also developed and launched new products in the cake category that can be eaten on any occasion and on any day as well as suitable to be bought as souvenirs, which include the S&P Butter Soft Cake, which is a fluffy and fragrant chiffon cake that comes in 3 flavors: butter, orange, and coffee.

1.2 Puff and Pastry



S&P highlights their puff and pastry products with their "freshness, good taste and hygiene" which can be enjoyed on any part of the day be it breakfast, snacks or a quick bite during the day. Our pies and puffs are unique as our process allows us to achieve 144 layers of dough that comes with favorable stuffing such as chicken, mushroom, tuna and pineapple. Our "croissant" products include traditional butter flavor with soft dough in a French style and hot dog roll croissant filled with soft sausages that compliment the fragrant croissant dough. In 2021, S&P expanded the croissant line under the New Croissant Collection concept, including caramel macadamia croissants and Hokkaido milk cream croissants. The mentioned croissants are fragrant, delicious, crispy on the outside, soft and moist on the inside with butter imported from Belgium.

In addition, S&P also has the “Pizza Product Group” products. The most popular flavors of Thai families include the crab stick pizza, Hawaiian pizza, sausage and ham pizza, and carbonara pizza, as well as the “Bakery Snack” group of butter breadsticks that offer deliciousness and convenience to be consumed anywhere, on any occasion.

1.3 Fresh Bread and Sandwich



In 2021, in addition to the “stuffed bread” that has a soft texture with a selection of sweet and salty fillings, S&P has launched 2 new products in a fresh bread and sandwich group which are “multigrain bread” that is not only soft and delicious but is also filled with 5 nutritious grains and “brioche bread” that emotes fragrance and rich taste. The “soft bread” products are popular and very well welcomed by the customers thanks to its good taste and concept of “soft on the outside but full of filling inside”. The fillings of Thai pandan custard and custard with salted egg are still popular among consumers.

1.4 Cookies



S&P maintains its focus on using real butter in its products that come in beautiful packages and offered in various collection that has been long adored by S&P customers. S&P offers cookies in many flavors such as “classic flavor”; milk, butter, pandan and coffee, “premium flavor”; white chocolate mixed with matcha green tea, almond, chocolate chips, cranberry; “fancy flavor”; chocolate, cappuccino, malt, caramel; “lava flavor”; chocolate lava, chocolate chip lava; “crispy light flavor”; almond and chocolate chip; “danish”; butter; and “cookie kids”; milk, butter, cocoa, mini cookies mix sprinkles. S&P has also highlighted the children segment. Kids S&P is the biggest manufacturer of licensed cookie in the country that has delivered happiness to children and families with cookies with Doraemon, Frozen, Mickey and Minnie Mouse, Disney’s princesses for your little ones to choose their favorite flavors and eat all year round.

For this year’s New Year festival, S&P has designed a new cookie packaging for customers to buy as souvenirs and also introduced “S&P New Year Collection” under the concept of “JOY TO THE WORLD” which showcases the fun of the festival and its visual celebrations from around the world, such as the Brazilian Dance Festival, Italian Mask Festival, Mardi Gras parade, Japanese dance festival, and the “gift festival,” including hamper boxes and bakery gifts in a variety of ensembles.

1.5 Mooncake



The Company has long emphasized the Mid-Autumn Festival and remained the leader in the mooncake market under the S&P and Golden Dragon brand. In every year, mooncakes with classic style and flavor and style that reflects innovative colored

skin and good taste are sold. This year, S&P is introducing two new flavors of mooncakes: “Monthong & Goji Berry & Salted Egg Yolk Lava (lava salted egg in Monthong durian blended with goji berries filling)”, with beneficial Chinese medicine properties combined with the famous S&P Mon Thong filling; and “Moo Hongtae Sauce XO (XO Emperor Pork)”, made from southern style pork stew, which is sweet and salty, intensely delicious, combined with the sweetness from XO sauce and grains.

In addition, S&P has also prepared auspicious sets for the Mid-Autumn Festival. Inside, there are popular flavors of mooncakes such as Auspicious Golden Pillow Set, Fortune Set, Lucky Lotus Set, Wealth Set, and Wealth Set to choose from this year.

For this year’s mooncake packaging, S&P continues to maintain the exquisite beauty of its mooncake packaging that stands out with the beauty of the elaborate and precious paintings of the Moon Goddess. The packaging contains expressive elements of flowers and various auspicious ornaments such as roses, peonies, orchids, and auspicious colored stone ornaments and lanterns of light that show respect and focus on the Mid-Autumn Festival, as well as gifts for relatives and friends during this important festival time.

1.6 Thai Sweet Delicacies and Festive Dessert



Thanks to positive feedback of various kinds of Thai sweet delicacies including traditional Thai sweets and applied dessert made through safe and clean production process.

In 2021, the Company has increased the production capacity for Thai sweet in “Thong” group such as Thong Yip, Thong Yod, Med Kanun, Foy Thong and tapioca dumpling with pork to support the demand and growth of such product. This included the development of new packaging to extend the life of the product for S&P customers to consume longer.

This year, S&P emphasizes and reinforces bakery products for important festivals for Thai desserts and festive desserts by focusing on selling products for Chinese New Year and Ghost Festival with sweets to pay respects and souvenirs. The most popular are Kanom Pui Fai, crispy Foy Thong, Chinese puff pastry, and soft cake products that have been well received.



1.7 Frozen Cake



S&P Frozen Cake, one of the most popular products with the highest-selling popularity, is because of its deliciousness due to the best ingredients and S&P’s unique recipe. These cakes are rich, unique, and there are many flavors to choose from, including the regular development of new flavors, which have always been well received by customers.

2. Food Products

2.1 Food Products in S&P restaurant



With the determination to grow its core food business, S&P has the intention of focusing on developing a single dish that is the strength of the S&P brand, many of which are still popular today, such as Chan Pad Thai, rice with shrimp paste, and to match consumer behavior. The Company is paying more attention to health, this year's food business has developed product groups and products "Wellness Food" in response to the needs of consumers who turn to health products under the concept of "delicious, good for the body, comfortable for the mind," low-calorie healthy food with more than 50 dishes to choose from, or you can choose to eat in the form of a daily or weekly meal plan.

Developing products at "Khao Chae Festival", namely Thai Summer Rice (Jasmin Rice) with Condiments and Fresh Mango & Sticky Rice (Anchan Sticky Rice) set at a special price of 198 Baht to reach the new generation of people, and adjust the packaging to be convenient to eat and meet the expanding sales channels' needs through S&P Delivery 1344, ready to serve deliciousness at home.

S&P is also committed to product development by conducting business according to the concept of sustainability with environmental responsibility and social responsibility, along with the special raw materials selection "Organic Egg" with a focus on promoting animal welfare by raising chickens without cages or cage-free. The hen that moves freely and naturally will make the hens happy and healthy, free from antibiotics and growth substances.

2.2 Frozen Finished Food : Quick Meal and Easy Meal



As a pioneer in the ready-to-eat frozen food industry, the Company has consistently invested in research and development of new products in order to improve the food taste to be delicious according to the customers' demands and to launch new products and packages in order to make customers more convenience and to keep the production standard. S&P frozen finished food of all menus is carefully cooked to satisfy the customers and also to provide value and nutritional safety. Our modern packaging, both inside and outside, is suitable for a hasty lifestyle of consumers, is convenient and use little time in warming the food. We also offer a variety of frozen food menus and an ongoing introduction of new products by distributed through S&P stores, retail and modern trade channels. We also offer original equipment manufacturer (OEM) for other food business groups.

2.3 Sausage : Premo



We have various types of sausage, ham, and bacon with Premo brand for a group of customers in medium level or higher. With our exclusive formula, S&P selects only the finest quality firm pork meat to produce sausages which are clean, safe and tasty as familiarized by Thais. The sausages are a standard raw material being used for S&P restaurants and are distributed through modern trade channels. We also offer original equipment manufacturer (OEM) for other food business groups.

2.4 Carrageenan Jelly : Jelio

Ready-made carrageenan jelly, both in the forms of carrageenan jelly mixed with fruit flesh cups and ready-to-drink jelly mixed with fruit juice providing high vitamin C, is added to production line to expand product



2.5 International Food Products : Patio



S&P is the leader in international products under Patio brand, namely salad dressing, and other ready-made products which are delicious and healthy, available at S&P and leading retailers.

3. Beverage Products



S&P took part in pushing for organic orange farmers in Thung Chang district, Nan province, to generate income for the community to grow steadily and sustainably by buying oranges that are small in size in large quantities for quality, taste, and safety, continuing from 2018 to the present to bring raw materials to develop into organic beverage products for consumers to eat continuously during the season from November to February every year.

Bar beverages from S&P consist of fruit juice drinks made from 100% fresh fruit juices and fruit smoothies, providing benefits and freshness to the body, such as watermelon smoothies, fresh orange juice, including fresh fruit juices that have begun to use Chia seed to increase the nutritional value. In addition, S&P also has a healthy drink in the Japanese soy milk category processed by the Umenohana restaurant called Toniyu Drink, available in hot and cold beverages.



In addition, in 2021, S&P expanded its ready-to-drink beverage lines, S&P RTD., with up to 6 flavors using quality ingredients, good taste, and value for money, including cocoa malt flavor, Kyoto matcha iced milk green tea, southern lemon tea, Andaman milk tea, iced coffee latte, and iced Arabica coffee for sales via takeaway and delivery channels and the snack box groups.

For coffee lovers, inside S&P, there is a BlueCup Coffee outlet operated by S&P that has grown along with S&P store expansions with a fine coffee taste that combines Arabica coffee from Thailand and overseas, and with cares since harvesting coffee beans, roasting coffee to meet the standard and mellow flavor, including the BlueCup baristas' attention who intend to make fresh coffee and each drink for coffee lovers who are fascinated by the taste and the BlueCup Coffee's unique smell.

This year, BlueCup focuses on the coffee distribution in takeaway and delivery formats by expanding the Cold Brew and Americano ready-to-drink 500 ml. capacity to be able to cover sales and the quantity to be delivered, including responding to consumers who like to drink freshly brewed coffee at home and office and give importance to extending the products shelf life from 5 days to 10 days for BlueCup customers to buy and keep as a drink at home.

Thus, BlueCup's Cold Brew coffee has become popular in the past year as a cold brew coffee made from 100% Arabica coffee beans, originating from Thailand, Guatemala, Brazil, and Indonesia, which received the Golden Medal International Coffee Tasting award from Italy. The Cold Brew from BlueCup has a caramel flavor and aroma laced with chocolate, which is soft but firm. There is a meticulous process of aging coffee with pure cold water, made freshly in the shop before being packed and sold. It is a drink that can be eaten with food and bakery products, with a perfect combination.

Financial Highlights

	2019	2020	2021
Statements of Profit or Loss (Million Baht)			
Total Revenue	7,385	5,286	4,913
Revenues from Sales and Services	7,312	5,199	4,817
Gross Profit	3,092	2,740	2,521
Profit before Finance Costs and Income Tax Expenses (EBIT)	349	291	467
Net Profit (Attributable to Owners of the Parent)	314	183	340
Statement of Financial Position (Million Baht)			
Total Assets	3,891	5,119	5,066
Total Liabilities	1,355	2,723	2,450
Total Parent Shareholders' Equity and Total Minority Shareholders' Equity	2,536	2,395	2,616
Paid-up Registered Capital	490	490	511
Paid-up Registered Capital			
Gross Profit Margin (%)	42.28	52.71	52.33
Net Profit Margin (%)	4.25	3.46	6.92
Return on Major Holders' Equity (%)	12.55	7.55	13.77
Return on Assets-ROA (%)	8.79	6.46	9.17
Liquidity Ratio (Times)	1.75	1.20	1.40
Debt to Equity Ratio (Times)	0.54	1.14	0.94
Per Share Data (Baht per Share)			
Closing Price as of December 31	15.70	12.80	16.00
Par Value	1.00	1.00	1.00
Book Value per Share	5.08	4.81	5.11
Earning per Share	0.64	0.37	0.69
Dividend per Share	0.56	0.30	0.63
Dividend Payout Ratio (%)	87.35	80.38	94.46

Business Total Revenues 2021



Proportion of Total Revenues by Channel of Distribution 2021

	Million Baht
● Domestic Restaurant and Bakery Shop	4,017
● Packages Food and Bakery Trading	615
● Overseas Restaurant	185
Total	4,817

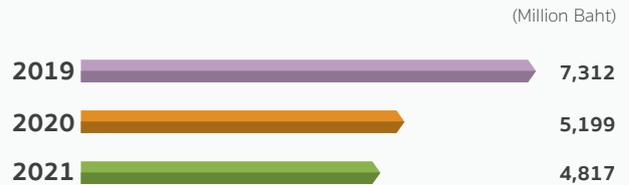
Number of Domestic Branches

	2019	2020	2021
S&P Bakery Shop	356	335	297
S&P Restaurant	146	143	133
S&P DeITA	0	0	29
Other Brand Restaurant	27	24	17
Total	529	502	476

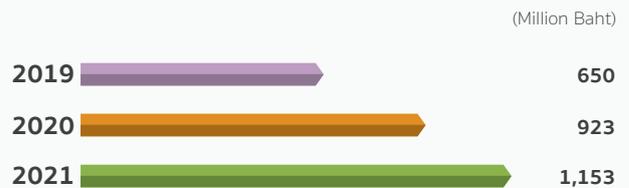
Number of Overseas Restaurant

	2019	2020	2021
Asia	9	6	6
Europe	9	9	8
Total	18	15	14

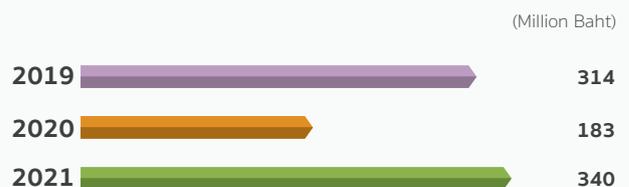
Revenue from sales and service



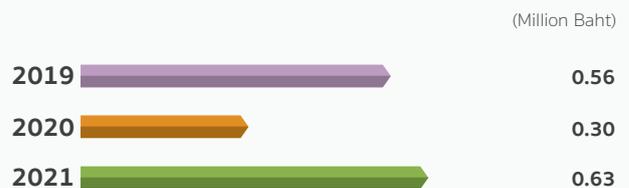
Operating cash flow



Net profit



Dividend (Baht/share)



Value Chain

S&P has operated its main retail business of foods and bakery and has provided services which are easily accessible by customers nationwide. The value chain shall cover the process of procurement, production, distribution of goods, marketing and sale, as well as the process of management of waste from the final production process. The Company is aware of the importance of value chain management to upstream and downstream stakeholders. Therefore, S&P shall know and understand all stakeholders deeply in order to manage and respond to their demand and expectations on S&P.



In addition, S&P also distributes its products through wholesale traders via modern trade channels including hypermarkets, department stores, supermarkets and leading convenience stores as well as exports products to overseas countries such as China, India, USA, Europe, Australia etc.

1. ISO 22000:2018 Standard

S&P Syndicate Public Company Limited, Food and Bakery Production Division, has been accredited under the Food Safety Management Systems Standard for its abilities to control hazards on food safety to ensure that S&P food packages shall be safe, and food hazards have been prevented, eliminated and controlled from the place of production to consumers.

In addition, this new Standard has presented the hazard control together with main and acceptable components such as interactive communication, prerequisite programmes (PRPs) management and the principle of hazard analysis critical control point (HACCP) in food production.



2. HACCP Standard Codex Alimentarius

which is a standard of food production process for international trade with the analysis of product hazard to consumers and determination of measures of control and problem solving together with the use of analytical results from laboratory to confirm the efficiency of HACCP system which is used in the production process to create consumers' confidence in S&P food quality and safety.



3. Good Hygiene Practices (GHPs)

which are accreditation of practical measures of good hygiene with application in processes throughout the value chains for delivery of safe and proper foods and response to the policy of the World Health Organization (WHO) requiring that foods shall be safe from cultivation, animal husbandry until delivery to customers.



4. Industrial and Production Hygiene Administration (IPHA)

S&P Syndicate Public Company Limited, Food and Bakery Production Division, has been accredited under the Industrial and Production Hygiene Administration (IPHA) Standard by the Federation of Thai Industries (FTI), the Department of Diseases Control (DDC), Institute of Food Research and Product Development and ISO Standard Accreditation Institute as “workplace which has duly complied with measures of control, follow-up and prevention of COVID-19 viral contamination in premises, production process and personnel completely in accordance with the criteria of S&P Food and Bakery Factory, totally factories including 41 food factories and 3 bakery factories”. The Company has continuously been approved with renewal of certification in every 6 months, which can create the confidence that S&P has its measures of optimal safety upgrade to prevent COVID-19 Pandemic throughout the food and bakery production process and to promote good health to the Thai society.





In addition, in the production process, S&P has taken account of the worthy and optimal use of resources such as water, electricity, liquefied petroleum gas, use of alternative energy by installing some solar roofs for bakery production with determination to reduce impacts to the society and the environment from business activities of the Company as much as possible. In addition, S&P has continuously developed innovation and technologies such as development of carbon footprint product labels, use of spiral freezer to reduce the energy consumption to ensure that S&P products have the standard quality and are environmental-friendly.

The Company has improved the efficiency of management of waste from the production process such as the wastewater management system, separation of waste for reuse such as use of biological waste for production of fertilizer and effective microorganisms, giving of food waste to communities to be used as animal feeds, and has the policy of reuse for some type of materials or product packages such as paper boxes, plastic baskets to reduce the quantity of waste and the use of natural resources for maximum benefits.



Distribution

S&P has invested in the construction project of “S&P SMART Distribution Center, Bangna-Trad Km.23.5”, which shall be used as the Company’s center for planning, warehouse management and transport, and the construction of the Project has been complete, and the Project has been officially opened in last August. S&P has developed the logistic management system in 2021 to properly increase the potentials and production capacity of foods and bakery and to maintain the standard quality and safety of products before delivery to consumers, and goods and products can be distributed continuously and more rapidly. S&P can deliver products from the production factories to the destinations as scheduled and resulting in maintaining of good relationship between the Company and its trading partners.

S&P has increased the efficiency of warehouse management with the logistic system, planning and determination of routes covering the distribution of goods and products. S&P has made the product transport plan and backhauling management. As a result, the Company is able to reduce the quantity of greenhouse gas release from transport by 11.86%, which is regarded as worthy use of resources. The Company has planned to install additional solar roofs in 2022 to promote the electric energy saving and to reduce global warming.



Marketing and Trading

Restaurants and Bakery Shops

1. S&P Restaurant & Bakery

S&P Restaurant and Bakery is a concept for the entire family, offering a full range of Thai and international dishes, fresh bakery and cakes, coffee and fresh juices, as well as desserts and various other packaged products for all life's occasions. With meticulous eye for quality we give particular attention to choosing the quality ingredients, and constantly training our chefs to always cook consistent and delicious dishes. Our birthday cakes and delicious bakery is produced daily from our world class production lines. We constantly listen to our customers to understand and innovate our products and services to give our dine-in, takeaway, and delivery customers the best value and convenience.

2. S&P Bakery Shop



S&P Bakery Shop, which offers fresh bakery, cakes, cookies, sandwiches and daily freshly made products, are located in convenience community areas, e.g. supermarkets, department stores, offices, universities, hospital, gas stations and BTS stations in order to reach out to a wide range of customer and ease of access for customer's convenience.

3. S&P Delivery and Takeaway (DelTA)



This is a new model of S&P outlet having a kitchen for delivery and Take Away services only. The outlet has a kitchen to cook ready to eat meals, single dishes, bakery, and beverages. DelTA are mainly located in gas stations, community malls, hypermarkets and commercial buildings in Bangkok and surrounding areas with close access to target households.

4. S&P Catering



S&P provides integrated catering services and customized snack box to serve the needs of customers on any special occasions whether for small or large group with a variety of food menus and detail-oriented service. Also includes the capability to deliver full services of Thai, Chinese, international food, and Snack Box.

Retail and Food Service Business

1. Retail Business



S&P foresees an opportunity to market its products through the retail business, which can extend to a wider range of consumers, and, therefore, has launched frozen ready-meal and ready-to-eat desserts under the S&P brand to be distributed through modern trade channels, including hypermarkets, supermarkets and leading convenience stores. The products include frozen food under “S&P Quick Meal and Easy Meal”, Frozen Cake, sausage under “S&P Premo” brand, cookies and snack under “S&P Delio”, carrageenan jelly under “S&P Jelio”, and mooncake under “Golden Dragon” brand.



2. Food Service and OEM Business



The Company also offers OEM (original equipment manufacturer) services to chain restaurants and leading companies in the country for variety of products such as sticky rice, sausages, cookies, mooncakes as well as a wide selection of food and bakery products catered to specific demand of its business partner.

3. Export Business



S&P expands distribution channels for frozen food products and desserts under S&P Quick Meal brand to overseas countries around the world, such as the United States, England, France, Netherlands, Germany, Australia, Japan, Vietnam, and Cambodia. In 2020, S&P has been granted the “Thai SELECT” logo for its 15 ready-to-eat Thai food products. “Thai SELECT” is a mark of certification to guarantee the authentic Thai cooking and taste to promote Thai food under the slogan of “Authentic Thai Cuisine must be Thai SELECT”.



ECONOMIC

Stakeholder Engagement and Materiality Assessment of the Company

S&P has identified and prioritized stakeholder groups by the management team and staff representatives from various departments, along with identification of business-related materiality topics (Materiality Assessment Workshop). Consideration is based on the importance to direct and indirect business operations according to the assessment of relevant persons and mutual impacts throughout S&P's supply chain by division into 7 main groups as follows;



1. 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.



2. 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.



3. 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, delivery service, 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.



4. 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.



5. Suppliers

S&P has adhered to and treated its suppliers equally on the basis of fairness by taking account of mutual benefits. There has been the exchange of experiences and knowledge so as to jointly develop raw materials of good quality according to the needs of the company and customers. S&P has emphasized the rights of all stakeholders' groups externally and internally by complying with the regulations and rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, including other laws related to the rights of stakeholders to receive proper and fair treatment.



6. Communities and Societies

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.



7. 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.

S&P has emphasized the rights of all stakeholders' groups externally and internally by complying with the regulations and rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, including other laws related to the rights of stakeholders to receive proper and fair treatment.

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.(02) 785-4000, 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 • Carbon Footprint for Organization: CFO • 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 • Reception of complaints via S&P restaurants or bakery, telephone, call center 1344, Email crm@snpfood.com, FB: S&P, and mail • Interview with customers' representatives • Customer relation activities

Stakeholders	Interested Issues	Participation Channels
Employees	<ul style="list-style-type: none"> • Health 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 • Annual sustainability issues survey • Provision of skill development training courses • Receipt of complaints via telephone, Email: whistleline@snpfood.com, and compliant mailbox
Suppliers	<ul style="list-style-type: none"> • Food safety • 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
Communities and Societies	<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: S&P • 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 Formulation of the Report Contents



1. In 2021, the Company has identified materiality issues by considering various internal and external factors, such as the Company's strategies, stakeholders' interests and expectations, global trends and industrial prospects, and changes in the legal requirements in Thailand that can positively and adversely affect the business and supply chain.

2. The Company conducts materiality assessment every year to identify and prioritize sustainability issues. In this regard, executives and management representatives would participate in the assessment workshop to identify and prioritize sustainability issues by taking into account the importance of two dimensions: the impact on the Company's business operations and the assessment of the stakeholders' interests and expectations.

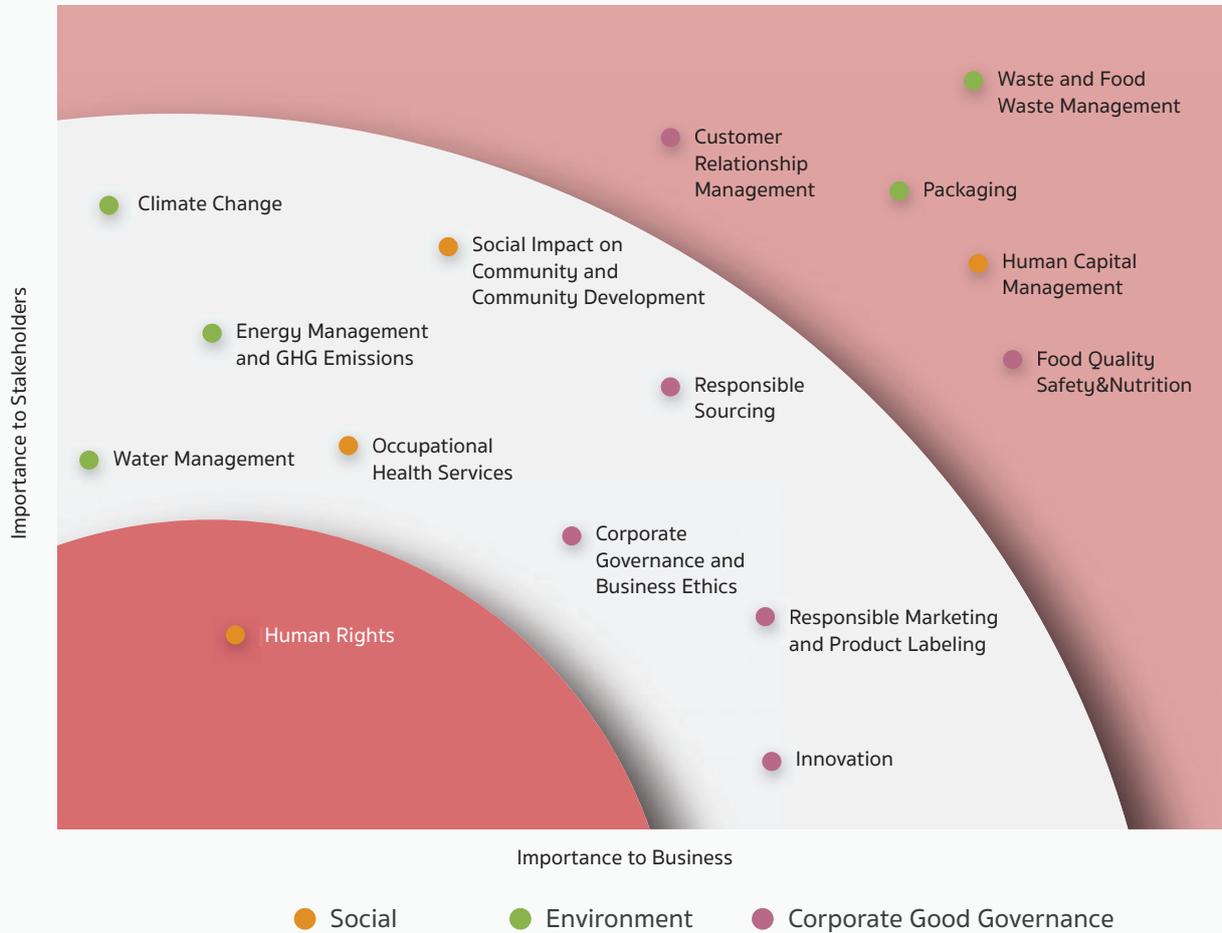
3. The Company examines importance of materiality issues by conducting in-depth interviews with 3 groups of stakeholders that are important to the Company's business operations, which consist of 1) Customers 2) Business partners and 3) Government and Regulating Authorities to review materiality issues, learn and give recommendations and expectations on the issues based on three dimensions, namely economic, social and environmental as well as to apply the materiality issues to further develop the Company's business operating results to meet the stakeholders' interests and expectations.

4. The Working Group would present sustainability issues to the Business Sustainability Development Committee for approval, confirmation and endorsement of sustainability issues, define the scope of materiality report by collecting information from various agencies and groups of stakeholders that are most relevant to the issues as a guideline for conducting business in accordance with appropriate principle of sustainable development in the future.

In 2021, the executives have reviewed significant issues of the Company and deemed it expedient to take issues of importance and to determine the scope of content of reports as per the evaluation of the degree of importance of the issue of sustainability, and to reassess the important issues in 2022.



Results from Identification of Materiality and Determination of Report Content



Material Topics

● High

1. Waste and Food Waste Management
2. Packaging
3. Customer Relationship Management
4. Human Capital Management
5. Food Quality Safety & Nutrition

● Medium

1. Climate Change
2. Energy Management and GHG Emissions
3. Social Impact on Community and Community Development
4. Water Management
5. Responsible Sourcing
6. Occupational Health Services
7. Corporate Governance and Business Ethics
8. Responsible Marketing and Product Labeling
9. Innovation

● Low

1. Human Rights

Scope of Materiality

Topics	Related GRI Framework	Stakeholders and Scope						
		Intra-organization	Extra-organization					
		Employees	Customers/Consumers	Trade Partners / Suppliers	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 306-1, 306-2, 306-3, 306-4, 306-5)	●		●			●	
Packaging	Responsible packaging management (GRI 417-1, 417-2, 417-3)	●	●	●		●	●	
Customer Relationship Management	Customer Relationship Management (GRI 3-3)	●	●					●
Human Capital Management	<ul style="list-style-type: none"> Human Capital Management Training Course and Human Resource Development (GRI 404-1, 404-2, 404-3) 	●				●		
Food Quality, Safety & Nutrition	Consumers' health and safety (GRI 416-1, 416-2)	●	●	●		●	●	
Climate Change	Climate Change (GRI 201-2)	●				●	●	
Energy Management	Energy consumption and GHG emissions (GRI 302-1, 302-3, 302-4, 302-5, 305-3, 305-1, 305-2, 305-4, 305-5)	●				●	●	
Social Impact on Community and Community Development	<ul style="list-style-type: none"> Community and Society management Local Community (GRI 201-1, 203-2) 	●					●	
Water Management	<ul style="list-style-type: none"> Water use and management Wastewater (GRI 303-1, 303-2, 303-3, 303-4, 303-5) 	●				●	●	

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 / Suppliers	Investors and shareholders	Government and regulating authorities	Community and Society	Mass Media/ Online influencers
Responsible Sourcing	<ul style="list-style-type: none"> • Procurement Ethic • Supplier Code of Conduct • Supplier Environmental Assessment • Supplier Human Right Assessment • Supplier Social Impact Assessment (GRI 308-1, 308-2, 414-1, 414-2)	●	●	●				
Occupational Safety and Health	<ul style="list-style-type: none"> • Occupational Safety and health • Safety in production System (GRI 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10)	●				●		
Corporate Governance and Business Ethics	<ul style="list-style-type: none"> • Anti-corruption • Consistency in compliance (GRI 205-2, 205-3, 206-1)	●	●	●	●	●		
Responsible Marketing and Product Labeling	<ul style="list-style-type: none"> • Responsible label Management • Consistency in compliance (GRI 417-1, 417-2, 417-3)	●	●			●	●	
Innovation	Innovation Management (GRI 3-3)	●		●		●		
Human Rights	<ul style="list-style-type: none"> • Human right and labor practices • Employment • Diversity and Equality (GRI 401-1, 405-1, 406-1)	●		●		●		

Dimensions:

● Environment

● Social

● Economy

Sustainability Management

S&P Vision

To be the most preferred Thai restaurant, cake, and bakery brand in Thailand

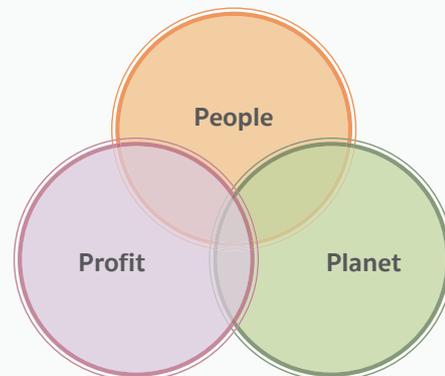


S&P Mission



S&P Sustainability Strategic Framework (Relevant SDGs)

S&P has determined its strategies toward sustainability under 3 pillars including people, planet and profit on the basis of good corporate governance and the promise of “Healthier Family, Happier World” with the highest aims to maintain proper balance of impacts in the economic, social and environmental dimension to the Company and all groups of stakeholders for good health of consumers, business partners and communities. Regarding the sustainable strategies, S&P has emphasized the strategic management in conformity with the Sustainable Development Goals (SDGs), totally 5 goals, specified as short-term and long-term goals in order to strengthen the potentials and operation to achieve the Sustainable Development Goals (SDGs) for main issues of driving, including:



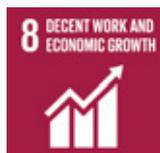
Stakeholder Engagement and Assessment of the Company's Important Issues



1. Zero Hunger:
End hunger, achieve food security and improved nutrition and promote sustainable agriculture;



2. Good Health and Well-Being;
Ensure healthy lives and promote well-being for all at all ages;



3. Decent Work and Economic Growth:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;



4. Responsible Consumption and Production:
Ensure sustainable consumption and production patterns;



5. Partnerships for the Goals:
Strengthen the means of implementation and revitalize the global partnership for sustainable development;



Sustainability Development

S&P Sustainability Strategic Framework
(Relevant SDGs)



S&P establishes its sustainability strategy under three pillars including People, Planet and Profit, on the basis of good corporate governance, under the promise of "Healthier Family, Happier World". The ultimate objectives are to balance the returns in the economic, social and environmental dimensions to be suitable for the Company and all groups of stakeholders, and good hygiene for consumers, business partners and communities,



as well as preserve natural resources and the environment by driving the business operation in accordance with the Company's sustainable development strategies and plans which are consistent with the Global Sustainable Development Goals (SDGs).

S&P The Company has 5 specific goals as followings:

2

Zero Hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

3

Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages.

8

Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

12

Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

17

Partnerships for the Goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Frameworks of Sustainability Development



S&P Sustainability Goals

Goals	Operating Results
Food quality, safety, health and nutrition	
<p>1. All S&P outlets passed the Quality Service and Cleanliness (QSC) assessment criteria by 2025</p>  	<p>S&P targets that its outlets would pass Quality Service and Cleanliness (QSC) standard with 85% or higher criteria.</p> <p>As for the results of evaluation in December 2021, S&P restaurants and bakery shops that passed the Quality Service and Cleanliness (QSC) assessment criteria at score level of 85% or more were 326 outlets of 433 outlets or equivalent to 75.3%.</p>
<p>2. Upgrade production line standards for S&P food and bakery factories to obtain ISO 22000: 2018 certification by 2025</p> 	<p>S&P food and bakery factories have been upgraded to ISO 22000: 2018 food safety management system accreditation standard by the ISO Certification Institute, Foundation for Industrial Development already.</p> <ul style="list-style-type: none"> For S&P food factory, the certification is valid from 20th July 2021 - 3rd October 2022. For S&P Bakery Factory Bangna-Trad Km. 23.5, the certification is valid from 6th April 2021 - 14th March 2022.

Goals

3. Research and development of 100 healthy S&P products / menus for consumers by 2025



Operating Results

In 2021, there were healthy product developments as follows.

- Healthy food under “Wellness Menu” campaign of more than 50 items
There are the following features;
 - Low calories, good for health
 - Low fat protein source
 - Focus on dietary fiber
 - Using unrefined flour, whole wheat
 - Using reduced-sodium condiments
 - Free from preservatives
- Healthy bakery, namely whole wheat bread with certified nutrition symbol “Healthier Choice” and mooncake stuffed with Mon Thong, Wolfberry, salted egg lava
- Healthy beverages, including beverages with certified nutrition symbol “Healthier Choice” of 5 items, namely
 - Bottled, ready-to-drink Cold Brew Coffee
 - UHT organic soy milk, original flavor
 - UHT ready-to-drink red grape juice
 - UHT Valencia ready -to-drink orange juice
 - UHT ready-to-drink apple juice mixed with pomegranate juice

Summary

- In 2021, there were healthy products developments of 57 items in total.
 - In 2020, there were healthy products developments of 2 items in total.
 - In 2019, there were healthy products developments of 35 items in total.
- Therefore, since 2019, which was the year of setting the goals, S&P has developed healthy products / menus totaling 94 items.

Customer Relations

S&P products and services earn 85% customer satisfaction by 2025



In 2021, an average of 84% of customers were satisfied with of S&P products and services from three main issues with each aspect of the assessment as follows:

- Product tastes 84%
- Services 79%
- Cleanliness 88%

Customer satisfaction inquiry was conducted via E-Survey channel, where 9,626 customers scan QR codes at the end of their receipts and S&P Joy Card Application to assess their satisfaction during January 1st to December 31st, 2021.

Goals	Operating Results
<p>Packaging</p> <p>Packages of S&P outlet products must be 100% compostable, recyclable or reusable by 2022</p> <div data-bbox="189 433 429 544"> </div>	<p>93% of Packages have been changes to be eco-friendly, resulting in reduction of more than 41.80 tons of plastic by 2021.</p>
<p>Waste and Food Waste Management</p> <ol style="list-style-type: none"> <li data-bbox="145 615 687 838"> <p>The Company has planned to reduce the amount of bakery waste by 30% by 2030</p> <div data-bbox="189 693 671 805"> </div> <li data-bbox="145 850 687 1107"> <p>Waste sorting at every S&P store (Collect waste generation data by type of disposal in outlets)</p> <div data-bbox="189 936 304 1048"> </div> 	<p>In 2021, the value of bakery waste was 129.6 million baht, decrease of 44.62% (compared to 234 million baht worth of bakery waste in 2018).</p> <p>In 2021, waste sorting was carried out at all S&P branch shops. However, S&P piloted the collection of records on waste classification at the head office and S&P shops of 65 hospital branches to design and plan waste separation effectively.</p> <p>A plan is available to continue collecting data on the amount of waste at every S&P branch shop with accuracy.</p>
<p>Human Resource Development</p> <ol style="list-style-type: none"> <li data-bbox="145 1164 687 1236"> <p>Reduce the turnover rate of management level employees to no more than 5% by 2025</p> <li data-bbox="145 1242 687 1466"> <p>The Company aims to increase HCROI by 20% within 2025 from 3.08 in 2018</p> <div data-bbox="189 1328 304 1440"> </div> 	<p>In 2021, the turnover rate of management level employees was 8.65%</p> <p>In 2021, Human Capital Return on Investment (HCROI) index of the Company was 3.31</p>

Membership with National and International Organizations

Awards and Achievements in 2021

1. S&P receives the Thailand Sustainability Investment (THSI) 2021



The S&P Syndicate Public Company Limited is honored to receive the Thailand Sustainability Investment (THSI) 2021 in the categories of Agro & Food Industry according to the list of Thailand Sustainability Investment (THSI) 2021 of the Stock Exchange of Thailand. Honorees are selected in accordance with the award criteria, based upon sustainability in Environmental, Social, and Governance (ESG), and business capability of resolving social and environmental problems.



And, this award reflects the transparency and reliability of the Company's performance in every respects.

2. S&P is IPHA-accredited to guarantee the standard of its food and bakery factories are safety from COVID-19.



The food and bakery production lines of S&P Syndicate Public Company Limited are accredited, under the Industrial and Production Hygiene Administration (IPHA) Standard, certified by the Federation of Thai Industries (FTI), Department of Disease Control (DDC), the National Food Institute and the International Standard Organization (ISO) as "S&P productions meet safety standards which include proper hygiene among workers and has duly complied with measures COVID-19 control, monitoring and anti-contamination in places, production process and personnel. All of the Company's factories completely passed the hygienic criterias, including a food factory and 3 bakery factories".

Provided that the Company has given the importance to good hygiene of its employees, cleaning of equipment of the food production lines with standard antiseptic agents as well as the quality control in all processes and traceability throughout the process so that all items of products shall have the highest quality and safety in accordance with the standard.

With IPHA trademark accreditation, it ensures that S&P has its measures to upgrade the highest safety in COVID-19 prevention measures and the food and bakery production process for good health of the Thai people.

S&P is committed to continuously developing quality products with good tastes and nutritional value and to upgrading the standard of its production process in accordance with international standards and to emphasizing “safety of employees, foods and consumers” for good health of the Thai people to get through this situation together.

3. S&P has joined the MOU Signing Ceremony for “Plastic Footprint Reduction Project”



S&P Syndicate Public Company Limited joined the MOU Signing Ceremony for “Plastic Footprint Reduction Project” under the SEA Circular Program of UNEP and sponsorship from the Government of the Kingdom of Sweden, organized by the Solid Waste Management Association (Thailand) (SWAT) to show its commitments to reduce the use of plastic and to increase the recycling of plastic under the concept of the circular economy, and jointly studied the use and discarding of plastic and indicated the opportunities to reduce impacts and to support practical operation to sustainably help reduce the pollution problems from plastic in the oceans, at Kamonthip 1 Room of “The Sukosol, Bangkok” on 26th March 2021.



4. S&P receives the “Thailand Corporate Excellence Awards 2021”



The S&P Syndicate Public Company Limited receives a royal award from Her Royal Highness Princess Maha Chakri Sirindhorn’s Personal Affairs Division in the “Thailand Corporate Excellence Awards 2021” project under the category of Corporate Management Excellence from General Prayut Chan-o-cha, Prime Minister, to praise and honor organizations with excellent management organized by TMA and Sasri Graduate Institute of Business Administration of Chulalongkorn University at The Athenee Hotel Bangkok.

5. S&P receives the “Marketeer No.1 Brand Thailand 2020-2021”



S&P Syndicate Public Company Limited received the “Marketeer No.1 Brand Thailand 2020-2021” award for being ranked No.1 of the most popular brand in Thailand in the Bakery Shop category for the second consecutive year by the opinion poll on the marketing taken by the population all over Thailand, from Mr. Permpol Phoppermhem, editor and founder of Marketeer Magazine, presenting the award on 1st October 2021.

6. S&P receives a plaque and honor from the senate for supporting and promoting the education fund project.



S&P Syndicate Public Company Limited received a plaque and a certificate from Mr. Supachai Somcharoen, Vice-President of the Senate as the Company has promoted and supported Coordinating Committee to support the Senate Education Fund Project by handing over computers at the Parliament Building, on 14th December 2021.



7. S&P was conferred with Certificate of Thai Private Sector Collective Action Coalition Against Corruption (CAC) and Thai Institute of Directors (IOD) No.11

S&P Syndicate Public Company Limited has participated in the certificate conferment ceremony of Thai Private Sector Collective Action Coalition Against Corruption (CAC) and Thai Institute of Directors (IOD) No.11 under the topic of “Integration of Power for Transparent Businesses and Anti-Corruption”, and was accredited online as a member of Collective Action Coalition (CAC) for 8 consecutive years on Wednesday, 22nd December 2021.



8. S&P was conferred with Certificate of Carbon Footprint of Organization 2021

S&P Syndicate Public Company Limited has been conferred with environmental certificates in 2 projects from Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), including:

1. **Project of Carbon Footprint of Organization (CFO)** means the calculation of quantity of greenhouse gas release from total activities of organization at S&P Syndicate Public Company Limited, Bakery Production Division, Bangna Km.23.5 Factory and Sukhumvit 62 Factory
2. **Project of Carbon Footprint of Product (CFP)** In 2021, S&P has applied for accreditation and renewal of carbon footprint label of its product “S&P Butter Cake Product”. S&P was the first company which has been accredited with carbon footprint since 2018 with evaluation of the quantity of greenhouse gas release throughout the life cycle of products since acquisition of raw materials, production process until the final products are produced, including the distribution of goods and waste management.

At present, S&P has been accredited with product's carbon footprint labels, totally 7 items, including 1) Butter cake; 2) Banana cake; 3) Cake rolls; 4) Pandan rolls; 5) Coffee rolls; 6) Mixed flavor cake rolls; and 7) Almond brownies.

3. **Project of Carbon Emission Reduction “Low Emission Support Scheme (LESS) honorary award.** As a result of the project to change light bulbs to energy-saving LED bulbs to reduce global warming in food factories, GHG emissions were reduced by 73,136 kgCO₂eq.

9. S&P has been accredited under SHA Standard



S&P Syndicate Public Company Limited has been accredited under SHA Standard for hygiene and safety of restaurant branches and has passed the audit of 11 items of requirements of SHA Standard for entrepreneurs, 3 items of hygiene of building, equipment and tools therein, 3 items of preparation of cleaning equipment to prevent the spreading of diseases, and 7 items of protection for operational officers, which is the safety standard on hygiene for tourists to upgrade the standard of Thailand's tourism goods and services and shall be part of the disease control measures under the project of cooperation between the Ministry of Tourism and Sports, represented by the Tourism Authority of Thailand (TAT), Ministry of Public Health, represented by the Department of Diseases Control (DDC), Department of Health, Department of Health Service Support and units in the public sector and the private sector in the tourism industry.

Provided that the Company has applied for accreditation under SHA Standard in the category of restaurants/street food stores, and has been 100% accredited with standard at S&P restaurants totally 157 branches.

10. S&P has participated in “Care the Bear” Environmental Management Project



S&P Syndicate Public Company Limited has participated in “Care the Bear” Project of the Stock Exchange of Thailand as part of the environmental management with the objective to be part of reduction of global warming by reducing the generation of greenhouse gas such as creation of awareness and adjustment of behaviors for employees and consumers such as supporting customers to eat up their foods, reducing the quantity of waste, pooled transport, selection of reusable shop decoration equipment, reducing the use of paper and plastic, cancelling the use of foam, reducing the use of energy from electric appliances or switching to use energy-saving equipment, etc.

Corporate Governance and Business Ethics

Background and Relevance

S&P has prioritized the compliance with the principle of good governance with the confidence that good governance is essential to the business operation, and has specified it as the Board of Directors' responsibilities to determine policies and rules for compliance therewith in conformity with the Regulations of the Stock Exchange of Thailand. Moreover, S&P has regularly reviewed and updated the guidelines for good governance and has emphasized the communication for creation of knowledge and understanding on the good governance to executives and employees of the Group Company for acknowledgment and strict compliance therewith. S&P has treated all groups of stakeholders equally and has disclosed the data to all related parties for general acknowledgment in a thorough, transparent and timely manner.

Provided that the good governance shall promote the efficiency of the Company's operations covering the relationship between the Board of Directors, the Management, shareholders, investors, financial institutions, business alliances and all groups of stakeholders, and shall be regarded as a key mechanism which enables the Company to enhance its operational efficiency and effectiveness and to increase its business value, and to increase the competitiveness and resulting in the continuous and sustainable growth of the Company.

Management Guidelines

- To determine the structure of good governance from the structure of the Board of Directors, subcommittees until operational employees for independency
- To organize training on business ethics, anti-corruption and whistleblowing to new employees on a monthly basis and to increase channels of digital communication so that the executives and all employees shall be able to continuously study additional data
- To establish the audit committee and working groups to follow up the working process, compliance with the Company's procedures and procedures for trading partners, and to

clearly announce the anti-corruption policy, and to enter civil and criminal actions against the executives and employees who committed legal offences.

Corporate Governance

S&P is committed to the good governance with operational measures under "S&P Work Rules and Business Ethics" and to the promotion of culture of responsible business operation throughout the organization from the Board of Directors to employees at all levels as well as its trading partners; whereby, all trading partners shall accept S&P Code of Conduct for Business Partners to create cooperation in development of premium quality products for consumers and to increase the competitiveness.

The Company has jointly announced the intentions with Thai Private Sector Collective Action Coalition Against Corruption (CAC) and Thai Institute of Directors (IOD), and has received NACC Integrity Award 2012 and has been accredited as member of Collective Action Coalition (CAC) since 2013 until present. In addition, the Company has supported its trading partners to participate as network parties with public and private organizations to counter corruption and bribery to create strong foundation of good governance and to be a key factor to achieve the collective goal of sustainable growth.



The Company is aware of the responsible business operation and respects the rights of all groups of its stakeholders, and has its strict follow-up mechanism and management process in case of breach of the business ethics; whereby, stakeholders may report their cases of being infringed with rights to the Company through the following channels:



Telephone

- 089-204-5542 or
- 02-785-4000 Ext. 386



Email

whistleline@snpfood.com



Complaint Box

Head Office and Branch Offices of the Company, including S&P food and bakery manufacturing factories



Sealed Letter

Audit Office,
S&P Syndicate PCL
(Head Office)

The Company has adhered to the principle of accountability and transparency which is regarded as foundation for business management and operations. Therefore, the Company has continuously announced the principle of corporate governance and business ethics such as the anti-corruption policy, anti-corruption measures, anti-corruption guidelines, policy of acceptance of presents, civil and criminal actions, in writing, against executives and employees who committed legal offences, as well as organization of training on business ethics, anti-corruption and receipt of complaints to new employees on a monthly basis. All employees may review and study additional data in such matters from Intranet system within the organization, including communication and public relations to trading partners, customers and the general public for acknowledgment and strict compliance therewith.



In addition, the Company has the Internal Audit Unit to audit operations and the internal unit control system and has adhered to the principle of internal audit operation in conformity with international standards, including the Charter of the Audit Committee, and has the criteria for audit and monitoring of results of risk management and main control points, and also has the review of operations of the Audit Committee with an emphasis on the preventive control to reduce opportunities of corruption within the organization, and the Company is confident that all units have performed their works with the standard quality and correctly and properly in conformity with policies, rules, regulations and business ethics. As a result, the Company's business operation has been in conformity with the principle of good governance.

Goals on Corporate Governance :

- S&P Executives and employees have 100% acknowledged and complied with “S&P Work Rules and Business Ethics”
- S&P Business partners have 100% accepted S&P Code of Conduct for Business Partners

Operating Results

- Executives and employees have 100% acknowledged the anti-corruption policy.
- In addition, S&P trading partners have 100% accepted S&P Code of Conduct for Business Partners.
- Provided that the Company has its goals to maintain the level of operating results and has communicated the anti-corruption policy to its executives and employees for acknowledgment, and S&P trading partners have completely and continuously accepted the Procedures for Trading Partners every year.

Performance	2019	2020	2021
• Percentage of management employees who acknowledge anti-corruption policy	100	100	100
• Percentage of employees who acknowledge anti-corruption policy	100	100	100
• Percentage of business partners who acknowledge anti-corruption policy	95	95	100



Regarding the operating results on the Employee Protection and Justification Policy, according to the whistleblowing on corruption, non-compliance with laws, rules, regulations and business ethics of the Company through whistleblowing channels, the following issues have been found:

Performance	2019	2020	2021
Demand for benefits/ facilitations from suppliers	1	0	0
Financial fraud	8	7	3
Time and attendance fraud/ malpractice	1	0	0
Total of complaints	10	7	3

However, the Company reviewed processes of workflow to improve its operational efficiency and to protect repeating of the problems of financial fraud as follows,

1. Providing the digital technologies like, Audit me program to reduce the corruption problems or operational risks.
2. Developing online payment or cashless system to reduce receiving of cash.
3. Enhancing the quality of work and monitoring of results of risk management and main control points with an emphasis on the preventive control to reduce opportunities of corruption within the organization.

However, the Company has conducted the internal verification and correction and punishments as per the Company's processes until completion. In 2021, the Company had no cases of dispute, judgment, litigation or complaint in environmental, social and corporate governance issues. The Company is determined to concisely audit the operations to reduce the corruption problems within the organization to “zero”.

Risk Management

Significant Risks and Risk Management Strategies

1. Emerging Risk

1) Strategic Risk

Strategic Planning is an important tool in determining the company's direction towards achieving its stated objectives and goals. Therefore, 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 which the feasibility and the factors affecting business operation, such as the internal and external factors, the changed customer behavior, the rapid technology development, the local and international economic environment (especially the countries where the company operates its business), the industrial environment, and the competition, as well as the opportunity to expand its business overseas are analyzed. At present, the Company has established a strategy office with duties to direct responsibility. The Risk Management Committee is responsible for considering and making recommendations to the strategy office as a whole. In 2021, the Committee developed and revised its strategic plan to address the impact of the COVID-19 pandemic, further enhance to the 2020 COVID-19 Action Plan and Measures (BCP), until the Company is able to conduct business under the risks that arise and performs well.

2) Operational Risk

In the real operations, how each work units proceed their work assignments are crucial factors to drive the Company to reach its targets and achieve its objectives. The Company has been expanding branches, adding more service points, offering new products, and diversifying its businesses. The Risk Management Committee is responsible for assessing operational risks in terms of their impact on the organization as well as their likelihood of occurrence



and for the prevention and management of those risks. In 2021, the Company was affected by deep lockdown measures throughout the third quarter for 13 provinces, effective on 20th July 2021. There were no dine-in or takeaway in department stores. Later, a further lockdown was announced to increase from 13 provinces to 29 provinces, which critically affects the sales of the Company. As a result, more than 200 restaurants and bakery shops had to close. The Company has managed operations to reduce the impact of the closure from the intense lockdown measures. The Company has focused on sales channels through S&P Marketplace and expanded to delivery channels, focusing on generating sales through branches that are still open for services, such as hospitals, gas stations, and standalone, while sales in the frozen product group and OEM are still focused on retail channels, supermarkets, and the delivery market through the DeTA model stores. There are collaborations with food delivery service providers (food aggregators) to cover more areas in each province. There are products and promotions that are suitable for such channels, emphasizing trading businesses that can sell products through supermarkets or convenience stores that can still be opened for sales. At the same time, the Company has focused on controlling and deducting various costs in all dimensions to be consistent with the decline in sales. However, profits may not be as good as last year.



3) Raw Material Procurement Risk

The Company has a supervisor of raw material procurement considering the risk of volatility in raw material prices. It can be noticed that some raw materials have seasonal price increases or sudden shortages have resulted in a significant increase in selling prices. The prices main raw materials such as pork, chicken meat, fish, butter, eggs, are difficult to control since it depends on the market price. the Company has to minimize the risk by buying through the method of all-year price auction. Therefore, the procurement department has adopted an electronic bidding system or e-Bidding, resulting in a better product cost over the past 2 years. Another part is the product mix, in which some products have a good profit margin and some have low profit margins. Therefore, the products with better profit margins are chosen, as well as the Company has seriously reduced waste from risk management in good raw material procurement. As a result, the Company still controls the selling price to be at the same level, or if there is any item that has a higher price during that period or season for a short time, the Company will promote sales of products that use alternative raw materials. for example, if salmon meat is more expensive, the Company will focus on selling and promoting in other types of fish menu or other types of meat instead without reducing the quantity and quality of raw materials. The Company continues to adhere to the principle of “quality, value, virtue”.

4) Risks in Brand Image and Consumer Behavior in the Modern Era

The Company has a brand awareness management. Considering the behavior of consumers in the modern era and the popularity of the Company's brand, it can be seen that at present there are products and many new food products in the market, both from competitors, which are large operators (Food Chain) and small operators that turn to sell more food and bakery products. New stores with storefronts were born, and without a storefront (retail), which are sold through online channels and social network, resulting in a lot of competition in this

industry. It creates innovations in food and bakery with new looks, tastes, or experiences all the time. The Company, therefore, surveyed opinions from all around, analyzed recommendations, continuous feedback received from customers leading to the invention and improvement of products to be diverse. There are new products, attractive packaging, size and quantity of products, etc., that can respond to the needs of customers in the modern era, such as Khao Chae that used to be sold in large packages which need to be eaten several people at a time. Therefore, the package size has been adjusted to be smaller with a reasonable selling price making purchases more flexible, and it's convenient to eat alone or with two people. The Company has also adjusted the brand image to be attractive, not to fall out of the current trend. There are activities through online media and various social medias to reach the new generation of consumers and also in line with the communication channels that have changed in the digital age in order for the brand to adapt to the rapidly changing era.

An important factor in purchasing products in this era of COVID-19 is the purchasing power of consumers. There are some customers who feel that some products of the Company are quite expensive, making them go shopping for other brands or other cheaper substitutes. The Company has managed to solve such problems by launching products that emphasize “value pack” at a price that resonates with customers as well as launching a variety of food and bakery menu sets “Delicious, Worthy” by combining a variety of menus to organize them into a budget-friendly set or launching new products that focus on selling prices that are more pleasing to customers, such as soft cakes, available in 3 flavors, butter flavor, orange flavor and coffee flavor, priced at only 98 Baht per bar, making the price perception of consumers that hinders the price is in a better direction. At the same time, customers can still eat quality products according to the standards of S&P as before.

5) Financial Risk

The Company's financial management is considering the liquidity risk, credit risk and market risk such as the foreign exchange fluctuation or the movements of interest rates. Therefore, the Company has properly prepared financial projection, management guideline, monitoring procedures and standards to follow, such as the appropriate debt to equity ratio, short-term assets or reserved funds, for the financial risk management. As for the risk in foreign exchange rate, since the investment in overseas branches is a long term investment, the revenue and expense are also handled mainly in the same currency. Moreover the dividend payments are not frequently incurred, therefore, the Company has no need to opt for forward contract for the time being.

6) Information Technology System Risks

As the Company expands its business, such as the increase of its branches and points of sales, ICT plays an important role in supporting the efficient operation of each business unit. Linkage between various sub-systems, data security, information accessibility, and data transmission to support various types of reports for unit heads and management, would all help towards efficient information management. The Company has put in place an ICT work unit to be responsible for overseeing systems and ensuring the organization's readiness to support new technological innovations. An ICT master plan has been prepared to correspond to the Company's business plans, which includes an ICT security plan to prevent the cyber attack, continuous business plans and contingency plans to support the ICT work. There are regular reports being submitted and follow-up of such operation plans by management.

In addition, the change and the development of digital technology or other social media cause the company to make changes in a timely manner and take this opportunity to enhance the efficiency of the services and the communication to the customers, and the increase of the business expansion channels by using

the technology as well as securing the personal data of the customers pursuant to Personal Data Protection Act B.E. 2562.

In 2021, the Company has improved the work system, by bringing various automation systems to help in the work to reduce complexity and improve productivity faster, reduce the use of various documents while dividing some employees to work from home, and provides a system to access work files and has communication, coordination, meetings, performance reports, etc. via online systems, which makes the work still have good efficiency, as well as many parts can operate more agile and faster as well.

In addition, the Company attaches great importance to the maintenance and protection of access to personal information of customers, employees and persons related to the Company without permission under the Personal Data Protection Act B.E. 2562 ("Personal Data Protection Act B.E. 2562" or "PDPA") because there is currently a risk that personal information (such as name, surname, address, phone number, bank account, email, LINE ID, website account, fingerprints, health history, etc.) will be stolen or used inconsistently with the purpose of use that has been authorized or informed to the personal data subject. In order to prevent the risk of identity theft, data sales, spying, spam, or potential cyber attacks, the Company has improved various systems to support the protection of personal information according to the PDPA. The Company has set up measures to secure personal information of customers, employees and persons related to the Company. For more information, please refer to the website www.snpfood.com at subject "Privacy Policy".

7) Epidemic, Natural Disasters and Politics Risk

The Company is aware of natural disasters that affect the Company's normal business operations, such as epidemics, floods, political unrest, etc. In 2021, the impact of the COVID-19 epidemic continues, especially during the period in third quarter. the company has strictly



adhered to the prevention guidelines of the Ministry of Public Health and announced policies, guidelines for all employees to be aware of, and to monitor employees' practices while in the area from such events which are uncontrollable risks. The company thus has prepared plans to cope up with them, including training our staffs to encounter them, not only natural disasters but also man-made incidents such as fire, demonstrations, and others. Such plans have been identified for emergency incidents while the Company need to continue its business operations through its Business Continuity Plan (BCP) in short term period, and also plans for medium and long-term periods to restrain or relieve the effects to business and to the staffs who are on duties in such incidents to their minimum impacts. The BCP must be regularly reviewed by the Risk Management Committee and if the emergency cases occurred, the Risk Management Committee will evaluate the results related to such risk management and find ways to improve the plans to be more effectively managed in the future.

8) Other Risks

As the Company is in the integrated food business in both a manufacturer, distributor and manage the store. Therefore, there are some risks that may occur at any time and that is a direct risk of this industry specific risk, which is both highly competitive, fluctuation of raw material prices, labor shortage, changes to the rules or standards of government agencies such as the Food and Drug Administration (FDA) or the private sector such as HACCP, GMP, including the change in consumer behavior, such as giving more health importance (Health Conscious) or using social media and digital technology in everyday life which the management team will have a system guidelines for managing and controlling these risks. If any matter is likely to significantly affect the business the Risk Management Committee will join in the consultation.

The Risk Management Committee will continue to develop and improve the risk management policy to be modern, with consideration of various risk factors that may occur in the future.

2. Securities Holder Investment Risks

The Company and the Board of Directors are committed to treating all shareholders fairly and equally, while prioritizing the Company's and shareholders' interests. The Company has handled various risks with the utmost caution and conciseness. There may, however, be other risk factors that the Company is unaware of at this time, or a risk that is deemed insignificant. As a result, when investing in the Company's securities, investors should consider additional risk factors.

3. Risk Factors for Investing in Foreign Securities.

The Company does not invest in foreign securities.

Charter of the Risk Management Committee

The Risk Management Committee shall be obliged to support operations of the Board of Directors in management of main risks of the Company, including strategic risks and operational risks, and to determine guidelines, policies and processes to control and reduce those risks.

Roles, Duties and Responsibilities of the Risk Management Committee

1. To review and attend meetings with executives relating to the structure, risk management, risk assessment, practices, guidelines, policies and processes in risk assessment and management
2. To review and attend meetings with executives relating to acceptable risks and strategies relating to main risks such as credit risks, liquidity and fund-raising risks, marketing risks, risks from operations and risks on reputations, including determination of guidelines, policies and processes in control and reduction of such risks
3. To receive reports of the review results relating to the risk management and assessment from the Internal Audit Department of the Company
4. To review the disclosure of data relating to risks in Annual Reports of the Company and Form of Particulars of Annual Data (Form 56-1)
5. To review topics of risk reports as the Risk Management Committee may deem expedient from time to time

6. To take any other actions as assigned by the Board of Directors
7. To report the operating results and to give advice to the Board of Directors, and to report the assessment results, annual operations of the Risk Management Committee to the Board of Directors
8. To consider and give opinions on the draft of policies and framework of risk management, including determination of acceptable risks and deviation of levels of acceptable risks of the Company before submitting them to the Board of Directors for consideration, opinions and approval
9. To acknowledge, consider and give approval on the results of risk assessment, guidelines and measures of risk management, including action plans for management of remaining risks to ensure that the Company has adequate and proper management of risks
10. To supervise and support the risk management of the Company for attainment of the prescribed objectives and goals, and to recommend methods of prevention and reduction of risks to an acceptable level, to follow up action plans for reduction of risks in a continuous and proper manner to condition of business operation, thus, to ensure that such risks have been managed adequately and properly
11. To supervise and support the review of policies and framework of risk management, thus, to ensure that the existing policies and framework of risk management shall be proper and in conformity with the overall condition of the Company's business operation
12. To communicate and exchange data and coordination on risks and internal control with the Audit Committee
13. To continuously report the results of performance of duties of the Risk Management Committee to the Board of Directors for acknowledgment

Components, Appointment and Term in Office

1. The Risk Management Committee has been appointed by the Board of Directors to assist the Board of Directors in supervising the internal risk management to ensure that the Management responsible for organizational risk management shall effectively implement the risk management system completely covering types of risks relating to the Company's business operation.

2. The Risk Management Committee should consist of at least 3 members who shall be appointed and removed by the Board of Directors as per advice of the Nomination and Remuneration Committee; whereby, at least 1 member of the Risk Management Committee should be an independent director and shall have qualifications of independency as prescribed by the Company.
3. In case, a risk management director shall vacate the office due to causes other than retirement by rotation, the Board of Directors shall appoint a qualified person as a risk management director so that the number of risk management directors shall be complete as prescribed; whereby, the replacement risk management director shall assume the office for the remaining term of the retiring director.
4. The Chairman of the Risk Management Committee shall be appointed by the Board of Directors; meanwhile, the executive of the unit which has been assigned to supervise the risk management shall act as the Secretary to the Risk Management Committee.
5. A risk management director shall assume the office of 3 years each; and when the term in office thereof expires, such risk management director may be reappointed by the Board of Directors' approval.
6. A risk management director shall vacate the office upon:
 - (1) Retirement by rotation
 - (2) Resignation
 - (3) Death
 - (4) Removal from membership of the Board of Directors
7. A change of the Chairman of the Risk Management Committee shall not affect the assumption of office of other risk management directors.

Meetings

1. Organization of meetings: The Risk Management Committee shall convene meetings at least twice a year.
2. At each meeting, at least half of the total number of the risk management directors shall attend the meeting to constitute a quorum.
3. In case, the Chairman of the Risk Management Committee is absent, risk management directors who are present in such meeting shall select one director to act as the Chairman of the Meeting.



4. The Chairman of the Risk Management Committee may summon a meeting of the Risk Management Committee, in case, there are important issues of organizational risks which need to be discussed.
5. The Risk Management Committee may invite executives or related employees or other people who are deemed expedient to attend the Meeting to give opinions or to send necessary or related data or documents.
6. A risk management director who is a stakeholder in any matter shall not be allowed to attend the Meeting for consideration or casting of vote in such matter.
7. The Secretary to the Risk Management Committee shall be obliged to make appointments for meetings and to prepare meeting agendas and to send the supporting documents of meetings and Minutes of the Meeting; provided that an invitation to the meeting and the supporting document of meeting shall be sent at least 3 days before the date of such meeting.
8. Meeting Agendas: The Chairman of the Risk Management Committee shall have powers to approve the meeting agendas. The Chairman of the Risk Management Committee shall ask about meeting agendas and shall receive the data of each agenda in advance; whereby, issues for consideration include operations of new investment projects with the rate of investment of exceeding 30 million Baht.
9. Regarding the passing of resolutions of the Risk Management Committee, the Chairman and members of the Risk Management Committee shall have one vote each; and resolutions shall be passed by majority votes. In case of a tie, the Chairman of the Risk Management Committee shall have a casting vote; meanwhile, the Secretary to the Risk Management Committee and other meeting attendants (who are not the Chairman and risk management directors) shall not have the voting rights.
10. Reporting to the Board of Directors: The Chairman of the Risk Management Committee in cooperation of the Risk Management Committee shall jointly prepare reports and summary of main risks and issues to specify operations and trends of organization risks and shall report to the Board of Directors.

Review of the Charter

The Risk Management Committee may regularly review the appropriateness of the Charter on a yearly basis, thus, to ensure that the content of the Charter is in conformity with the Objectives and risk management strategies of the Company; whereas, the significantly revised Charter shall be approved by the Board of Directors.

Provided that the Company shall approve the appointment of the Risk Management Committee at the organizational level in addition to the Executive Working Group at the unit level. The Risk Management Instruction was promulgated on 10th May 2012 with the objective that the risk management shall be effectively in accordance with the policies under the same standard and in conformity with the international standard.

Scope of Powers and Duties of the Risk Management Working Group:

- 1) To determine the principle and criteria for risk management
- 2) To provide an annual risk management plan to be reviewed in every 6 months
- 3) To communicate with the related parties for understanding of the principle of risk management and for continuous operation on risk management
- 4) To evaluate risk management in the business operation on a quarterly basis
- 5) To submit the risk management report to the Risk Management Committee for acknowledgment on a quarterly basis
- 6) To operate other works

In 2021, the Risk Management Committee has convened 2 meetings to evaluate risk factors covering all units of the organization and to provide rankings of risks by taking account of frequencies, opportunities and severity of impacts, to determine guidelines for risk management and to assign the responsible person to provide measures for control and management of risks to be at an acceptable level; whereby, the evaluation of risk factors shall be taken account of environmental impacts in 3 aspects including economy, social and internal and external environment to create confidence to all stakeholders and to achieve the goals as prescribed by the Company.

Responsible Sourcing



Background and Relevance

As food and bakery manufacturer and service provider of more than 459 locations nationwide, S&P puts emphasis on delivering quality services and products, starting from an efficient sourcing process as the cornerstone with the selection of raw materials from production sources of quality, safety, available Traceability system, including identification and traceability of products so as to link production data at each stage of the value chain from upstream to downstream.

S&P has carefully planned the purchase of raw materials and packaging in every step, ranging from the selection of suppliers, quality of raw materials, receiving of raw materials, raw material storage, issue of raw materials and packaging, raw material preparation-decoration, cooking, packing, freezing, metal detection, packing, delivery, including transportation of goods and finished products before being put into the production process until reaching consumers. The purpose is to reduce the risks of raw materials, business interruptions as well as damage to the image of S&P.

Therefore, the customers can be assured that S&P's products are made from safe and quality raw materials as the basis, resulting in delicious and healthy food. Thus, S&P has grown up together with Thai society for a long time and has won the hearts of consumers of all ages and all occasions.

Commitment

S&P has been committed to selecting raw materials from production sources of compliance with the law, taking into account the impact on the economy, society and environment according to the principles of Responsible Supply Chain and strictly complying with S&P Code of Conduct for Business Partner, transparency and traceability throughout the entire production chain, including Forward (Raw material → Finished product) and Backward (Finished product → Raw material).

Moreover, S&P has a policy to support fair employment suppliers with employment by social responsibility in line with human rights principles. Also, S&P has strived to select the sources of raw materials directly from farmers to improve the quality of life for farmers and Thai communities to be able to develop products that truly meet the needs of consumers.

Goals

- S&P has responsible sourcing. S&P's suppliers accept and comply with S&P Code of Conduct for Business Partners 100%.
- S&P uses quality raw materials according to the standards set by S&P in terms of integrity, shelf life and size of raw materials, production standards as well as transport control. Every lot of raw materials must have the quality audited and passes safety standards before being used for production 100%.



Framework of S&P Code of Conduct for Business Partner

-  Legal compliance
-  Product and service safety
-  Environment
-  Human rights and labor
-  Health and safety
-  Anti-corruption
-  Giving and receiving gifts and entertainment
-  Conflict of interest
-  Intellectual property
-  Disclosure of information and data retention
-  Notifications and inquiries



Policies

S&P has been committed and determined to offer good products and quality services to satisfy consumers of all genders and ages. S&P has established, controlled, supervised and monitored every step of production, distribution, merchandising and storage of goods to meet international standards.

Therefore, all suppliers must cooperate and comply with S&P Code of Conduct for Business Partner in order to build confidence and satisfaction for consumers by being responsible for economic, social and environmental systems with determination to provide the best for customers as follows.

1) Focus on quality

S&P's suppliers must deliver the products that are fresh, clean, safe, free from contaminants of possibly affecting products and health of consumers by having to pass the criteria for assessing the capabilities of suppliers in terms of product quality, production quality, storage quality and transport quality by controlling the implementation of the norms of good product supervision. The purpose is to ensure quality, safety and reliability standards before reaching consumers.

2) Availability of the same and continuous standards

S&P's suppliers must be qualified according to the types of products sold, have been accredited for product standards pursuant to the government and S&P's rules. For example, main raw material products require standard certification documents. Containers and packaging products require standard control according to criteria. Because many types of S&P's products are specific (Specification), so the products must be sufficiently delivered to S&P within the specified period. Furthermore, the sources of raw materials must be traceable. There is a process of inspection during and after production, including risk management to prevent shortages of products and control of product prices to prevent significant fluctuations until affecting the management of S&P's production costs as well as readiness to cooperate in solving problems in case of emergency.

3) Supporting and developing suppliers, business partners and farmer groups from upstream sources

S&P believes that one factor in supporting S&P's success is its business partners. The business to grow sustainably arises from mutual cooperation in the development of progress between the company, suppliers, partners to grow together. Therefore, S&P is ready to enhance the capabilities of suppliers by exchanging experiences from research and development of knowledge of more than 48 years, including counselling by experts, readiness to jointly solve problems and provide assistance to suppliers as appropriate. Besides, S&P supports the stability for suppliers by planning long-term marketing and production for suppliers' confidence in the production and provision of standardized and reasonably priced products for S&P.

More importantly, S&P also has a policy to support raw materials from the farmers' plots directly, including community products for driving organic farming instead of chemical farming, resulting in being informed about the characteristics of cultivation from production sources from upstream. So, it is certain that the raw materials used by S&P are safe and generate incomes for the communities for farmers to receive fair product prices, create a better quality of life for Thai farmers sustainably.

4) Anti -corruption in the procurement process

S&P has the criteria and regulations for the procurement process with transparency, selection and doing business with suppliers ethically, adherence to the principles of trading integrity. Apart from receiving good products and services of quality at reasonable prices, being able to deliver products by the specified time, S&P does not want anything else from suppliers and has a policy of not accepting gifts and bribes from suppliers. Moreover, S&P has started E-Auction for the prices of raw materials and packaging with high purchases in 2018. The suppliers who have been selected for quality products for trading must sign S&P Code of Conduct for Suppliers. Also, the suppliers are assessed after trading according to monthly and yearly time frames in order to maintain standards and improve operational efficiency in doing business together.

5) Efficient warehouse management

In the management process of procurement and warehouse departments, the joint work plan has been established to guide product management and supervision to support the demand for use and the growth of sales. Estimates are provided for the quantities of goods and raw materials used in various jobs to be related to the demand consistent with the production, sales and marketing plans. The methods to manage warehouse, inventory, the methods of controlling the issue, shelf life, transport vehicles and methods for delivery of goods to sales points and external customers are established. There is recording and monitoring, which has positive effects on the administration and management of product costs as a whole, reducing losses. There is coordination with the research and development department, marketing department to plan the sourcing of raw materials, containers and packaging suitable for the present. A plan is available to handle raw materials with the properties fluctuating or changing with the seasons by determining transitional features and finding replacement products.



Management guidelines

S&P has the criteria for sourcing new suppliers with transparency. Emphasis is put on the quality of raw materials and products mainly as well as considering evidence of legitimate business operations, including having to conduct business with responsibility towards economic, social and environmental systems. Furthermore, S&P's suppliers must accept S&P Code of Conduct for Business Partners in order to comply with the sustainable sourcing policy and in line with the vision of S&P "Healthier Family, Happier World".

Practice guidelines for sustainable purchase, sourcing

Criteria for evaluation and selection of suppliers (Audit protocol)

1. New suppliers

S&P has the criteria for assessing and selecting new suppliers based on "quality of goods" mainly. The criteria are available for Environmental, Social and Governance assessment or ESG, including the ability to deliver goods for considering the selection. The procedure is as follows.

1.1 The supplier must send product samples to S&P for quality testing and evaluation by joint consideration between the procurement department, research and development department, marketing department and sales department. The criteria for consideration include product quality and standards, freshness, taste, nutritional value, non-toxicity, packaging and corporate image.

1.2 The supplier who passes S&P's quality assessment will offer product prices (Quotation) for S&P to assess the product cost and price before agreeing on the purchase-sale price.

1.3 The suppliers must pass ESG qualitative management assessment in the form of Self-Assessment Questionnaire (SAQ) for evaluating evidence of legitimate business license and the certificates of production standards, quality system and product standards such as FDA standards. Supplier Assessment Questionnaire consists of evaluation in 7 aspects as follows.

- 1) Product quality assessment
- 2) Transportation and delivery of goods
- 3) Product cost and price
- 4) Service
- 5) Environmental management (Environment)
- 6) Social management
- 7) Governance

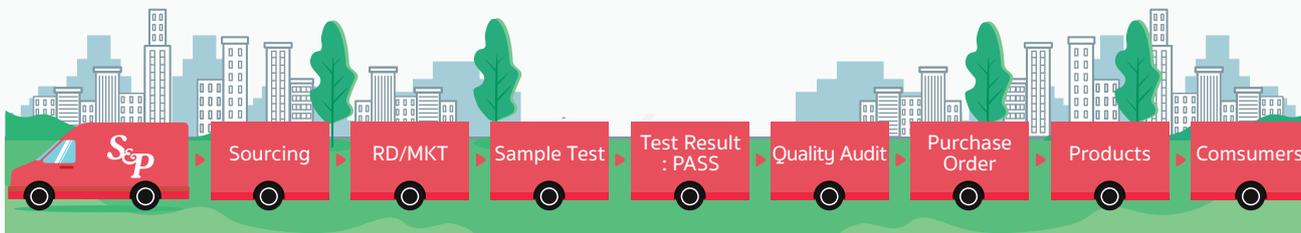
1.4 The supplier with high trading value must be assessed at the business place (Site Audit) by the purchasing quality assurance department and the production quality assurance department of S&P.

1.5 The supplier who passes the purchase-sale selection criteria must sign an acknowledgment and acceptance of "S&P Code of Conduct for Business Partner" to be standards, practices for doing business together.

1.6 The supplier who has been assessed in all aspects will be registered as new vendor on Approve Vender List (AVL) of S&P.



Processes for responsible Sourcing



2. Current suppliers

S&P has the criteria for evaluating current suppliers based on “product quality”, “price”, “risk factor” and “operational performance”, including ESG assessment with the following steps.

2.1 Consider the results of the annual supplier quality assessment by summarizing the operating results through SAP system recorded by the quality assurance department (QA Audit) every time after checking product quality standards and receiving raw materials and packaging, together with the assessment from QA of each department responsible for inspecting products to verify each other before being used to make products.

QA

Purchasing-Procurement Section

- Check raw material standard documents and evaluate suppliers in ESG to develop suppliers annually before and after purchasing.
- Assess the quality of raw materials.

QA

Warehouse Section / QA Factory

- Check the quality and standards of raw materials before receiving raw materials into the warehouse.
- Check quality and safety standards of products in the production line before sending from factories to S&P shops.

QA

Branch Operations Section

- Check the quality and shelf life of products at the branches to meet the specified standards.

2.2 For low-risk suppliers, S&P requires an annual ESG qualitative management assessment in the form of Self-Assessment Questionnaire (SAQ), which comprises 7 aspects of evaluation as follows.

- 1) Product quality assessment
- 2) Transportation and delivery of goods
- 3) Product cost and price
- 4) Service
- 5) Environmental management (Environment)
- 6) Social management
- 7) Governance

2.3 The suppliers with the performance through SAP system at level D or in the level of “recommended improvement” will be classified as high-risk suppliers. S&P will issue the letter explaining the assessment results to suppliers to correct the defects from assessment. In particular, for suppliers that do not pass the quality assessment criteria, S&P will visit the assessment site (Site Audit) (by creating an annual supplier assessment plan, Supply Chain Audit, the production facility, production process, product quality management and transportation) to further ameliorate the competencies of suppliers.



Additionally, S&P also considers training to develop the competencies of suppliers, exchange experiences between suppliers and award the certificates of honors for suppliers on suitable occasions.

Criteria for risk assessment and supplier rating divided by scores as follows:

Supplier Level (Grade)	Rating	Interpretation
A	100-86	Very good
B	85-71	Good
C	70-56	Fair
D	Less than 55	Recommended improvement

2.4 Criteria for selecting suppliers that require On-site Audit annually

- 1) Suppliers with the top 10 highest purchase order value by rotation every year
- 2) Suppliers with the top 5 quality problems detected of the product group
- 3) New suppliers contracted by S&P to make products or new suppliers with joint promotions

In this regard, a plan for randomly assessing the quality of suppliers must be jointly created between the branch operations department, bakery factories, food factory and purchasing-procurement department not less than 25 cases per year and the frequency of audit is at least 1 time per year.



Performance

Number of suppliers with audited quality for the year 2021

Supplier Type	Number (Person)	Number of suppliers who have passed the audit	
		Self-Assessment Questionnaire	Site Audit Remote Auditing
Raw materials	21	20	1
Packaging	8	7	1
Total	29	27	2

Note: In 2021, S&P conducted Site Audit by Remote Auditing (Virtual) due to the epidemic situation of COVID-19. according to Social Distancing measures.

Summary of supplier audit results in 2021. No unusual issues were found. Besides, no food safety and raw material risks were found. However, the problems were found relating to the traceability system of raw materials used in the production process for some suppliers.

As a result, S&P was unable to trace all products. S&P has had solutions to the problems by assigning the indicative symbols with the date of receiving raw materials / production model and adjusting the type of document form recording to be able to link raw materials in each production step, including establishing a supplier traceability plan at least once a year.

Moreover, in 2022, S&P has planned to revise the supplier selection assessment form by adding the criteria covering detailed ESG issues in more depth so as to select suppliers with capabilities according to business practices that are consistent with S&P and grow together sustainably.

Criteria for selecting suppliers for ESG Audit

S&P has additional criteria for assessing Sustainable Supply Chain Management as follows.

1. Environment

- The supplier has announced a policy on the environment and responsibility for natural resource care to ensure that natural resources are managed sustainably.
- Conservation of natural resources, preserving and knowing how to use natural resources for maximum benefit and value, including improving waste for reuse
- Arranging the projects / plans / activities that promote employees' awareness and participation in environmental practices continuously
- The supplier must have a sustainable procurement process that covers environmental issues.
- Last year, S&P had no complaints about deficiencies in pollution management and control. Or in case of complaint, S&P analyzed the problem and took remedial action already.

2. Society

- There is a procurement policy that takes into account human rights principles in the supply chain.
- The supplier has a policy against the use of illegal labor such as slave labor, child labor.
- The supplier employs and takes care of the company's employees in accordance with legal requirements such as paying compensation based on minimum wage rate, arranging hygiene and safety of business place.
- In the past 3 years, the company has never been sued by employees for labor lawsuits in unfair dismissal case.

3. Governance

- Preventing access to internal information (Insider Trading) to seek personal benefits or those of friends
- Conduct of business with integrity and fairness, adherence to legal compliance, transparency in corporate management according to the principles of good governance and business ethics
- There is appropriate risk management, including preventing corruption, preventing conflicts of interest for the highest benefit fair to stakeholders.



Supply Chain Management

Economic risk management of suppliers

S&P prioritizes its suppliers by evaluating the importance of suppliers according to product category and trading value, including assessing the level of supply chain risks and the impact on S&P's incomes for efficient management of the supply chain and the risk management system so that S&P can operate continuously without interruption. S&P uses the principles of Purchasing Matrix as follows.

Prioritization of Business Partners

1. Raw material products - Food

Tier 1 High-risk, high purchase value vendors

S&P manages the risks of these suppliers by sourcing raw materials from Multiple Suppliers and Supplier Relation Management.

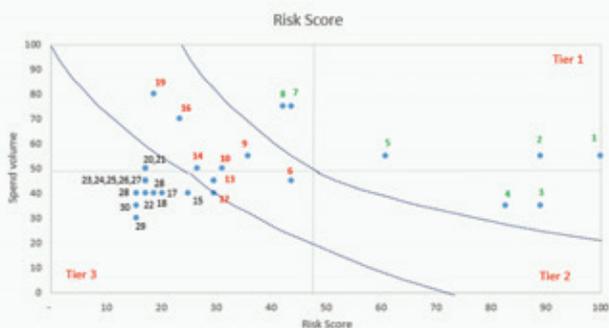
Tier 2 Medium-risk, high purchase value vendors

S&P manages the risks of these suppliers by sourcing raw materials from Multiple Suppliers and Supplier Relation Management.

Tier 3 Low-risk, high purchase value vendors

S&P manages the risks of these suppliers by sourcing raw materials from Multiple Suppliers and Supplier Relation Management.

Number of Raw Material Suppliers



2. Packaging products

Tier 1 High-risk, high purchase value vendors

S&P manages the risks of these suppliers by sourcing packaging from Multiple Suppliers.

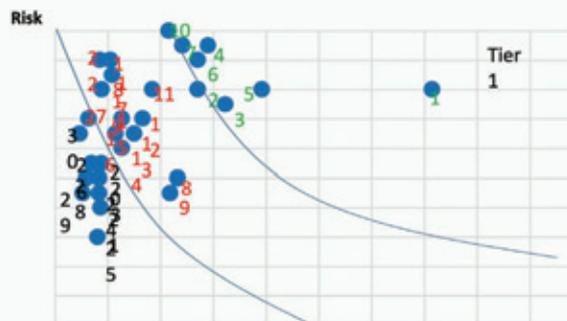
Tier 2 Medium-risk, high purchase value vendors

S&P manages the risks of these suppliers by sourcing packaging from Multiple Suppliers and Supplier Relation Management.

Tier 3 Medium-risk, low purchase value (less than 10 million) vendors

S&P manages the risks of these suppliers by making procurement from Multiple Suppliers.

Number of Packaging Suppliers



However, for suppliers of trading goods with high volume and purchase value, in order to reduce the risks in trading, S&P will require making the trading contract for suppliers' confidence and ability to prepare production of sufficient quantities of raw materials and packaging throughout the duration of the contract sustainably.

Number of Suppliers and Managing Approaches in 2021

Tier	Number of Raw Material Suppliers	Number of Packaging Suppliers	Solution Approaches
Tier 1	7	5	Multiple Supplier / Supplier Relationship
Tier 2	8	15	Multiple Supplier / Supplier Relationship
Tier 3	15	10	Multiple Supplier / Supplier Relationship
Total	30	30	

Note: Due to the epidemic situation of COVID-19, so S&P temporarily stopped the Supplier Relationship activities, viz. knowledge sharing activities in the context of external supply chain integration.

Social and environmental risk management of suppliers

For the outbreak of COVID-19 epidemic, S&P has implemented risk management. All suppliers must report measures to prevent COVID-19 infection, including reporting the number of infected persons and management guidelines of suppliers to confirm the safety of product quality for S&P.

Furthermore, there has been Video conferencing to monitor suppliers regularly as well as notify the movement of raw material estimates closely on a daily basis, especially during the heavy epidemic, affecting the uncertainty in the quantities of raw material purchase orders to ensure proper stock preparation, not to have shortages of raw materials or have more raw materials than required to the extent of being a burden for both parties.

As to public danger risks, e.g. natural disasters, floods, droughts, animal epidemics and pest infestation, etc., which affect the quality and quantities of agricultural raw materials, causing suppliers to be unable to deliver sufficient raw materials or increased prices, so as to prevent such impact, S&P has operated by sourcing multiple suppliers for reserve demand, including setting up backup standards to have sufficient raw materials for use in case of temporary necessity.

Performance

Performance	2019	2020	2021
Total number of suppliers	1,958	2,122	2,248
Number of new suppliers	227	164	126
Number of new suppliers who acknowledged and accepted the Code of Conduct for suppliers	100%	100%	100%

HIGHLIGHT Case: Projects and Benefits entitled by the Organization

Project on selection of good quality raw materials directly sent from Thai farmer farm: Cage free eggs, “Chicken eggs from happy hens”



S&P has put emphasis on the promotion of animal welfare, raising chickens without cage or Cage Free according to the principles of animal welfare in 5 respects as follows.

1. Freedom from hunger and thirst
2. Freedom from physical discomfort
3. Freedom from pain and disease
4. Freedom from fear and suffering
5. Freedom to show natural behaviors

Therefore, SNP has gradually adjusted the raw materials of egg menu by selecting ‘eggs from happy hens’, quality fresh eggs free of toxin, antibiotics and growth accelerators from a production source certified according to international standards at Akara Group Egg Farm, Nakhon Nayok Province.

In 2021, S&P served Cage Free egg meals totaling 1,769,364 eggs for various soft egg rice menus such as ‘stir-fried holy basil chicken and soft egg rice’, ‘fried chili shrimp soft egg rice’ and ‘Kurobuta pork fried with garlic and pepper, soft egg rice’, etc. to provide our customers with diets good for both physical and mental health.



S&P visited organic salad farmers, Chiang Mai Province



S&P chooses organic salad products because ‘organic’ is not only good for consumers’ health, but is also good for the whole food chain system. Apart from being good for farmers’ health, cultivation without the use of chemicals is also good for the natural ecosystem in a balanced way. S&P believes that everything must support each other for sustainability.

In 2021, S&P visited organic salad farmers at Doi Inthanon, Chiang Mai Province to select the best quality raw materials of ensured freshness, cleanness and non-toxicity to create S&P food items for special health lover customers.

Mr. Anuwat Thulay and Mr. Wisut Sakchatbamrungskul, farmers who grow organic green oak salad vegetables and organic cos vegetables for S&P under the supervision of Natural and Premium Food Co., Ltd. (N&P) told as follows. “Before growing organic vegetables for S&P, we had many years of experience in cultivation under the Royal Project. However, due to a large number of farmer members under the Royal Project, so we could deliver vegetables once a month only, hence insufficient income and a surplus of production left behind. We are now able to continually deliver products to S&P in large numbers, resulting in enough income to take care of the family, be an educational fund for children, including creating a better quality of life as well.”

S&P organic salad vegetables are delivered directly from Doi Inthanon, Chiang Mai Province with the cold weather all year round. So, vegetables have a sweet and crispy taste and were certified to meet organic farming standards by the Ministry of Agriculture and Cooperatives, including organic farming standards BioAgriCert (BAC) by Bioagricert (Thailand) Co., Ltd., a subsidiary from Italy to create various menus in S&P shops. S&P has strived to select fresh, clean and safe raw materials to create good health and happiness for our customers continuously while encouraging Thai farmers to have sustainable incomes together.



S&P continuing the project to support organic farming of Nan Organic Farming Community Enterprise Network



S&P has continued the project on organic farming of Nan organic farming community enterprise network according to the policy on “Large Plot Farming” of the Ministry of Agriculture and Cooperatives by having previously signed a Memorandum of Cooperation (MOU) as a market for fixed products. The objectives are to encourage farmers to group and manage together as well as develop quality and standardized products, deliver safe agricultural products according to GAP standards and Participatory Guarantee System (PGS) by purchasing products at higher

prices than chemical planting. For the year 2021, only in December, S&P purchased golden oranges from farmers under the project totaling more than 15.9 tons valued at 604,200 baht. This could support 103 members of Thung Chang District Agriculture Office with a plantation area of 807 rai.

Thus, S&P’s organic 100% freshly squeezed orange juice is made of golden oranges from Nan Province, which are safe and chemical-free with registered Geographical Indication (GI) as marking applicable to goods of specific origin or local products indicative of the quality and origin of goods from the Department of Intellectual Property, Ministry of Commerce.



Food Quality, Safety & Nutrition

Background and Relevance

Product Research and Development

Food, bakery and drinks

From the ongoing epidemic situation of COVID-19, so it is important to choose to eat food that is cooked, clean and hygienic. Moreover, choosing nutritious food and drinks appropriate for the gender, age and daily activities of each individual also helps to strengthen the body, have good immunity, not easily get sick. Professor Emeritus Dr. Kraisit Tantisirin, former Food and Nutrition Director, Food and Agriculture Organization of the United Nations or FAI headquarters, Rome, Italy and former director of the Nutrition Institute, Mahidol University provided information through the Ministry of Public Health partly as follows. “Everyone must build a strong immune system by eating food of 5 categories diversely, completely and sufficiently, not eating too much until becoming fat, emphasizing vegetables, herbs by eating in the form of food. Eating in the form of food will not provide nutrients and non-food substances, but the benefits are sufficient, not much to cause harm because the stomach is limited in size. Besides, to eat herbs in the form of extracts, it is advisable to find accurate and complete information before purchasing. The good internal immunity will be a shield to prevent germs from entering the body easily, or after entering the body, it will help reduce the severity of the disease.”

As a leader in Thai food and bakery business, S&P has been determined to create and develop food, bakery and drink items by taking account of regularly increasing the nutritional value for consumers with the selection of natural raw materials beneficial to the body under the concept of “From farm to plate, make food safe.” of the World Health Organization, including promoting healthy choice factors, namely providing traceable information about raw materials and origins of food and drinks. The purposes are to ensure that S&P food comes from safe sources, pays attention and gives importance to the production of quality, clean and proper food according to the principles of

nutrition with the hope that our consumers are healthy, disease-free and live happily.

Especially during the epidemic situation of COVID-19, S&P has increased strict preventive measures to control the quality of raw materials and all production steps to meet the highest safety and hygiene standards, build customers' confidence that S&P's products create happiness from quality raw materials, delicious taste and truly deliver good health to consumers according to guidelines “Food Safety, Staff Safety and Customer Safety.”

Services and Quality

The epidemic situation of COVID-19 causes consumer behavior to change, affecting business operations. Thus, S&P has attached importance to the quality of products and services so that customers can buy products with more convenience, peace of mind and safety by adjusting various strategies to cope with rapidly changing situations and in line with the lifestyles of modern consumers with diverse forms. The examples are as follows.

- 1) **S&P Bakery Mart:** Bakery shop with the concept of ‘Life Style and Convenient Bakery Shop’ on an area of 60 square meters or more. Over 400 items of products are available to service, grouped into clear categories for the convenience to buy.

In 2021, seven S&P Bakery Marts have already opened in Bangkok Metropolis and its nearby provinces. There is also a plan to expand S&P Bakery Marts to continually increase.



2) S&P Production Hub: Bakery production hub for distribution to S&P restaurants and bakery shops in nearby areas to control the production and product quality to meet S&P standards. Emphasis is put on S&P Restaurants and Bakery Shops that open from the morning such as hospitals and office buildings. When products are delivered to the storefronts, staff can place products in time when opening the shops. Customers will be satisfied with a variety of products and recommendations from storefront staff that serve customers to their full potential. In 2021, nine hubs have already operated by being able to distribute products to S&P Restaurants and Bakery Shops up to 96 branches. There is also a plan to continuously expand to enhance the capacity of business operations.

3) S&P Delivery1344: In 2021, S&P attached more importance to sales through delivery channels by expanding the delivery areas to cover the whole country through over 300 branches of S&P shops and cooperated with business partners (Food Aggregator) to facilitate and continually create special promotions for customers, e.g. Grab Food Line Man and Food Panda. Moreover, new online platforms have been developed to make it easier and more convenient to use, including S&P Delivery application and www.snp1344.com.



4) DelTA (Delivery & Take Away): S&P shop in the model of Convenient Bakery Shop with built-in kitchen for cooking to serve customers desirous to buy products to take home and in the form of delivery. Also, a new style Thai food menu has been launched “Thai Side Dishes” and “Pound Cake” worthwhile for customers, including being able to deliver food to customers faster. In 2021, 29 DelTA shops have opened in Bangkok Metropolis and surrounding provinces.



5) S&P Marketplace from the campaign “S&P Marketplace” or ‘Full S&P Marketplace’, 130 branches nationwide. During the closing of restaurants in the middle of 2021 due to the epidemic situation, S&P has continued its success by redesigning the shops with an area of more than 200 square meters to include internal dining zone and S&P Marketplace so as to create a new experience for customers to choose from a variety of quality products to take home (Take Away) with special promotions continuously.



Commitment

Food and drinks

S&P has operated its business with commitment to serving health-conscious Thai food with eco-friendly brand strategy. There is Supply Chain Management by rigorously considering suppliers and selecting local raw materials that are safe, traceable as basis, leading to a better quality of life for customers as well as farmers and Thai society.

S&P has also been committed to researching healthy menus with integrated operation between the nutrition research and development, procurement and marketing departments for sustainable management throughout the business value chain as well as building cooperation with health and public health partners to bring knowledge to develop products and disseminate nutrition information, facts that are useful and reliable to customers, including development of food items and the nutrient content according to good nutrition based on deliciousness, e.g. low-sodium food items, organic food items and Thai food items with a variety of herbs to help strengthen the immune system of today's consumers.

Amount of food that should be eaten in a day

Food Group	Unit	1,600 kcal		2,000 kcal	2,400 kcal
		Male Age 9–13 years/ Female aged 14-18 years	Female	Male, 14-18 years old	Energy-hungry teenagers/ athletes
Rice-starch	Ladle	8		10	12
Vegetable	Ladle	4		5	6
Fruit	Portion*	4		5	5
Meat	Rice spoon	6		9	12
Milk	Glass	2		2	2
Oil	Teaspoon	5		7	9
Sugar	Teaspoon	4		6	6
Salt	Teaspoon	Use only as little as necessary, no more than 1 teaspoon per day.			

* One portion of fruit: provides 60 kilocalories of energy, quantity equal to 1 small banana or 5 rambutans or 8 bite-sized pieces of ripe papaya or ½ medium-sized guava.

Reference: The amount of food that should be eaten in 1 day according to recommendations of the Nutrition Department, Faculty of Medicine, Siriraj Hospital



Bakery

S&P has strived to produce bakery products that do not contain trans fat since 2006. Trans fat can increase the level of bad cholesterol (Low Density Lipoproteins) or LDL fat and reduce High Density Lipoproteins or HDL, which is the good fat, there by adversely affecting health such as causing heart disease, clogged arteries and high cholesterol. This may also be a factor in inducing diabetes, some cancers and allergies. S&P has cooperated with more than 100 suppliers in stopping using trans fat as raw material with confirmation from all suppliers and the products have been continuously inspected. Therefore, it is certain that all S&P bakery items do not contain Partially Hydrogenated Oils, which are important sources of Trans Fatty Acids in response to S&P's policy of focusing on delivering quality and safe products, including specifying components clearly on product labels for information in considering the purchase of products for consumers.

Furthermore, S&P has also developed healthy bakery products by adding grains or super food of various kinds to bakery products so as to increase nutrients and health benefits, including reducing sugar and butter cream content used for bakery decoration so as to create happiness from celebrations on various occasions regularly.

Services and quality

S&P uses the QSC (Quality Service and Cleanliness) system, which is a standard covering quality, services and cleanliness in the efficient storefront system management. There are clear assessment process and performance indicators. The objective is to provide S&P customers with quality food and services under the same standard of 459 branches across the country. The practices found to be inconsistent with critical regulations (Critical) will result in not passing the assessment in that category of evaluation immediately. The purpose is to make every branches realize and pay utmost attention to quality, services and cleanliness.

The department responsible for quality has set operational goals as follows.

1. Every S&P shop has 100% QSC check fully.
2. Every shop of checking QSC must have a score higher than 85%.
3. QSC check must be correct according to standards 100%.

There are responsible persons at each level to review the work as follows.

1. The branch manager audits the shop once a week.
2. The area manager audits the branch once a month.
3. The quality department audits the branch at least once a year.

In addition, S&P has also applied for quality system certification in various items, namely

1. GMP: CODEX system
2. Food service for tourism standards
3. Food Safety system, etc.



Goals

S&P sets operational goals for food quality, safety and nutrition to create food security for consumers through safe production process and superior quality food and nutrition. The Company aims to achieve the following targets in 3 areas by 2025:



* Qualification of “Healthier menus” that the Company specified

Features of Healthier Menus	
1. A group which requires reduction of unhealthy nutrition.	
<ul style="list-style-type: none"> • Sodium 	<ul style="list-style-type: none"> • Reduce the sodium content by at least 10% from the original amount • For new products, average sodium content would not be more than 660 mg/menu
<ul style="list-style-type: none"> • Sugar • Fat 	<ul style="list-style-type: none"> • Reduce sugar content by 10% from the original product • Reduces fat content by 10% from the original product
2. A group which requires addition of good nutrition	<ul style="list-style-type: none"> • Increase nutritional/food value by at least 3-5% such as vitamin, fiber • Add good and noticeable amounts of ingredients such as Superfoods
3. Organic products	<ul style="list-style-type: none"> • Menus that contain at least 25% of organic ingredients

Management approaches

Consumer responsibility

S&P has a policy focusing on producing quality, safe and nutritious goods and products according to the law and international quality standards. There are processes of control throughout the supply chain, ranging from raw material quality, cleanliness, safety of production process, attention to cleanliness and quality of staff, consistent product quality as well as a process of delivering products from factories to the storefronts with a system of tracing information until being sent to consumers safely, causing confidence in every piece of S&P products.

Additionally, S&P has been determined to manage business operations for balance in economic, social and environmental terms continuously in order for S&P to grow sustainably, be recognized in respect of quality standards of products, services as well as social and environmental responsibility to respond to domestic and foreign customers according to S&P's pledge of "Healthier Family, Happier World".

Guidelines for developing food and drink items

S&P focuses on the development of food, bakery products and drink items of promoting Wellness with deliciousness as basis from the selection of good, quality and fresh raw materials mainly as well as promoting the display of nutrition information on food labels in various forms for consumers' information to make decisions about purchasing products that are truly appropriate for each individual's health as follows.

1. Development of nutrition symbol "Healthy Choice" according to guidelines on promoting the use of simple nutrition symbol
2. Providing energy information of food, bakery and drink menus
3. Providing information on the amount of sodium, sugar, fat or raw materials with health benefits

1. Healthy food menu

In 2021, S&P developed the Wellness Menu campaign, a comprehensive healthy menu from S&P of more than 50 items designed by chefs and nutritionists, including a set arrangement service in the form of Meal Plan for customers to get the right nutrients each day. Apart from deliciousness, there are also the following features.

- Low calories, good for health
- Low-fat protein source
- Focus on dietary fiber
- Use of unrefined, whole wheat flour
- Use of low-sodium seasonings
- Free from preservatives



Wellness Set Menu

อร่อย และดีต่อสุขภาพ ปุ่สสดใหม่ทุกวัน

ซองราคาแนะนำ 465 บาท

อาหาร 3 รายการต่อวัน

จานเส้น / สลัด / ซุป	kcal	กับข้าว	kcal	อาหารจานเดียว	kcal	Total kcal
SET 1. ซิซาร์สลัดอกไก่ โยเกิร์ต	346	หมูขี้เหล็กโรตีสายไหม	366	ปลาสดที่ทอดกับ ผักขมผัดกุ้ง	411	1,123
SET 2. ซุปไก่ทรงเครื่อง ผักสด	247	ข้าวเหนียวผัดไข่ ผักโขม	325	ข้าวหมูกรอบผัดขี้เมา	654	1,226
SET 3. สลัดอกไก่ ผักสด	454	กุนเชียงผัดไข่ ผักสด	389	ผัดไทยหมูกรอบผัดขี้เมา	562	1,405
SET 4. สลัดอกไก่ ผักสด	418	ปลาหมึกผัดขี้เมา	195	ซีฟู้ดโรตีสายไหม ผักสด	503	1,116
SET 5. สลัดอกไก่ ผักสด	497	อกไก่ย่างผัดขี้เมา ผักสด	474	หมูขี้เหล็กโรตีสายไหม ผักสด	529	1,500
SET 6. สลัดอกไก่ ผักสด	413	โรตีสายไหมผัดขี้เมา ผักสด	518	ข้าวหมูกรอบผัดขี้เมา ผักสด	296	1,227
SET 7. สลัดอกไก่ ผักสด	328	ปลาหมึกผัดขี้เมา	273	หมูขี้เหล็กโรตีสายไหม ผักสด	657	1,258

* 561 กิโลแคลอรีต่อซอง *

โทรโทรพวง 0800-1200561 | คาเฟ่, หมูขี้เหล็กผัดขี้เมา 120 บาท



Moreover, S&P continues to serve low-sodium food items “Delicious, Low Sodium, Healthy Menu” (Healthy Low Sodium) to encourage consumers to eat food with a sodium content not more than 650 milligrams per 1 meal. The right sodium content to consume per day is 2,000 milligrams according to the Ministry of Public Health’s announcement. Available at 18 hospital branches.

2. Healthy bakery

In 2021, S&P developed healthy bakery items according to the rules of the Ministry of Public Health with certified “Healthier Choice logo” in line with criteria promoting the use of simple nutrition symbols. (For more details, see the chapter “Responsible Marketing and Product Labeling”.)



Besides, mooncakes filled with Mon Thong Chinese Wolfberry salted egg lava were also developed. Chinese Wolfberry is an herb or medicine according to traditional Chinese medicine formula. The Thai Health Promotion Foundation provides nutrition information of Chinese Wolfberry that this raw material is rich in many vitamins and minerals such as vitamin C, fiber, iron, vitamin A, zinc, antioxidant, also rich in 8 types of amino acids essential for the body. S&P mooncakes contain about 10 grams of Chinese Wolfberry or goji berry/piece or 6% of the total ingredients.

3. Healthy drink menu

The drinks with certified “Healthier logo”

standard for limiting fat and sugar content from Mahidol University for consumers’ good health include Jasmine Tea and Hot Flower Oolong Tea, Doi Chaeng Hot Chamomile, Hot Mint Cranberry, Hot Apple, Hot Earl Gray, Cold Brew Coffee Americano, Cold Brew Cranberry Apple Tea and Organic Cold Brew Oolong Tea.



In 2021, the situation of COVID-19 created travel restrictions. Therefore, S&P developed Cold Brew Coffee produced from 100% authentic Arabica coffee in ready-to-drink bottled form that provides only 10 -kilocalorie energy with certified “Healthier logo” for consumers to be refreshed during the day with more convenience and peace of mind.

Furthermore, there are another 3 items of UHT ready-to-drink fruit juices with certified “Healthier Choice logo”, namely red grape juice, Valencia orange juice and apple juice mixed with pomegranate juice as well.



Organic Drinks



S&P has been committed to developing food items from “organic farming products or organic products “ because of coming from natural production processes, being free from the use of chemicals and non-toxic as an alternative for health lovers.

In the past year, S&P developed “UHT organic soy milk” product, plant-based milk with certified “Healthier logo” that is high in protein, contains only 2% sugar, has a delicious, mellow taste, is easy to drink and does not contain milk powder as an alternative for the persons who do not eat meat, are allergic to cow’s milk or have abnormal lactose digestion. Apart from being good for consumers’ health, it is also good for farmers’ health from the cultivation that does not use chemicals and good for the ecosystem as well.

It also continues promoting organic fruits from farmers of organic cultivation, which are used to produce freshly seasonal squeezed juices such as “Organic Golden Orange Juice” from Nan Organic Farming Community Enterprise Network, “Organic Guava Juice” from Sampran Model Farmer Network Group, “Organic Sparkling Mulberry” Mulberry juice from Doi Kham grown by organic farming from Nong Phai School that received the seeds from Chalerm Phrakiat Sakon Nakhon Silk and Mulberry Center and organic matcha green tea drink directly sent from the farms of planting and care according to the authentic Japanese style in all steps from planting, maintenance and collecting tea leaves in an organic way, being served for the menu “Organic Matcha Green Tea Smoothie”, “Organic Matcha Green Tea Red Bean Smoothie”, “Organic Matcha Green Tea Iced Latte” and “Organic Matcha Green Tea Iced Latte with Red Bean” of deliciousness, freshness responding to health lovers.



โภชนาการสำหรับผู้สูงอายุ
เพื่อเสริมสร้างระบบการทำงานของร่างกาย

โปรตีน
สารอาหารหลักที่ช่วยเสริมสร้างกล้ามเนื้อ และช่วยในการซ่อมแซมร่างกายที่ได้รับบาดเจ็บ

แคลเซียม
ช่วยในการเสริมสร้างกระดูก และช่วยในการดูดซึมวิตามินดี

ใยอาหาร
ช่วยในการขับถ่าย และช่วยในการลดคอเลสเตอรอล

กรดไขมันโอเมก้า 3
ช่วยในการลดคอเลสเตอรอล และช่วยในการลดความดันโลหิต

รู้หรือไม่...?
ผู้สูงอายุควรได้รับโปรตีน 1 กรัม / ปอนด์ (กิโลกรัม / วัน) ซึ่งผู้ที่มีน้ำหนัก 50 กิโลกรัม ควรได้รับโปรตีน 100 กรัม

แบรนด์ของผลิตภัณฑ์ S&P ถูกออกแบบมาให้มีประโยชน์สูงสุด * มาเลือกพิชิตพิชิต * (Healthier Choice) โภชนาการ

WIPU 4 times 54 kcal

4. Ready-to-eat food with certified “Healthier logo”



S&P developed 1 product with certified “Healthier Choice logo” from Mahidol University for consumers’ good health, namely fried pork with garlic and pepper rice (S&P Easy Meal brand).

Services and quality



In the past 2021, the COVID-19 epidemic situation continued. Therefore, the shop fronts, food factory and bakery factories have focused on quality, cleanliness, safety by complying with preventive measures for the spread of COVID-19 at the highest safety level continuously until becoming New Normal by screening all types of production factors, every piece, including the hygiene of outsiders coming to contact, operational staff and families

so as to assure customers and consumers that all persons involved in the production process, including all pieces of products have passed the standards of quality and care for cleanliness, safety before being passed on to consumers.

Additionally, S&P has also strived to improve the working efficiency by bringing technology to help in working of the factories, the storefronts and delivery services by developing the applications and website for easy access in collaboration with various food delivery platforms with promotions to reduce costs for customers, developing Cashless Payment system and increasing the number of riders for delivery services 1344 rapidly, enhancing the quality of services for convenience and responsiveness to customer needs.

As a result, S&P has been able to compete and grow in business sustainably.

Food production line



Management system

S&P food factories are managed under the quality policy. The goals are to create food security by laying the foundation from the development of personnel to build Food Safety Culture, improve the quality management system of meeting international standards in accordance with the law and control throughout the value chain from the quality of raw materials, products and the use of consumers, including information traceability system for consumers’ confidence in the quality and safety of S&P products.

Operating Results

Healthier menus

Menus	No. of developed menus (items)			Sales Volume		
	2019	2020	2021	2019 (MB.)	2020 (MB.)	2021 (MB.)
Low Sodium menus	7	-	-	2.10	0.5	0.035
Organic menus	7	-	-	24.43	26.07	39.96
Healthier Choice drinks	9	-	5	40.41	20.96	26.89
Healthier Choice ready-to-eat food menus	1	-	-	8.54	4.58	2.87
Sugar reduction bakery products	8	-	-	627.20	167*	133*
Healthier bakery products	3	2	2	8.10	3.49	25.45
Wellness Menu	-	-	50	-	-	0.053
Total	35	2	57	710.78	222.6	255.15
Grand Total		94			1,188.53	

Remark: *For 2020-2021, sales of the Delight Pound Cake have been suspended, resulting in a significant drop in sales.

Operating Results on Standard for food and bakery Factories quality systems

Food Factory



- GMP
- HACCP
- ISO 22000:2018
- 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 Factories



- GMP
- HACCP
- ISO 22000:2018
- ISO/IEC 17025:2017
- CODEX GHPs

They are upgraded
issuance of new certificate
ISO 22000: 2018 in 2021



Quality project performance

ISO 22000: 2018 Certificate
of S&P Bakery Factory Bangna-Trad Km. 23.5



S&P Bakery Factory, Lamphun Province has developed 1 additional production system standard, namely CODEX GHPs standard.



ISO 22000: 2018 Certificate
of S&P Food Factory, Lat Krabang Industrial Estate



Additionally, S&P Food Factory, Lat Krabang Industrial Estate has also upgraded GHPs and HACCP Codex Alimentarius certification.



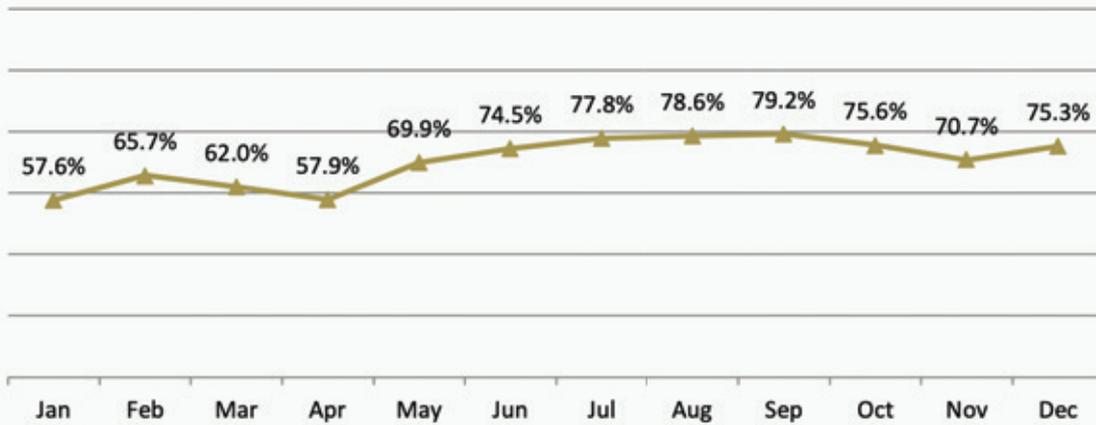
The number of products certified in terms of food safety in the production line (factories)

Operating Result	Unit	2019	2020	2021
Total bakery production volume	Tons	8,866.27	7,426.93	7,036.35
Bakery production volume certified with food safety standards under the domestic laws or international food safety standards such as GMP Codex, FDA., GHPs, HACCP, ISO 22000	Tons	8,866.27	7,426.93	7,036.35
	%	100	100	100
Total food production volume	Tons	6,119	3,919	4,157
Food production volume certified with food safety standards under the domestic laws or international food safety standards such as GMP, GMP Codex, ISO 22000, BRC,HACCP	Tons	6,119	3,919	4,157
	%	100	100	100

Number of S&P restaurants and bakery shops that received QSC auditing scores in each score range (%) in January-December 2021



% of S&P restaurants and bakery shops that have passed the QSC standard (with a score of 85% or more)



S&P has strived to develop its operations by improving and correcting various deficiencies at every branches to meet the highest QSC standards. Obviously, the percent of S&P stores, which passed QSC (Quality Service and Cleanliness) standards as required by S&P to be 85% or more, increased each month. In December 2021, the results of evaluating S&P restaurants and bakery shops that passed such assessment criteria at a score of 85% or more were 326 branches from 433 branches, or accounting for 75.3%. (More details on QSC can be found in the chapter 'Customer Relations'.)

HIGHLIGHT Case: Projects and Benefits entitled by the Organization

S&P has joined the MOU Signing Ceremony for “S&P Wellness Menu Project”



S&P Syndicate Public Company Limited signed a cooperation agreement with the Faculty of Public Health, Mahidol University along with staff of teachers of the Department of Nutrition in the Memorandum of Understanding for Academic Cooperation Ceremony with a common intention to promote and push for a healthy society through the development and dissemination of knowledge with innovations in healthy food menus and nutritious products (Wellness Menu) for the community's wellness according to the concept of Well-Being as well as to support the certification of the university's food and nutrition internship students at S&P Syndicate Public Company Limited (Head Office) on 22th February 2021.

Responsible Marketing and Product Labeling

Background and Rationale

During the COVID-19 pandemic situation, cleanliness and safety of food, products and services are of utmost importance. In addition, provision of useful nutrition information will allow consumers to choose foods that promote health and build immunity system in the body. Therefore, S&P places emphasis on product labeling by giving complete information especially ingredients that can trigger allergic reactions including conduct marketing and public relations based on facts to allow consumers to choose food with proper nutrition to strengthen and enhance their body and health as well as being able to proactively protect themselves for maximum safety.

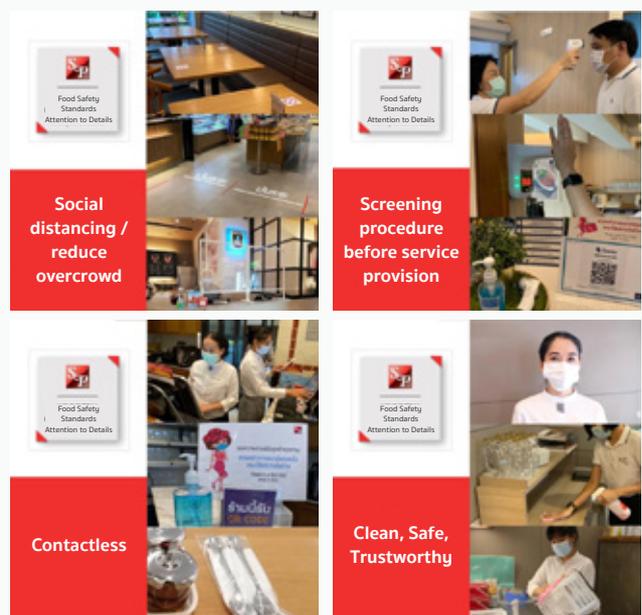
Commitments

S&P commits to conduct marketing activities by showing detailed information on product labels, and accurate and complete product data in advertisement and public relations according to legal standards, requirements of the Ministry of Public Health and production system standards. Consumers can be assured that the products comply with quality standard. S&P products can be monitored and examined by government agencies and is another tool which protects and builds consumer confidence as well as to provide customers with the most useful information. Moreover, S&P has developed product labels in Simplified Logo format Simplified Logo in order to allow consumers to make faster product purchasing decisions. This is S&P's efforts to develop food products with lower sodium, sugar and fat content to reduce the risk of developing over nutrition and other related diseases for Thai people, as well as conduct public relations to communicate the goal of reducing the consumption of sugar, sodium and fats.

Thai government has formulated dietary guidelines for the people to be healthy and stay away from illnesses by determining the amount of flavoring substances that should be consumed per day as follows;

1. Sugar consumption should not exceed 6 teaspoons per day (1 teaspoon = 4 grams)
2. Salt intake should not exceed 1 teaspoon per day (no more than 2,000 mg./day)
3. Oil consumption should not exceed 6 teaspoons per day (about 30 grams)

During the COVID-19 situation, S&P has established New Normal operational guidelines for store front service, as well as production in food and bakery factories and delivery services for maximum cleanliness and safety.

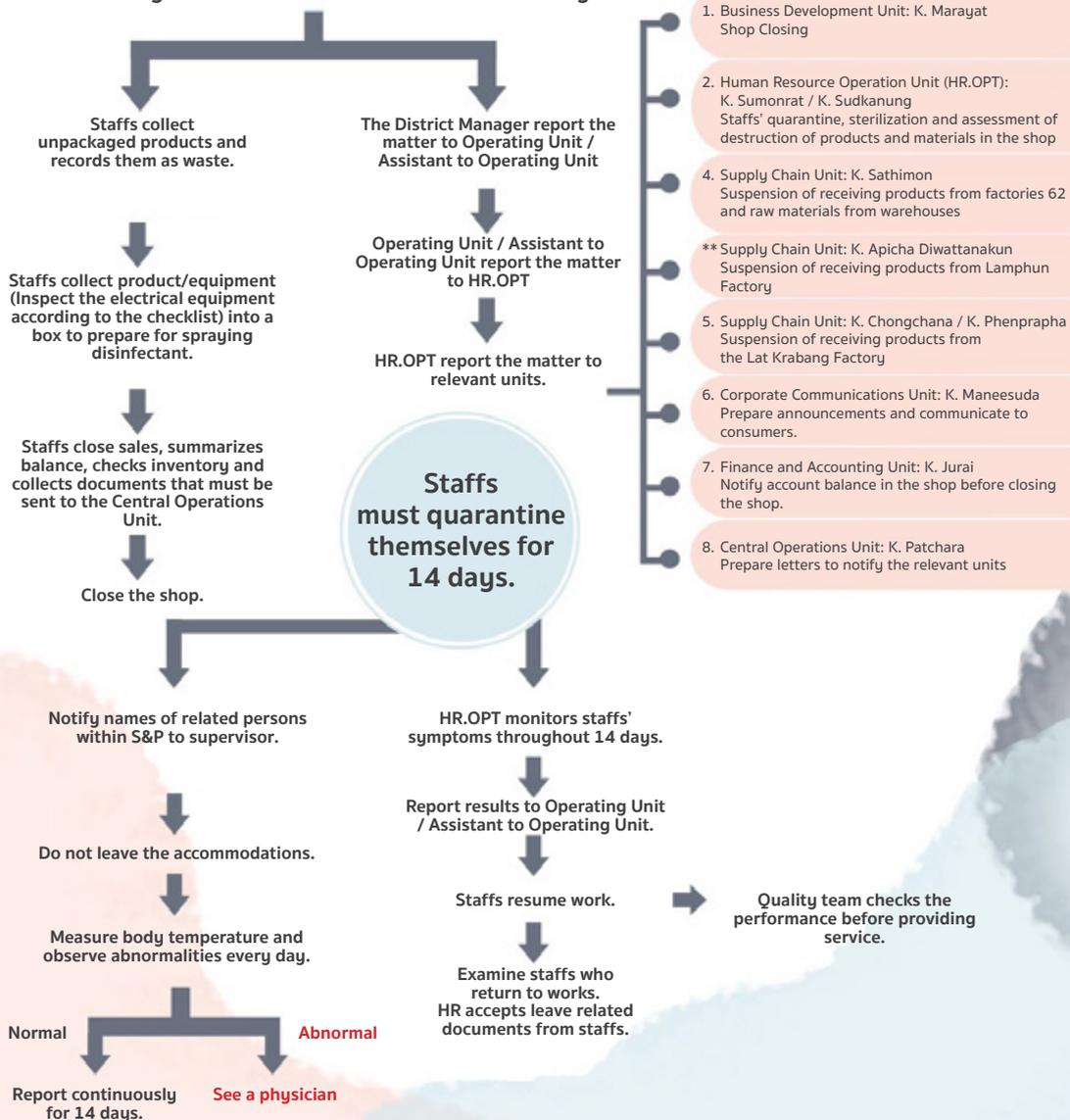




Policies and Procedures Implemented under COVID-19

Case 1: When an COVID infected person enters the shop

Branch Manager informs the matter to the District Manager

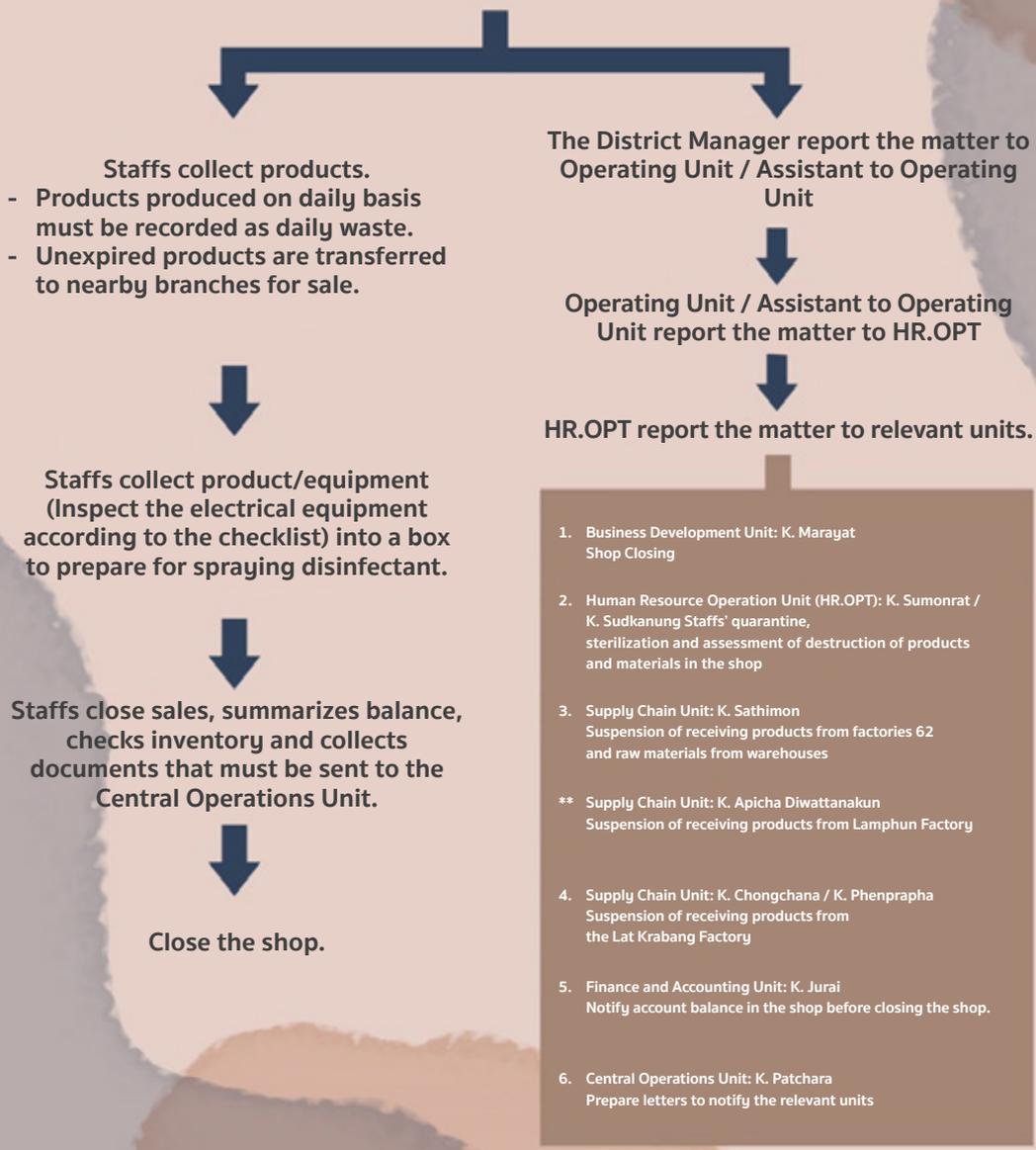




Policies and Procedures Implemented under COVID-19

Case 2: When the shop is located close to the risky area.

Branch Manager informs the matter to the District Manager

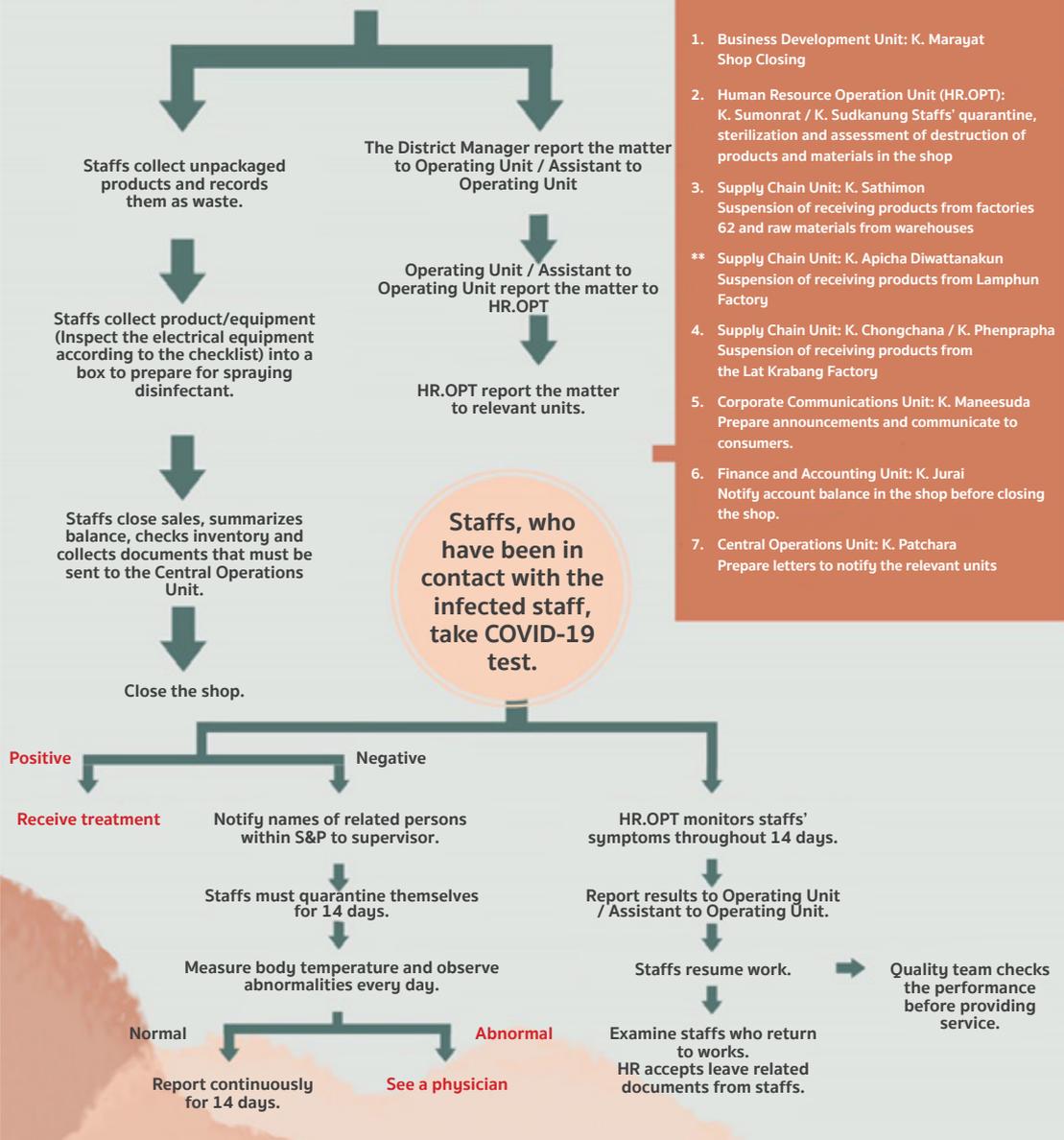




Policies and Procedures Implemented under COVID-19

Case 3: When a shop staff is infected with COVID-19.

Branch Manager informs the matter to the District Manager



1. Business Development Unit: K. Marayat
Shop Closing
2. Human Resource Operation Unit (HR.OPT):
K. Sumonrat / K. Sudkanung Staffs' quarantine, sterilization and assessment of destruction of products and materials in the shop
3. Supply Chain Unit: K. Sathimon
Suspension of receiving products from factories 62 and raw materials from warehouses
- ** Supply Chain Unit: K. Apicha Diwattanakun
Suspension of receiving products from Lamphun Factory
4. Supply Chain Unit: K. Chongchana / K. Phenprapha
Suspension of receiving products from the Lat Krabang Factory
5. Corporate Communications Unit: K. Maneesuda
Prepare announcements and communicate to consumers.
6. Finance and Accounting Unit: K. Jurai
Notify account balance in the shop before closing the shop.
7. Central Operations Unit: K. Patchara
Prepare letters to notify the relevant units

Marketing promotion during the COVID-19 situation



Marketing that supports preservation of religious holidays and important days



Product Labeling

S&P has a procedure to prepare nutrition facts label of labeled product groups to be accurate and in compliance with the required laws. The product labeling procedures as following:

Development Team (R&D)

Developing quality nutritive products, providing nutritional facts such as amount of energy, sugar and fat

Product Marketing Team

Indicating product features on the packaging label

Marketing and Packaging Design Team

Producing packages

Quality Assurance System Team

Verifying the information on the packaging label to be correct and complete under the Regulations of the Ministry of Public Health

Marketing Communication Team

Making publicity through different channels

Management Approaches

1. Develop product labels that can be validated and include GDA information on nutrition, energy, sugar and fats.
2. Develop products that are certified with nutrition symbols "Healthier Choice logo"
3. Develop nutrition information for ready-to-eat food items including benefits of main raw materials for S&P Menus

4. Present symbolic information indicating special properties of ingredients to be easily observable to encourage consumers to choose food with more nutrition, safe and useful ingredients (Simplified Logo).
5. Create attractive infographics to provide useful information for consumers.

Example of Symbolic Information of S&P



Operating Results

Operating Results	2019	2020	2021
Label Correction 1. To comply with the Notification of the Ministry of Public Health, No. 367, B.E. 2557 (A.D. 2014) on Labeling of Prepackaged Foods; 2. Notification of the Thai Food and Drug Administration, on Explanation on the Notification of the Ministry of Public Health, No. 373, B.E. 2559 (A.D. 2016) on the Display of Nutrition Symbol on Food Label.	4 items	0*	0*
Label Correction Notification of Ministry of Public Health, No. 394, B.E. 2561 (2018) Re. Food products Required to bear Nutrition Labelling and Guideline Daily Amounts, GDA Labelling, as effective in February 2021	31 items	1 items	0*
“Healthier Choice” Simplified Logo Food/ Drinks menu have obtained certification under “Healthier Choice logo” nutrition symbol endorsed by Mahidol University	10 items	-	7 items
Number of times when the regulations regarding information and label of products and services are not complied.	0	0	0
Number of times when the regulations regarding marketing communication are not complied	0	0	0

Remarks: * In 2021, the Company did not make any modification on the product label because there was no product label that did not comply with Notification of the Ministry of Public Health and Announcement of the Food and Drug Administration.

Regarding development of products that are certified with nutrition symbols “Healthier Choice logo”, please refer to “Food Quality, Safety & Nutrition” chapter for more details.

Products certified for “Healthier Choice logo” in 2021

1. S&P Whole Wheat Bread
2. S&P Multigrain Loaf Bread
3. Instant Cold Brew coffee from BlueCup
4. S&P UHT Organic Soy milk, Original Flavor
5. UHT Red Grape Juice
6. UHT Valencia Orange Juice
7. UHT Apple & Pomegranate Juice



Characteristics of nutrition symbols “Healthier Choice logo” for ‘Bread without stuffing’ products.

Bread Products

Food Type/Category	Calculation Base	Criteria, Conditions and Consideration for Symbol Approval
Bread		
Bread without stuffing	100 grams	Total sugar < 6 grams per 100 grams Total fat < 5 grams per 100 grams. Sodium < 450 milligrams per 100 grams Dietary fiber > 3 grams per 100 grams

Scope of which food group is not limited by the type or category of food according to the Notification of the Ministry of Public Health but considering similar characteristics and consumption patterns.

Characteristics of nutrition symbols “Healthier logo” for ‘beverage’ products.

Beverage Products

Food Type/Category	Calculation Base	Criteria, Conditions and Consideration for Symbol Approval
Beverage		
100% vegetable juice / fruit juice	100 milliliters	Total sugar • < 12 grams per 100 milliliters and • < 18 grams per package Sodium < 100 milligrams per 100 milliliters Dietary fiber > 0.75 grams per 100 milliliters
Vegetable juices, fruit juices, soft drinks and various flavored sweetened beverages	100 milliliters	Total sugar • < 6 grams per 100 milliliters and • < 18 grams per packing unit, only for beverages with one serving more than 150% of the reference serving size and has packaging size of not more than 500 ml. Sodium • < 40 milligrams per 100 milliliters • < 100 milligrams per 100 milliliters only for beverages with tomato juice contents of more than or equal to 90% Total calories • < 40 kcal per 100 ml. • < 24 kcal per 100 ml, in case beverage formula containing both sugar and sweeteners • < 10 kcal per 100 ml, in case beverage formula contains only sweeteners instead of sugar
Cereal beverages, soy milk	100 milliliters	Total sugar • < 6 grams per 100 milliliters and • < 18 grams per packing unit, only for beverages with one serving more than 150% of the reference serving size and has packaging size of not more than 500 ml. Total fat < 3.5 grams per 100 milliliters Saturated fat < 1 gram per 100 milliliters Sodium < 40 milligrams per 100 milliliters
Instant coffee ²	100 milliliters	Total sugar • < 6 grams per 100 milliliters and • < 18 grams per packing unit, only for beverages with one serving more than 150% of the reference serving size and has packaging size of not more than 500 ml. Total fat • < 1 gram per 100 milliliters and • < 3 grams per packing unit, only for beverages with one serving more than 150% of the reference serving size Sodium < 100 milligrams per 100 milliliters Total calories • < 60 kcal per 100 ml. • < 40 kcal per 100 ml, in case beverage formula containing both sugar and sweeteners

Remarks:

1. One reference serving size of the beverage group is 200 milliliters.
2. 150% of the reference serving size of the beverage group equals to 300 milliliters.
3. In case, beverages have packaging size of 300-500 ml., the total sugar contents must not exceed 18 grams.
4. In case, the packaging size is more than the recommended one serving size, there must be a message which clearly indicates appropriate serving size and times.
5. For powder drink, nutrition symbols should only be applied for instant powder drink which requires only addition of water for consumption.
6. All beverages with one serving less than 100 ml are not subject to nutrition symbols “Healthier logo” certification.
7. If case, there are dietary fibers in beverages, the calculation of calorie per 100 ml will not include dietary fibers as calories from carbohydrates.

Example of infographics to provide useful information for consumers.

S&P has developed product labels for six new premium cakes, namely Lemon Chai-seed cake, Espresso Cake, Dark Chocolate Cheesecake, White Chocolate Cheesecake, Carrot Cake with cream cheese and Banoffee Pie.



In addition, label materials for all S&P products have been changed from plastic stickers to paper stickers for easier biodegradation to promote good environmental management processes.



Customer Relationship Management

Background and Relevance

S&P has operated businesses with Thai people in every moment of happiness towards the 49th year with products and services creating the first impression to customers. S&P has started its business from “Corner” Ice Cream Shop until becoming a food and bakery business with over 459 branches nationwide and 5 overseas branches. In addition, S&P is Thailand’s first maker of pound cake with cartoon patterns copyrighted from abroad and has been developing the business continuously by selecting innovation and technologies for product development to create happiness and impression to customers in all occasions.

Determination

1 of 6 main missions of S&P is “Always make customers happy” by providing services under the concept of “Quality, Value, Virtue”. Therefore, the Company has emphasized 3 important matters, including:

<p>Q = Quality meaning the quality and safety of foods</p>	<p>S = Service meaning the quality of service and rapidness of services</p>	<p>C = Cleanliness meaning the quality of cleanliness in terms of place, equipments and employees</p>
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Objectives

1. To create the highest satisfaction to customers
2. To maintain the standard of work as per the procedures and the working processes as prescribed by the Company at all points of sale nationwide
3. To control the operational expenses of the operation team to be in accordance with the prescribed goals

Goal

S&P has set an operational goal in terms of customers’ satisfaction towards the products and services to be no less than **85** in 2025

Operational Guidelines

Policies

The Company has communicated with its customers in several channels through two-ways communications and has been prepared to openly receive opinions and suggestions of customers and all stakeholders and has managed customers’ complaints under the principle of corporate governance and has given equal importance to all customers. The Company shall follow up matters affecting customers and shall have the verification process as per the Company’s practices for fairness to all parties, and shall continuously follow up and evaluate the satisfaction in receiving services so that the evaluation results as well as opinions and recommendations received shall be used for development and improvement of the working process and shall be regarded as part of the performance appraisal of employees for career progress and creation of the highest satisfaction to customers.

Responsibilities

Personnel who shall be obliged to evaluate the operating results of Q.S.C.:

1. The Branch Manager shall conduct the evaluation at least once a week.
2. The Area Manager shall conduct the evaluation of branches at least once a month.
3. Q.S.C. Unit shall randomly inspect branches in all areas (at least 1 branch/area) to audit the compliance with the standard. In case, it is found that scores differ by more than 20%, the Area Manager shall re-inspect the whole branches.

Verification Criteria

Q.S.C. for the Service Section

1. Cleanliness: 21 items; total: 45 points consisting of 3 critical regulations
2. Hygiene: 7 items; total: 13 points consisting of 2 critical regulations
3. Cleanliness: 12 items; total: 26 points consisting of 2 critical regulations

Q.S.C. for the Branch Management Section

1. Cleanliness: 11 main items; total: 25 points consisting of 3 critical regulations
2. Hygiene and Safety: 12 main items; total: 31 points consisting of 2 critical regulations
3. Finance-Warehousing System: 13 items; total: 15 points consisting of no critical regulations
4. Finance-Warehousing System: 13 items; total: 15 points consisting of no critical regulations

Q.S.C. for the Delivery Section

1. Cleanliness: 3 items; total: 5 points consisting of 1 critical regulation
2. Hygiene and Safety: 6 items; total: 11 points consisting of 2 critical regulations
3. Quality and Standard of Operation: 6 items; total: 9 points consisting of 2 critical regulations

Q.S.C. for the Bakery Product Section

1. Cleanliness: 15 items; total: 24 points consisting of 1 critical regulation
2. Quality: 21 items; total: 57 points consisting of 6 critical regulations
3. Hygiene and Safety: 10 items; total: 21 points consisting of 1 critical regulation
4. Service: 6 items; total: 13 points consisting of 1 critical regulation

Q.S.C. for the Beverage Product Section

1. Cleanliness: 15 items; total: 28 points consisting of 1 critical regulation
2. Quality and Standard of Operation: 16 items; total: 34 points consisting of 3 critical regulations
3. Hygiene and Safety: 10 items; total: 21 points consisting of 1 critical regulation

Q.S.C. for the Kitchen Section

1. Cleanliness: 16 items; total: 30 points consisting of 1 critical regulation
2. Quality and Standard of Operation: 20 items; total: 58 points consisting of 3 critical regulations
3. Hygiene and Safety: 11 items; total: 21 points consisting of 1 critical regulation

Provided that in each audited item, there shall be critical regulations; in case of non-compliance therewith, the evaluation criteria in such Section shall be failed immediately, or points received in such Section shall be “zero”.



Management Approaches

1. Applied Principles and Employee Communications

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 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. 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. 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.

3. Customer Communications

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.



Complaint receiving channels are allocated as follows:



E-mail of the Customer Relationship Management Department : crm@snpfood.com



Direct Message : **S&P Official Facebook**



Call Center : **1344 Delivery (9.00 - 21.00 u.)**



Others : **(Management Team / other units / mail)**

Company following channels



www.snpfood.com



www.facebook.com/snpfood



Official Line: S&P



instagram: snpfood

4. 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. Received complaints are classed into the following 2 types:

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

5. 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.

6. S&P Unity Project

Its operation begun since 2014, with the following objectives:

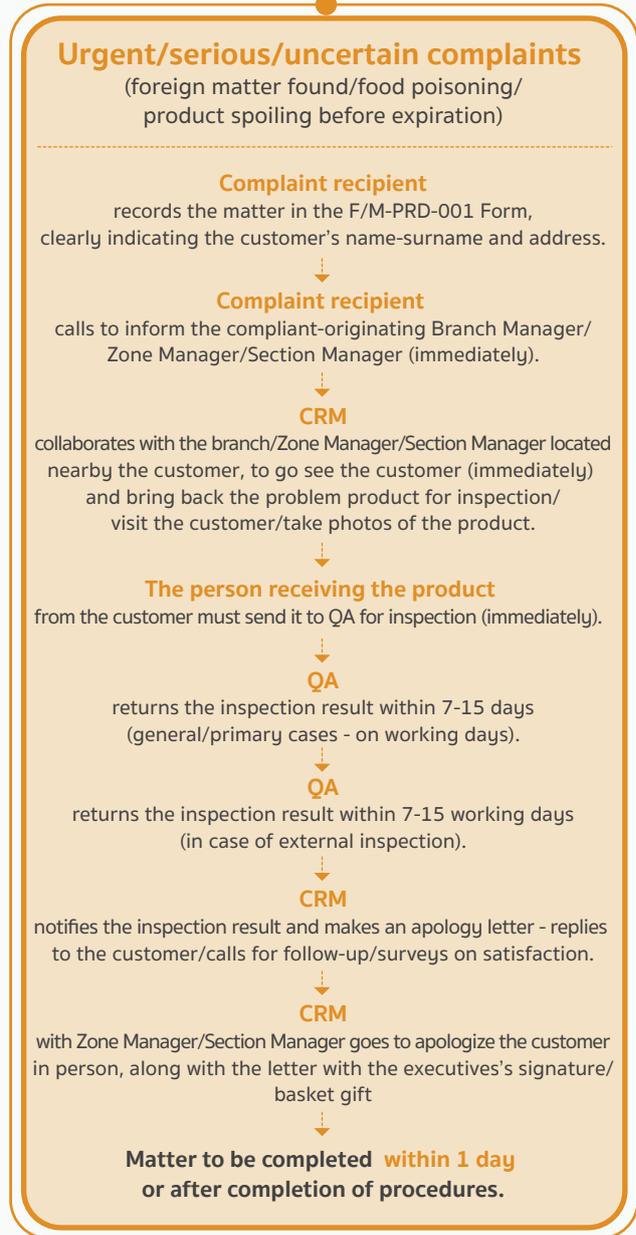
- 6.1 To assist and provide information and basic resolution guidelines to the branch in case of customer's complaints;
- 6.2 To improve personnel's capacity and enable better work efficiency;
- 6.3 To exchange opinions and be informed on problems and jointly find a good solution to them, as well as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

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.

Process of Project Implementation

The Customer Relations Department has provided the manuals for receipt of complaints, giving of knowledge and advice and guidelines for initial problem solving to the outlet employees, totally 3 areas per month (whereby, employees from 4-5 nearby branches shall also participate in the training). The training content shall cover the service provision for customers' impression, operating procedures when receiving complaints from customers as well as observation of initial symptoms of food allergies of customers, including basic first-aid methods so that outlet employees shall be able to take care of customers correctly according to the procedures. This Project is aimed to reduce the number of complaints and potential impacts on customers and to create customers' satisfaction.



Operating Results

The Company has channels for evaluation of customers' satisfaction in its products and services through E-survey of opinions; whereas, customers can express their opinions by scanning QR Code at the end of receipts upon receiving services. The questionnaires of satisfaction shall consist of 3 main issues including 1) taste of foods/products; 2) services; and 3) cleanliness. Customers shall answer the Evaluation Form in 2 patterns, including 1) giving scores of satisfaction (1-10); and 2) giving open-end opinions; provided that the data received shall be used for development of products and services in response to the goals of creation of customers' highest satisfaction as well as development of standard and continuous working system in the long term.

Summary of Scores of Satisfaction Evaluated by 9,626 Customers as of 1st January until 31st December 2021:

Indicators	Satisfaction with Food Quality	Satisfaction with Service Quality	Satisfaction with Cleanliness
Goal		≥ 85%	
Operating Results in 2021	84%	79%	88%
Summary of Average Operating Results		84%	

In 2021, customers had their satisfactions with S&P products and services at 84% in average, and had the highest satisfactions with the cleanliness of S&P products (88%) and had their satisfactions with food quality at 84% which were lower than the goal by 1%, and had their satisfactions with service quality at 79%; provided that since the Company encountered problem of labor shortage due to the situation of COVID-19 Pandemic; as a result, the Company's service provision in some areas has been delayed. However, the Company is determined to develop and improve its service provision and various skills of its employees to solve problem of labor shortage and to create the highest satisfaction to its customers.

Innovation Management



Background and Rationale

Innovation is one of the factors that creating change because it is what differentiates and creates unique identity for an organization. Therefore, innovation is a form of opportunity which support business growth and progress. Innovation can occur at any points of the value chain, whether in a product, packaging, production process and personnel development which must be based on an understanding of the changing context and understanding the needs of “customers” and “market conditions” to enhance competitiveness which adds value and benefits to an organization.

Commitment

1. Product innovation
2. Business innovation
3. Process innovation
4. Human resource & Training innovation

Management Approach

As the Company places emphasis on development of new knowledge for Thai society, therefore, it has continuously supported research funding for projects related to the food industry, such as providing financial supports for research and development of Siamese Mekong giant catfish species to

Mae Jo University in collaboration with the National Innovation Agency, research on extension of shelf life of foods using electricity without having to be stored in freezers to maintain nutrition and taste of foods as if freshly made conducted by Kasetsart University and Thailand Research Fund (TRF). This is a new approach that will increase the Company's potential in both domestic and international markets.

Nonetheless, during the COVID-19 pandemic situation, S&P has turned to focus on the development of internal innovations of the Company to cope with changing situations. In 2021, the Company has conducted research and development on packaging. The objectives were to expand the scope of business (Business Innovation) and development of the transportation process (Process Innovation) to be more efficient.





Highlight Case: Projects and Benefits entitled by the Organization

1. Thai Dessert Packaging Project: Extension of Shelf Life of “S&P Thongyib, Thong Yod, Foi Thong Sod”

Innovative packaging can enhance product life by applying food preservation technology to extend shelf life of Thai desserts, slow down degradation process by absorbing oxygen in order to control and maintain the environment inside the package. This would allow Thai desserts to remain fresh and maintain nutritious throughout the transportation process and increase shelf life of products. This would be beneficial to both consumers and the Company in terms of reduction of food wastes and scraps as well as increase the opportunity to expand markets to outer provinces.

The Company has a policy to use packaging made from mono-material plastic so that the packaging can be brought into recycling process and not to affect the environment in the long run.



Innovation application date :

15th February 2021

Target :

Increase efficiency of product packaging

Implementation results :

1. Increase shelf life of products from 5 days to 12 days.
2. Able to expand sales into S&P stores nationwide, including Bangkok and its vicinities and other provinces, with more than 457 points of sales.
3. Increased revenue from product sales by 1,978,952 baht/year.
4. Able to reduce wastes from product sales by 1,114,101 baht/year

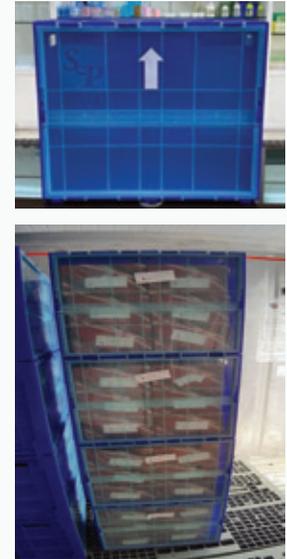
Summary of Implementation Results of Thai Dessert Packaging Project: Extension of Shelf Life of “S&P Thongyib, Thong Yod, Foi Thong Sod”

Descriptions	Old	New	Implementation Results
1. Type of packaging	Plastic tray with lid	Plastic tray with lid and covered by mono-material plastic envelope	Increased the use of recyclable plastic, weight 5.06 gram/piece
2. Product shelf life (days)	5	12	Increased shelf life of the products by 7 days or 140%
3. Number of sale store (shops)	117	457	Increased the number of sale store to more than 340 shops
4. Original sales volume (baht/year)	21,143,680	23,122,632	Increased sales volume by 1,978,952 baht or 9.4%
5. Waste volume (baht/year)	1,869,679	755,578	Reduced waste volume by 1,114,101 baht or 59.6%

2. Utilization of Plastic Crates for Pound Cake Transportation Project

The Company attaches importance to economic innovation development in parallel with environmental stewardship, and continually developing processes throughout the value chain to be more efficient.

In 2021, in addition to investing in the establishment of “S&P SMART Distribution Center” to be a center for efficient planning, warehouse management and transportation, the Company also has intention to reduce loss of resources by developing reusable plastic crates for transportation of pound cakes to reduce the use of corrugated crates or paper in transportation. S&P started using 500 plastic crates in August 2021. Then problems, obstacles and a cleaning plan would be analyzed to find solutions. In December 2021, the number of crates was increased to 1,500 with a new design of transparent crate lids to allow inspection of products visually from outside without having to lift the products in and out of the traditional opaque corrugated crate. In addition to environmental benefits in term of reduction of tree logging, the Company can also save time, labor and reduce the risk of product damage when lifting the products in and out of the crate. This is a form of process innovation that improve efficiency of the Company’s operation.



Innovation application date :

August and December 2021

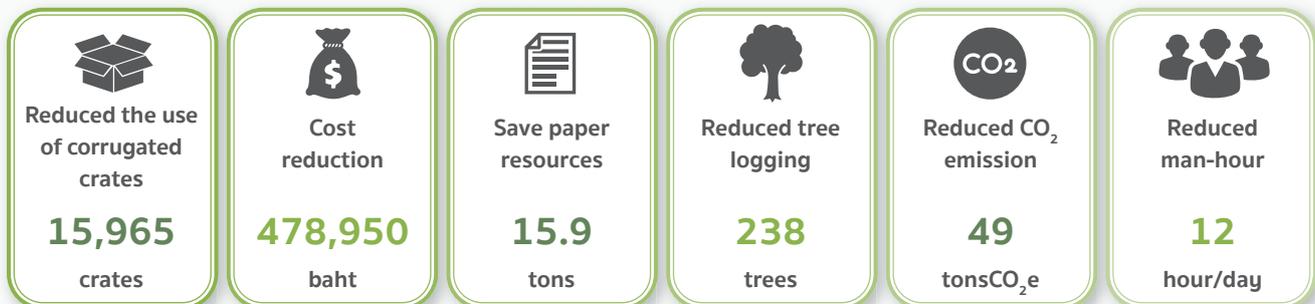
Target :

1. Reduce the use of corrugated cardboard boxes to lower exploitation of natural resources
2. Increase the use of reusable durable crates

Implementation results :

1. Reduced the use of corrugated crates by 15,965 units, equivalent to 15.9 tons of paper.
2. Reduced costs for corrugated crates by 478,950 baht.
3. Equivalent to 238 trees and reduced carbon dioxide emissions by 49 tonsCO₂e
4. Reduce the number of man-hours for cake inspection process during handling and distribution operation for 12 hours/day.

Summary of Implementation Results of Utilization of Plastic Crates for Pound Cake Transportation Project



In 2022, the Company has expanded the project to use plastic crates for pound cake transportation to its fullest potential with addition of 5,000 plastic crates for efficient management.



SOCIAL

Human Capital Development

Background and Relevance

The Company believes that the key factor of success and continuous growth of the business throughout 49 years of its business operation was “Human Capital”. With the vision of executives who have been aware that “Human Capital” is the Company’s important asset that must be developed for career growth and leading towards business success as targeted, the Company has therefore prioritized the personnel development to obtain knowledge and work skills by connecting the learning towards application for effective development of products and customer services and increase of individual’s potentials for career progress, proper incomes, pride and self-esteem which are the creation of genuine happiness to its employees.

Operations on personnel shall start from effective selection of employees by means of analysis and in-depth interview to assign proper employees to job positions and abilities as per the saying “Put the right man on the right job”, with consideration of preference of individuals because the Company believes that if employees have worked in their loved or preferred sections, they would have passions of work and would be able to generate good results to the Company and employees themselves in terms of career progress.

Commitment

In 2021, due to the situation of COVID-19 Pandemic, the Company has provided online teaching materials for continuous development of skills and abilities of personnel under limitations of social distancing measures, and has provided the Standard Operation Procedure (SOP) in the pattern of video clips with intense, concise, clear and easy-to-understand content which is proper to the nature of online teaching materials and can be reviewed at any time, and has also provided training courses via live/virtual video conference, Zoom/MS Team/Google Meet with

two-way communication for training courses which require practices and development of work skills so that employees can learn the right working standard through the use of digital technologies as per the operational guidelines in the new normal era and in the capacity of organization of learning.

More importantly, the Company is aware of all-around operations on human rights and fair labor treatment in conformity with the current social context, and has prioritized the motivation and sufficient retention of efficient employees via the clear performance appraisal system for consideration and determination of proper compensation, including development of skills in conformity with potentials and promotion of career progress of individual employees.

The Company has provided the “Next Generation Leader” development program and has prioritized the development of young talents; whereas, learners shall receive “design thinking” training course and lecture from executives and experienced people in different fields with emphasis of “customer centric” concept, or has prioritized customers’ demand so that concepts and vision received from training courses shall be applied to the design of work and organizational management and shall be regarded as preparation of knowledge and abilities to cope with the rapidly changing contexts and high competition in current situations.

Goals

<div style="border: 2px solid white; border-radius: 50%; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">1</div> <p style="margin: 0;">To reduce the resignation rate of management-level employees to be under 5% within the year 2025.</p>	<div style="border: 2px solid white; border-radius: 50%; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center; margin-bottom: 10px;">2</div> <p style="margin: 0;">To set the goal of human capital development with an increase in HCROI by 20% within the year 2025. <small>(comparing with based year 2018 as measured in Human Capital Return on Investment (HCROI) was equal to 3.08)</small></p>
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Management Approaches

Human Capital Development Policy

“Human Capital Development” is the key factor which enables the organization to drive the development and to create business growth under challenges and rapid changes.

Therefore, the personnel development policy has been designed in conformity with the business vision, i.e., “Strengthen the Core, Create the Next”, which is the management of learning and self-development with training courses and methods to promote the thinking abilities of personnel and to adhere to the standard quality with proper skills and expertise to the assigned works. Therefore, the Company has determined frameworks and policy of personnel development and administration, as follows:

1. “Strengthen the Core” Building strength in knowledge standards core competence

- 1.1 Developing organizational structure, designing job line and career position (Organization Design and Development) to be changed continuously and updated all the time in order to respond to businesses condition that has adapted rapidly so that every employee can work with agility and manage change quickly.
- 1.2 Focusing on improving the development of skills, knowledge, abilities, including behaviors (Competency) to allow employees to be able to adapt to the work styles that are changing in the New Normal, such as focusing on working as a team, flexibility and the challenge of change and innovation, etc.
- 1.3 Setting up a training course structure for the main job (Career Roadmap) in Operation and Production as the main unit of the organization in order for employees to strengthen their knowledge and expertise, enhance their expertise, abilities, including foreseeing growth in position and career.
- 1.4 Creating a leadership development course in the digital age, designing and developing courses to increase the skills and competencies of leaders in all levels with a focus on leadership styles in work processes and methods of work, and mindset for working in the digital age.
- 1.5 Establishing an effective performance management system to measure the success of the supervisory work,

and to track the working behavior that has been defined to be efficient and able to be put into practice to increase efficiency, measure effectiveness and create fairness of which introducing the Online System to increase convenience and speed of work.

- 1.6 Creating a career management development plan for employees to see advance opportunities in their careers, and also an Individual Development Program which emphasizes the personnel to have continuous learning and self-development.

2. “Create the Next” to create new dimensions of organizational capacity to create success in the future

- 2.1 Preparing talent management projects and skilled people, namely Talent: Successor: Master (TSM), which is a project to analyze, plan, seek and develop personnel with high potential or skill to transfer knowledge from generation to generation, system to support the growth of the business creating sustainable success
- 2.2 Initiating the “Next Generation Leader (NGL)” project to develop the new generation to have skills, ideas, knowledge, abilities and working methods of “New way of life” or New Normal that must be flexible, fast, brave, and use digital in work.
- 2.3 Creating a new normal way of working for employees to have a wide range of aptitudes, focus on one-team, cross departmental work, reduce and tighten work processes and decision-making, and build agility.
- 2.4 Cultivating a mindset of employees to have belief and attitudes that must take into account that “Customer Centric Mindset” is the center of everything in the work, and to lay the strong foundation in creating maximum customer satisfaction to meet all expectations impressively.
- 2.5 Creating new skills (Reskill) needed to work in the digital age and upgrading the original skills (Upskill) to better support new businesses and future growth such as Delivery, E-Commerce, etc

3. Prepare people to support future expansion and growth of the business (Future Workforce)

Modernizing and optimizing S&P Learning Center to be the teaching and learning center in the New Normal era

Learning Center of S&P Syndicate Public Company Limited, first opened in the academic year 2007 according to the National Education Act 1999 Section 12 that has been certified by the Ministry of Education. Open teaching is given at the vocational certificate level (vocational certificate) in retail business and branches of food and nutrition with the objective of being an educational institution in an establishment that gives knowledge and develops academic skills which are a basic education needed for employees and the underprivileged.

Therefore the education was initiated in the form of a learning center. Section 12 can be considered as the first generation of schools in the workplace. The institution offers teaching and learning in line with the bilateral teaching of vocational education enrolling students from other provinces that lack funds to receive scholarships at the level of vocational certificate in order to expand the organization's intention to support the creation of good people to have a career and sustainably produce quality people into the Thai society.

During the recent COVID-19 situation, there is a modification of methods of creating and training young people to become skilled workers in the future who can adjust to the environment. In collaboration with vocational colleges which is a network of the Company, bilateral projects are implemented to organize and improve learning curriculum in theoretical manner and practice teaching in the New Normal way by training students to be professional and encouraging them to practice in the school according to the Company's standard work before going into the restaurant for practical training which allows the Company to have staff to serve customers effectively in order to urge them to come back to use the service from the shop.

Responsibilities

The Company has provided the training roadmap as may be suitable by means of analysis of job positions and work performances in conformity with functional competency and technical competency such as sandwich making and cooking course 1,2, BlueCup and Latte Art coffee making techniques, work preparation techniques, creation of service skills and kitchen and service unit management techniques, etc.

In addition, the Company is determined to develop the work system of the Kitchen Section in S&P outlets by providing the Kitchen Transformation Project with objectives, as follows:

1. To increase the working efficiency of the Kitchen Unit
2. To assign employees with proper job positions to their abilities
3. To clearly establish standard structure of job positions in the Kitchen Unit
4. To calculate proper rates of manpower to the gross sales
5. To retain employees

Including other training courses on management and responsibilities such as GMP, HACCP, Halal, and ISO22000:2018, safety supervisors, particularly Quality Service and Cleanliness (QSC) Course and food quality, safety and nutrition which is essential to the current situations that consumers have prioritized the cleanliness. The Company has emphasized the COVID-19 Pandemic prevention and control measures and procedures to be strictly complied with, thus, for the optimal safety to employees, nearby residents, customers and consumers which shall be social responsibilities of all people to jointly prevent and stop the spreading of COVID-19 Pandemic as soon as possible.

Assessment of Management Guidelines

After the training, the Company shall send experts (trainers), kitchen units, beverage units, bakery units and service units to evaluate the training results at branches and bakery shops and shall fix schedules for regular follow-up of work skill development results on a weekly basis.

Objectives of Follow-up of Training Results

1. To follow up the operational standard and to audit the working process whether it is in accordance with the prescribed standard or not
2. To use the data for improvement of the instruction methods and development of training courses and in accordance with practical operation
3. To evaluate the knowledge, understanding and practical use resulting in performance appraisal and to promote the career progress



Method of Follow-up of Training Results :

1. Experts shall observe the working methods and procedures
2. Experts shall ask about the working methods from supervisors and the Branch Manager.
3. In case, it is found that employees have performed their works incorrectly or have any misunderstanding, experts shall promptly teach the correct working methods.
4. Experts shall notify the results of follow-up of training to the Branch Manager, senior unit heads who are responsible for employees so that they could supervise and follow up the operation of works.
5. Numbers of training hours

Operating Results

In 2021, the Company has spent budget of **1,148.59** million Baht on Human Capital development;

provided that the Company has received the returns on investment in Human Capital or

Human Capital Return On Investment (HCROI) = 3.31

which increased from those of 2018 (HCROI equal to 3.08) or increased by **7.47%**

HCROI				Intermediate Target (20% increase)
2018	2019	2020	2021	2025
3.08	3.04	3.02	3.31	3.696
Operating Results compared with Year 2018 (%)	-(1.30)%	-(1.95)%	7.47%	20%

However, the Company has set the goal that **"within 2025, the Company shall implement the Human Capital development with 20% increase of "Human Capital Returns On Investment (HCROI)"**.

2021 : HCROI

Revenue - (Expenses - Pay and Benefits)

Pay and Benefits

(Unit: Million Baht)

$$\frac{4,562.65 - (1,906.52 - 1,148.59)}{1,148.59} = 3.31$$

Number of Training Hours

Position	Number of Average Training (Hours/Year)	2019		2020		2021	
		female	male	female	male	female	male
Executives	Hour/Person/Year	7	44	7	7	12	18
Managements	Hour/Person/Year	10	6	10	9	33	24
Employees	Hour/Person/Year	6	7	7	8	13	12

Regarding the turnover rate of executive employees, **in 2021, the turnover rate was at 8.65%**, and the Company has aimed to reduce the turnover rate of executive employees to less than **5% within 2025**.

Turnover rate of executive employees			Intermediate Target
2019	2020	2021	2025
11%	8%	8.65%	≤ 5%

Highlight Case: Projects and Benefits Received

1. Nutrition for Wellness Program



The Company has focuses on consumers' health and has therefore invited personnel from the Faculty of Public Health, Mahidol University as the Company's consultants and to conduct a training course, namely, "Nutrition for Wellness Program" for executives and related units, totally 50 people, with training issues, as follows:

- **Significance of Nutrition for Wellness**
 - Nutritional value (nutrient); causes and prevention of diseases (health promotion)
 - Functional food/ingredient; in addition to nutrients in foods, how important are main substances such as phytonutrients or other substances?
- **Guidelines for Healthy Food Consumption: From Theory to Practice**
 - Quantity of daily energy and nutrients which should be received by individuals
 - Food exchange in each category of foods (replacement foods or equivalent nutritional value to any specific foods)
 - Calculation or estimation of energy or main nutrients received from foods eaten

- **Workshop of Guidelines for Healthy Food Consumption: From Theory to Practice**

- Calculation or estimation of energy or main nutrients received from menus of S&P foods
- Outstanding nutritional value or functional ingredients of menus of S&P foods

2. Course of "Basic Knowledge on Evaluation of Carbon Footprints of Organization for Executives" and Course of "Carbon Footprints of Organization"



The Company is aware of impacts of climate change and has prioritized the environmental protection. Therefore, the Company is determined to reduce carbon footprints from organizational operations, and has conducted training courses on "Basic Knowledge on Evaluation of Carbon Footprints of Organization for Executives" and "Carbon Footprints of Organization", participated by 71 people.

Objectives of the training are as follows:

- To provide knowledge and understanding on the principle and method of evaluation of carbon fingerprints of organization and to be able to calculate the quantity of carbon footprints from operational activities of organization
- To apply the knowledge received to the analysis of significant sources of greenhouse gas release from activities of organization (hot spots) and to provide proper and effective guidelines for management and release of greenhouse gas release of organization

- To provide report of data of greenhouse gas of organization consisting of the following content:
 - Types of carbon footprints
 - Process of evaluation of carbon footprints
 - Activities or sources of release of carbon footprints
 - Calculation method of release of carbon footprints
 - Examples of conducting of activities for compensation of carbon footprints



3. Retention and Development Management Program

The Company has emphasized the development of executives to have knowledge and understanding on management and retention of human resources and to learn strategies of personnel retention and development and to be able to apply correct strategies to the operation of work and in conformity with the goals as per strategies of organization, including management of work and personnel to increase potentials and work efficiency and to be a program for concrete development of knowledge and abilities of employees.

4. Course of “Be Professional Auditor”



The Company is aware of the importance of correct, accurate and honest operation of work, and has therefore organized training of employees on review and audit of finance, management of products with responsibilities and carefulness.

5. Course of “Delivery Excellence”



The Company has always considered customers’ satisfaction. In 2021, there have been a lot of customers using delivery services. Therefore, the Company has organized training of riders in the Course of “Delivery Excellence” to ensure that S&P is able to quickly deliver service and impression to customers that customers shall receive complete the safe foods within the time limit.

6. Course of “Work Skill Development”



The Company has emphasized the development of employee training (theory and practice) in kitchen work, beverages, new dishes of foods, special foods, special beverages, etc., so that employees shall have expertise and accuracy in practical operation of work and to ensure that S&P has delivered clean, quality and delicious foods to our customers.

Human Rights Management



“Human Rights Management” is regarded as an important principle under the good governance and is essential to the business operation because all businesses are directly and indirectly related to humans, particularly S&P, which is an integrated food business operator, from production, sale of products and service provision. Therefore, it is related to several groups of people including trading partners, customers, shareholders, executive committee, employees and nearby communities within the country and in foreign countries in which the Company has invested and has done businesses.

The Company, as well as all Human Capital, has respected and complied with the laws and the universal principles of human rights and has regarded them as common practices for business operation, including refrainment from the use of child labor and forced labor, and has strictly complied with the related labor laws and has treated each other equally and without discrimination of classes resulting from differences of races, nationalities, religions, genders, ages, pregnancy, marital status, political opinions, infirmity or membership of associations, mutual treatment with respect and justice, unity, indiscrimin

for establishment of good relationship and polite mutual treatment and respect in human dignity and personal rights and liberties.

The Company has its mission to protect personnel from threats on internal and external security and safety by creating good and safe working environment and paying proper compensation and giving good welfare to employees without discrimination, providing technologies and innovation to support works, in return for all S&P personnel who operated work for the utmost benefits of the Company.

The Company has complied with practices on business operation emphasizing respect of human rights to all groups of stakeholders, and has operated works on protection of human rights for people who have worked under the Company’s protection to receive lawful benefits and rights, including remedy, correction and compensation to customers, employees and people who have accidentally received negative impacts from business operation; whereas, the Company has systematic process of traceability so that all parties shall receive justice.



Human Rights Policy

S&P has operated business by respecting and strictly complying with the laws, respecting human rights according to major international standards and the UN Guiding Principles on Business and Human Rights (UNGPs) through the “S&P Syndicate Plc Work Rules and Code of Conduct” because respecting and promoting human rights is a key issue of good corporate governance for business operations as well as reducing legal risks and avoiding business interruptions as well. S&P focuses on materiality topics as follows;

1. Granting the right to freedom of joint negotiation by having a policy to protect and provide fairness to employees who report information or give clues about corruption or non-compliance with laws, company regulations and code of conduct
2. Not promoting forced labor and compelling labor in all forms by setting appropriate working hours as well as paying fair compensation and welfare benefits
3. Not using child labor and not encouraging suppliers to use child labor by strict compliance with labor laws
4. Promotion of Gender Equality, non-discrimination in employment

In addition, S&P has adhered to practices and encouraged suppliers to implement human rights policy through the scope of S&P Code of Conduct for Suppliers as follows.

1. Equal treatment of employees without discrimination on the grounds of differences in ethnicity, nationality, religion, sex or age.
2. No employment and no use of child labor under the age of 15 strictly. The employment of workers under the age of 18 requires strict compliance with labor laws relating to the employment of children under the age of 18.
3. Not forcing the use of labor, not calling for involuntary work. Also allowing employees to resign as stipulated by law and not collecting important legal documents of employees such as ID card, passport or work permit as a guarantee of working.
4. Arrangement of working hours, hours of overtime, breaks and holidays in accordance with the law and overtime work of employees must be voluntary.

5. Paying wages and other compensation as well as providing basic legal welfare benefits to employees

Additionally, S&P has also attached importance to providing a good working environment, including welfare benefits and social security for working such as the availability of clean, hygienic drinking water, first aid equipment, nursing room with professional nurse to advise, employee care, toilets, canteens and hygienic relaxation areas for employees, fire exits and necessary safety equipment as required by law, appropriate welfare arrangements, giving uniforms for employees annually, management of statutory social security for employees as well as providing advice in various fields, especially financial discipline etc. and arrangement for employees to receive training on occupational health and safety too.

Management Approaches

1. Organizing training to allow employees at all levels to learn about labor protection laws.
2. Carrying out comprehensive human rights risk assessment throughout the business value chain.

Operating Results

In 2021,

the Company had no cases of complaints on infringement of human rights; therefore, there is no case of remedy.



Occupational Health and Safety



Background and Relevance

All employees are key mechanisms that drive and enable the Company to operate its business smoothly as performers for the business to have good operating results.

Therefore, the Company places emphasis on work safety of the employees with the goal of achieving zero working accidents in order to prevent damage to lives, livelihood and properties of employees of the Company and create better quality of working life for them.

Nonetheless, to maintain safety of the Company's employees amid the COVID-19 pandemic is a great challenge because the Company is unable to manage the environment for employees 24 hours a day.

The Company has determined preventive measures, guidelines, announcements and orders to control the spread of COVID-19 to the fullest extent, as well as encouraged employees to be aware of their own protection from various non-communicable diseases (NCDs) for safety of the employees and their families. These are considered responsibilities for oneself, the Company and the society.

Commitment

S&P commits to strictly complying with regulations and laws related to occupational health and safety as well as strives to

instill awareness of comprehensive safety for employees, business partners, and all groups of relevant stakeholders in order to reduce work-related injuries and avoid serious work accidents which may lead to death or disabilities.

In addition to compliance with safety and occupational health laws, the Company also commits to operate business in accordance with the framework of the World Health Organization (WHO) and the International Labor Organization (ILO) as following:

1. Promotion and maintenance of good physical and mental health of employees, and their well-being in the society according to their status.
2. Prevention. Prevent employees or workers from deteriorating health or abnormality due to improper, unsuitable conditions or working environment.
3. Protection. Employees or workers in the places of work are not allowed to perform dangerous works or at risk of getting disease.
4. Placing. The Company manages working environment to be suitable for physical and mental needs of employees or workers as much as possible.
5. Adaptation. S&P assigned responsibilities according to the abilities and preferences of employees so that employees can work effectively under proper consideration of physiological conditions and fundamental differences in terms of physical and mentality.



Goals

Work-related accidents leading to death or permanent disability = 0

Lost-Time Injuries Frequency Rate : LTIFR = 0

*case per million working hours



Management Approaches

1. The Company's employees at all levels shall have duties to comply with work safety to ensure safety of themselves and others.
2. S&P promotes and supports improvement of work environment and safe practice, use of appropriate protective equipment including maintaining good health of all employees. The lighting, sound and air quality inside the factory building are inspected annually as required by law to ensure healthy workplace for employees, and to apply inspection results to improve proactive measures to improve the working environments of S&P factories.
3. The Company has assessed safety of buildings and premises, as well as conducted annual safety inspection of the electrical system, gas system, X-ray machine, and freight elevator system, and promote and support implementation of safety activities for all parties.
4. The Company has followed up to monitor the implementation in accordance with safety, occupational health and work environment policy to control and supervise the practice seriously and achieve maximum efficiency.
5. The Company has assessed the risks that may occur to employees and suppliers/vendors who are working in the Company's premise consisting of the following issues:

Unit	Work Descriptions	Work-Related Risks														Remarks										
		Physical				Ergonomics		Biological		Hazardous chemicals							X-Ray									
		Cooling	Light	Noise	Dust	Fume	Muscle system	Vibration	Dust	Allergic reactions	Chlorine	Ethanol	Argon	Butanone	Acetone			Hexane	Lead	Copper						
Transportation	Deliver products to each branch		✓		✓																					
HR and Admin	Document/computer works (HR, Accounting)		✓																							
	Administrative works				✓						✓															
Safety	Document/computer works/inspection		✓																							
Quality control	Document/computer works/inspection		✓																							
Maintenance	Maintenance work	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	<p>Heat: Maintenance works</p> <p>Cooling: Repair work for cold storage about 2 times/month, duration about 2 hours/time</p> <p>Lighting/workers who require visual focus: computer works, welding, grinding</p> <p>Loud noise: from grinding works, maintenance works / Not louder than 85 dB(A)</p> <p>Fume: welding Muscle system, vibration: maintenance work</p> <p>Chlorine: wastewater treatment</p> <p>Hexane: chemical composition of contact cleaner spray (WD-40)</p> <p>Lead: used for repairing works, frequency: 1 time/month</p> <p>Copper: Welding of air conditioner pipes, frequency: 2 times/month</p>

6. The Company provides annual health examination for employees to monitor the incidence of work-related diseases and tendency of illness of employees in order to identify illness in the early stages and provide treatment or prevention in timely manner as well as to continuously monitor development of employee health examination results.

Safety Policy

S&P operates its business by adhering to safety, occupational health and work environment policy for employees and places importance to safety as much as other business operations, realizing that all employees are the most valuable resources. Therefore, executives in each line of work must be responsible for implementing the policy on an ongoing basis and in accordance with the Company's guidelines as following;

Safety

The Company will exert its best effort to prevent employees from accidents and hazards, and will strengthen employees to have safety awareness through trainings and education on continuous basis.

Occupational Health

The Company would implement measures to prevent employees from getting work-related sickness in all cases. In addition, employees are encouraged to pay attention to health and avoid activities that are detrimental to health of the employees themselves and customers.

The Company will regularly maintain hygiene and safety of workplace.

Working Surrounding

The Company will improve its operations and working environment to be appropriate.

In addition, the Company will be careful in each step of the operation to prevent employees and suppliers/vendors who are working in the Company's premise from getting into dangers.

Preventive Measures/Approaches to Reduce Occupational Health and Safety Risk in the Work Surrounding (Occupational Health and Safety Risk Assessment Metric)

1. Safety Talk Activities

The Company has scheduled the production line to conduct a meeting every Monday morning to allow employees to

share their experiences or experiences of someone they knew, including safety issues that arisen in the operation, identify risky points that need to be improved, solved and further examined to other related issues or which will have continuous effect. Safety Committee would conduct walk-through inspection throughout the factory to identify risky points and lay out preventive measures.

This activity would remind employees to be aware of the importance of safety and occupational health at work for their own benefits and protection.

2. Safety and Environment Training Program

During the orientation of new employees S&P would provide necessary occupational health and safety training in accordance with the current situation as required by law on a monthly basis such as wearing personal protective equipment. In addition, various case studies would be discussed to provide lessons for employees in order to remind and encourage employees to take safety precautions constantly as well as improve work standard system to have the potential for health care, safety and well-being continually to prevent work-related accidents leading to death or permanent disability



3. Fire Evacuation Drill and Emergency Plan in Case of Chemical Spills



In 2021, the Company organized 2 fire evacuation drills and initial firefighting trainings for day and night shifts. A total of 272 employees participated in the activities.



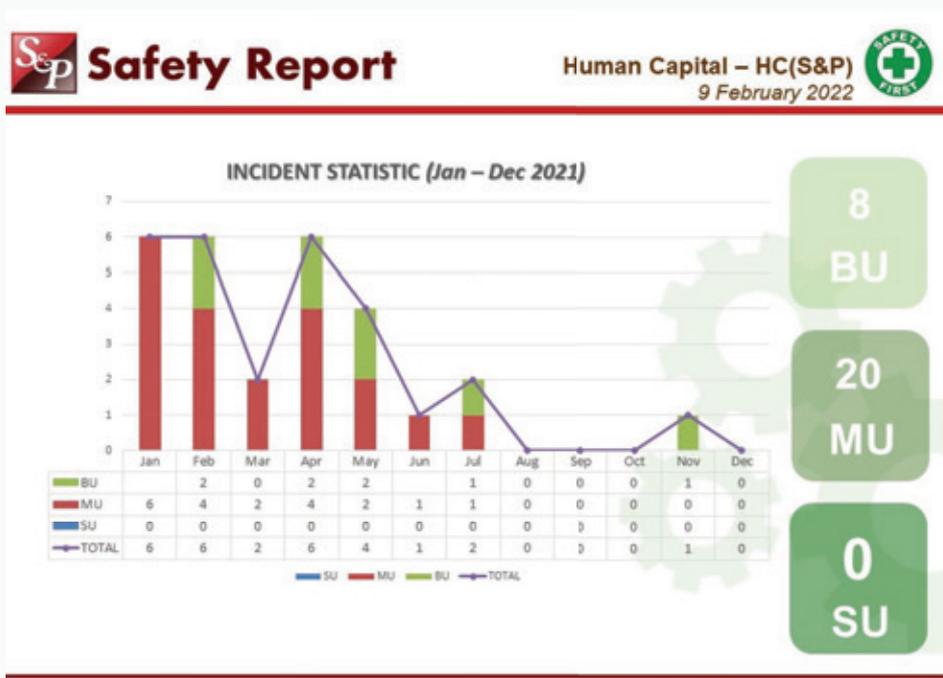
In addition, emergency drill in case of chemical spills was also being held by simulating a situation for template cleaning unit which has to handle chemicals directly. A total of 8 employees participated in the activity.

Operating Results

Occupational Health and Safety of Employees

Operating Results	2019	2020	2021
Number of cases:			
• Fatality Rate	0	0	0
• Total loss time incident	57 cases	51 cases	28 cases
Number of hours:			
• Total Loss Time Incident	5 cases per 1,000,000 working hours	5 cases per 1,000,000 working hours	2 cases per 1,000,000 working hours





Occupational Health and Safety of Suppliers/Contractors

Operating Results	2019	2020	2021
Number of cases:			
• Fatality Rate	0	0	0
• Total loss time incident	0	0	0

HIGHLIGHT Case

Employee Occupational Health and Safety Measures/Projects/Activities to reduce Risks amid Pandemic Situation

1. Work from Home Measure

Due to ongoing COVID epidemic situation and accelerating number of infected cases, the Company has set a goal of “ZERO COVID” and announced the Work from Home measure for the head office during April - September 2021 with concern for the safety of employees and aimed to prevent transmission and reduce the risk of virus spread. Employees were required to work at home 100% until the situation resolved and the Company has announcement allowing employees to come to office. In case, it is necessary for employees to work in the office, they would be only be allowed to enter the office premise on Tuesdays and Thursdays for a short period of 1-2 hours. Moreover, the employees must provide reasons for requirement to work in the office. Their supervisor must inform name of the employee who entered the office in advance according to the specified form. In this regard, the HR department must be notified at least 2 days in advance.

From October 2021 onwards, the pandemic situation began to mitigate and permissions for various venues to be accessed by public were granted. Therefore, the Company deemed it appropriate to open its head office as usual under the most stringent measures to prevent the spread of COVID-19. All department heads were requested for cooperation to arrange employees to take turn to work in the office. Each batch of employees should come to office only 2-3 days per week under Bubble and Seal measure and to maintain only minimum number of required employees in the Italthai Building. It was because Italthai Building was a high-risk zone as new infected cases had been reported every week. All employees were required to strictly comply with preventive measures and working regulations in the office as following:

1. Employees who came to work in the office, storefronts and factories were required to take ATK test on monthly, weekly and 14-day basis, respectively.
2. Wear medical mask or cloth mask correctly at all times.
3. Maintain a safe distance from others even if the other person is not sick.
4. Avoid enclosed areas, try to stay in an open, well-ventilated area, open windows when in enclosed spaces.
5. Wash your hands often, using soap and water or hand sanitizer with alcohol as the main ingredient.
6. Cover your nose and mouth with inner part of your elbow or toilet paper when coughing or sneezing.
7. Monitor your own symptoms. If you feel unwell, cough, sneeze, or have a fever, do not enter the office and notify your supervisor immediately and seek immediate medical attention.

2. Covid Talk



S&P has set up COVID-19 Committee and COVID-19 Working Team specifically for this particular period. The Committee and Working Team would collaborate with professional nurses to publicize preventive guidelines and measures and self-protection measures to employees of all departments on a monthly basis as well as update situations such as symptom monitoring, daily lifestyle, healthcare, maintenance of cleanliness for employees and the factories' premise, social distancing, and requirement to wear masks at all time, etc.



In this regard, the Company adheres to the **D-M-H-T-T-A** preventive measures, namely

D: Distancing

M: Mask wearing

H: Hand washing

T: Temperature

T: COVID-19 Screening Test

A: Application Thaichana

Employees may use Thaichana / Morchana applications and conduct self-assessment through "Thai Safe Thai" application to determine whether they are at risk of getting infection or not. This method would protect their family and co-workers from getting COVID-19.

In addition, meeting of the COVID-19 Committee would be held on monthly basis to monitor the Company's situation in terms of the number of infected cases and risky cases which required quarantine. The objectives were to prepare HR management plan to mitigate impact on the Company's operations for both the factories and storefront service as well as to set up ongoing preventive plan for the Company to cope with the situation effectively and in a timely manner.

Social Impacts on Community and Community Development

Background and Relevance

In 2021, the situation of COVID-19 Pandemic has been intensified and lasting more than half a year due to mutation of new COVID-19 variants. Therefore, measures, as applied by the public sector, have been intensified and affected the business sector and the slow-down of purchasing power of consumers. The Company must provide guidelines for business management, prevention and retention for continuous operation and must get through this situation strongly and sustainably.

S&P has adhered to business operation under its motto “Healthier Family, Happier World” because healthier family will be prepared to forward good things and to share happiness to communities and the society. S&P has always been aware that the Company is part of the society and is therefore determined to develop products of good quality. The Company has given its top priority to food safety as well as best service provision in all processes including selection of raw materials of premium quality from upstream sources into the production process, delivery to S&P outlets until hand-over to consumers with careful selection of raw materials of good quality, freshness, hygiene, toxic-free and directly sent from farmers and passed the careful examination in all details under S&P standard and can be clearly traceable to the sources, which enhanced careers and generated incomes to communities and promoted good nutrition from the use of raw materials of good quality for cooking of delicious dishes and forwarded the good value to consumers.

We are confident that sustainable business growth can be developed from integrity of operation in all processes and consideration of impacts on economy, society and environment. In addition to business operation with proper profits, the Company must take care of the society, communities and employees for good quality of life and must also maintain the balanced existence of the environment. S&P has implemented projects for community and social development which implanted concepts of social responsibilities to employees, trading partners and alliances by passing on its potentials and expertise in business operation to

communities in order to upgrade the quality of life of people in the society and to reduce potential negative impacts on the environment.

Management Guidelines

The important and sustainable business operation of S&P which is based on the principle of “Integrity” shall be the foundation and strategies towards success in order to create balances of economy, society and environment. In addition, the Company’s executives are role models for employees to drive businesses in the same direction. The Company has determined strategies on social responsibilities in conformity with the Company’s promises, and has aimed to create delicious foods from raw materials of good quality for good health of consumers, and has operated the work under such guidelines. S&P aims to create the social value through fair business operation, promotion of secure incomes for upgrade of careers of farmers and for upgrade of quality of life of people in the society as per the basic needs in terms of sanitation, livelihood, incomes and education, and to apply its expertise and potentials to support businesses and the society for concurrent, strong and sustainable growth.

S&P has participated in the society and communities by conducting fieldwork in different and alternate areas each year to acknowledge initial demands of communities in terms of nutrition and sanitation to distribute assistance to communities in the provinces covering all areas nationwide. The Company has given the top priority to the demands on nutrition and good sanitation in kitchens by conducting surveys and evaluating the demands in different aspects such as cleanliness and safety as per standard of kitchens, project of sustainable farmers which shall support raw materials in cooking of foods to sustainably enhance good nutrition of people in communities, including the number of people in such areas. Then, the Company shall collect these issues of demands and present them to executives for planning, development and improvement of kitchens through different projects in order to improve the quality of life of people in such communities.



In 2021, the Company has postponed the implementation of CSR projects due to impacts from situation of COVID-19 Pandemic resulting in limitations of travelling and project implementation. However, the Company has planned to implement projects in the following years by taking account of safety of employees and potential risks of epidemics on communities.

The Company has established the Sustainability Development Office to be responsible for and pushing forward the sustainable operational process and for creating projects of implantation of good awareness to people in the society and for promoting the organizational culture and creating awareness to personnel in the organization to jointly develop and promote the society and environmental protection concurrently with sustainable growth of the Company; whereas, the objectives of implementation of CSR activities must be in conformity with expertise of the Company and must be able to meet demands of stakeholders and to improve the quality of life of communities and the society, for examples, on complete nutrition, proper household well-being under international standard so that people in communities shall have strong body and shall be ready to be part of driving the sustainable growth of the society.

Regarding communities or stakeholders around S&P factories, in case, any improper action is found, please send your complaints to the Sustainability Development Office, Head Office; Email: sd@snpfood.com for improvement and development of the working process to be friendly to communities and the environment with proper guidelines.



Operating Results

S&P has been determined to develop and magnify projects as per guidelines which are in conformity with the Company's business to apply the available expertise to the promotion of well-being and good quality of life, enhancement of occupational skills as well as fulfillment of happiness to communities and the society. For this purpose, in order to meet the genuine demand of communities, the Company has conducted surveys and evaluated the demand of communities and focusing on operation in 3 dimensions, i.e., economic, social and environmental dimensions.

Economic Dimension

The Company has supported raw materials from Thai farmers through procurement with social responsibilities for income distribution to local areas, career security and fair employment of local workers, conservation of local wisdom and generation of incomes to communities including "Organic Vegetable Garden Visiting Project, Chiang Mai Province", "Loincloth Bag Support Project, Amnat Charoen Province".

Social Dimension

In 2021, the Company has postponed certain types of CSR projects which require surveys and lengthy operational periods. However, the Company has prioritized the creation of positive impacts on the society by applying its expertise in the capacity of a food and bakery producer to cooking of delicious dishes from raw materials of good quality completely in accordance with the principle of nutrition so that people in the society shall have good nutrition and health through the signing ceremony of S&P Wellness Menu Cooperation Project and provision of knowledge materials in different patterns such as infographic, video presentation through Knowledge Sharing Project and creation of morale and encouragement in living as well as delivering happiness and best wishes to the society by delivering ready-to-eat foods and bakery such as S&P Cake A Wish Make A Wish Project, S&P Fighting Against COVID-19 Project, S&P Fighting Against Floods in 2021. In addition, the Company has taken part in supporting the education sector through Project of Educational Equipment Support to the University of the Thai Chamber of Commerce.

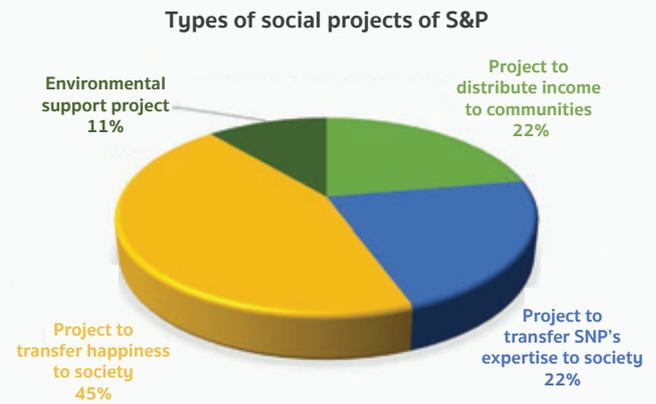
Environmental Dimension

The Company has promoted its employees, trading partners, customers and consumers to be aware of environmental impacts and to implant environmental-friendly behaviors, and has supported people in the society for sustainable use of existing resources such as “S&P Cloth Bag Carrying and Saying Goodbye to Plastic Bags Project” because the Company is a business organization which still needs to use plastic food containers by taking account of optimal cleanliness and safety during the situation of COVID-19 Pandemic. However, the Company is determined to operate its businesses in conformity with policies of the public sector as proposed by the Ministry of Natural Resources and Environment including Public-Private Partnership Project to reduce and cancel the use of single-use plastic.

The Company has asked for cooperation from customers in carrying cloth bags for shopping of S&P products, and has increased alternatives for customers’ convenience, and has emphasized the reuse of cloth bags to reduce the use of resources which is the cause of waste problems, by using cloth bags from its support to communities and for distribution to customers at special prices as per the Company’s CSR policy: “Fair Employment and Income Distribution to Communities”.



S&P’s implementation of social projects can be measured by the number of people interested to participate in activities and project continuity. In 2021, S&P undertook social projects by dividing the proportion according to the project implementation objectives as follows.



In 2021, S&P implemented social projects under commitment and strategy by using a total budget of more than 11,298,878 baht. The details of investment for social activities can be summarized into 3 types as follows.

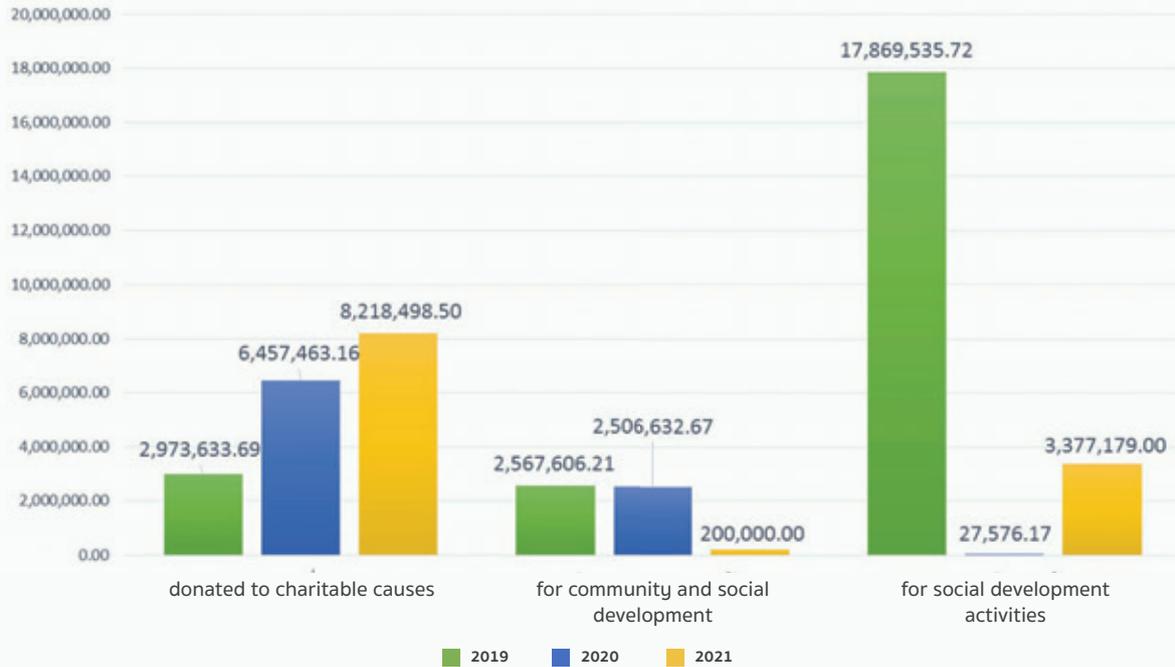
- 1. Investments for charitable donations with clear objectives,** e.g. donations to help medical personnel and people affected by the Covid-19 epidemic situation, project to help people affected by floods, donation project to uphold Buddhism, including a donation project to fulfill happiness of the underprivileged in the amount of 8,218,498.50 baht.
- 2. Investments for community and social development,** namely “S&P Cooperation in Helping Flood Disaster 2021” project to support materials and equipment to repair houses of flood victims in the amount of 200,000 baht.
- 3. Investments for social development activities (CSR activities),** namely a project to give educational equipment to the University of the Thai Chamber of Commerce, a project to support CSR activities of external agencies, including a project to support educational courses for medical personnel, totaling 3,377,179 baht.

Performance

Operating Results	2019	2020	2021
Investments donated to charitable causes	2,973,633.69	6,457,463.16	8,218,498.50
Investments for community and social development	2,567,606.21	452,924.47	200,000
Investments for social development activities	17,869,535.72	27,576.17	3,377,179



The investments for social activities in Year 2019-2021



HIGHLIGHT Case: Projects and Benefits entitled by the Organization

Major Projects related to Community and Social Management in 2021

Project to support local produce for distributing incomes to communities

Project to promote loincloth bags from community enterprises in Amnat Charoen Province:



S&P has supported hand-woven loincloth work from local communities affected by the COVID-19 situation, causing no income for more than 7 months. The objective is to create added value by processing, producing loincloth bags with beautiful patterns for the project “S&P Campaign to Carry Cloth Bags, Say Goodbye to Plastic Bags.”. In this regard, S&P generated a total income of more than 1.5 million baht for 50 communities, 200 households in 7 districts of Amnat Charoen Province. In addition to generating income, this can also create value, pride and encourages cloth weaving for the communities again. Furthermore, S&P has also helped create ideas for further product development to enhance the capabilities of Thai people’s craftsmanship to be interesting and generate more income in the future.

Thai Durian upgrading project with preserved sweet durian processing plant

S&P Syndicate Plc. has joined venture with San Frozen Fruit Co., Ltd. to build a preserved sweet durian processing factory in the name of “S&P SF Co., Ltd.” with the objective to help purchase

durian in the 3 southern border provinces. Apart from supporting over 30 tons of durian per year from farmers for producing Monthong durian-stuffed mooncakes, a classic filling available for sale all year round, S&P also buys durian in the form of frozen durian for use in producing dessert menus like “durian coconut milk glutinous rice” amounting to more than 4.5 tons per year too.



In addition to giving counsel on the establishment of factory and creation of GMP standard system, S&P has also provided knowledge useful for farmers in the development of production efficiency of standards and quality, e.g. the process of cutting durian, selecting the flesh, storing the flesh and separating durian seeds, packing and freezing to preserve the freshness of durian so as to reduce the generation of waste and also create added value to product, including introducing the method of Supplier Development to obtain quality products coupled with fair prices for both buyers and sellers as well as helping recommend the ripeness level of each durian variety suitable for preparing various menus to further sale to other customers as well.

As a result, S&P can be confident that the durian used by S&P is of good quality, delivered directly from the factory of international standards, is safe for consumers. At the same time, S&P also purchases goods at fair prices and the farmers have more income than before, including confidence in the product market. Thus, the farmers earn income and have a better quality of life with knowledge to develop their products to grow sustainably.

Project to transfer S&P's expertise to society

Project on educational equipment support for the University of the Thai Chamber of Commerce



S&P Syndicate Public Company Limited provided educational equipment support to the University of the Thai Chamber of Commerce by delivering the shop structures, work systems and equipment to operate in S&P shops, totaling 1,600,295 baht. In this regard, Assoc. Prof. Dr. Thanawat Phonwichai, Rector of the University of the Thai Chamber of Commerce, Asst. Prof. Lakkhana Sathayanan, Senior Vice Rector for Administration and Asst. Prof. Rattanawadee Sirithongthaworn, Advisor of the Top Executive Program in Trade and Commerce (TEPCoT) received the delivery thereof at the University of the Thai Chamber of Commerce on 22th September 2021.

Knowledge Sharing Project

The Company has aimed to communicate with its employees and third parties and to give knowledge on green lifestyle in different patterns such as articles, news scoops, video clips, infographic, including training activities for body of knowledge development and effective magnification of outcomes.

In addition, the Company has provided materials to give knowledge on sustainability in the social and environmental dimension in the pattern of infographic for dissemination in online media both within and outside the organization.



Project to transfer happiness to society

Project “S&P Cake A Wish Make A Wish 2021...This Cake With Love Forever”



S&P Syndicate Public Company Limited has continued the project “S&P Cake A Wish Make A Wish 2021...This Cake With Love Forever” for the 17th consecutive year by bringing large cakes of 425 pounds to deliver happiness, create smiles to



society on the occasion of the New Year Festival and the Valentine's Day Festival for the underprivileged, orphans, the disabled, the elderly at a total of 12 foundations and welfare homes in Bangkok Metropolis and its neighboring provinces , totaling 3,614 people, including Setthathian School under Royal Patronage, Srisangwal School, Foundation for the Welfare of the Crippled under the patronage of the Royal Grandmother , Foundation for the Blind in Thailand under the Royal Patronage of Her Majesty the Queen, Ban Nontapum Home for Children with Disabilities, Rachawadee Home for Persons with Disabilities Protection and Development (Rachawadee Home for girls-boys), Fueng Fah Home For Persons with Disabilities Protection and Development, Pakkret Babies Hom, Pakkret Reception Home for Boys (Ban Phum Vet), Nontapum Home for Children with Disabilities, Pakkret Home for Boys and Ban Bang Khae Social Welfare Development Center for Older Persons.



Project of S&P Cooperation to Fight COVID-19 Year 2021

Amid the COVID-19 epidemic situation, S&P has continued to encourage medical personnel, COVID-19 patients, government officials of supporting COVID-19 work, including people in various communities affected by the COVID-19 situation continuously as follows;



- **Between 16-30th April 2021, S&P donated food, frozen food, bakery, jelly and drinking water products to a total of 36 hospitals and field hospitals in various regions nationwide worth 4,191,238 baht**, namely Phramongkutklao Hospital, Rajavithi Hospital, Siriraj Hospital, Bamrasnaradura Institute, Vajira Hospital, Ramathibodi Hospital, Ramathibodi Chakri Naruebodindra Hospital, Chulalongkorn Hospital, Vejkarunrat Hospital (affiliated with Bangkok Metropolitan Administration), Erawan 2 Field Hospital (Bangkok Arena Sports Center), Bhumibol Adulyadej Hospital, Royal Thai Air Force Field Hospital (RTAF), Royal Thai Air Force Hospital (Sikan), Royal Thai Air Force Medical Department, Somdej Phra Pinklao Hospital Naval Medical Department, Thammasart Field Hospital and National Cancer Institute Hospital, including provincial hospitals in various regions, namely Her Royal Highness Princess Maha Chakri Sirindhorn Medical Center, SWU Ongkharak Field Hospital, Ratchathani Hospital, Ratchathani Rojana Hospital, Nakhon Pathom Hospital, Nakhon Pathom Field Hospital, Ratchaburi Hospital, Ratchaburi Field Hospital, Damnoen Saduak Hospital, Ban Pong Hospital, Photharam Hospital, Maharaj Nakhon Ratchasima Hospital, Nakhon Ratchasima Field Hospital,

Kamphaeng Phet Hospital, Kamphaeng Phet Field Hospital, Chiang Mai Field Hospital, Maharaj Nakhon Si Thammarat Hospital and Phra Phrom Hospital (Field Hospital).

Furthermore, S&P, together with the Certificate Course in Medical Governance for Senior Executives, Class 9, delivered 10,000 bags of butter chicken joints for packing into motivation bags to be given to COVID-19 patients in field hospitals nationwide as well.



- During 8-24th May 2021, S&P gave food products by receiving germinated brown rice support from Khao-Mae Co., Ltd., S&P's partner, for use as raw materials to prepare ready-to-eat boxed food of good quality and nutritious value by delivering 3,300 boxes and drinking water worth 383,355 baht to hospitals, field hospitals in Bangkok Metropolis and other provinces, including 22 affected communities,** namely Rim Khlong Wat Saphan Community, Flat 22 Community, Flat 23 Community, Wat Khlong Toei Nai 2 Community, Wat Khlong Toei Nai 3 Community with Police General Asawin Kwanmuang, Governor of Bangkok Metropolis as delivery-receiving representative. Moreover, aid was distributed to Coronavirus Disease 2019 Epidemic Operations Center Social Security Office, Correctional Institution, Correctional Hospital, Busarakham Hospital (by the Ministry of Public Health), Hospital, Khaosan Palace Hotel (by Wachira Hospital), Chulalongkorn Field Hospital (by Chulalongkorn University), Vaccination Service Center Chulalongkorn University, 1st Army Field Hospital (by Phramongkutklao Hospital), Erawan 1st Field Hospital



- (by Luang Pho Thaweesak Chutintharo Uthit Hospital), Central Hospital affiliated with Bangkok Metropolitan Administration), Sirindhorn Hospital (under Bangkok Metropolitan Administration), Rajapipat Hospital (affiliated with Bangkok Metropolitan Administration) and Bang Khun Thian Elderly Hospital (under Bangkok Metropolitan Administration), including hospitals and field hospitals in the provinces, viz. Songkhla Nakarin Hospital, Songkhla Field Hospital, Songkhla Field Hospital (International Convention Center), Somdej Phranangchao Sirikit Hospital, Chonburi Province and Maharaj Chiang Mai Hospital.
- 7th June - 2nd July 2021, S&P also gave S&P bakery products to medical personnel and staff at 45 vaccination points of Bangkok Metropolitan Area Social Security Office, totaling 38,050 pieces, a total value of 902,063 baht,**
- On 30th July 2021, S&P donated S&P butter chicken joint snack to Ramathibodi Hospital for packing into 300 Home Isolation patient bags worth 11,400 baht.**
- On 5th August 2021, S&P gave S&P butter chicken joint snack to the Royal Thai Army College for delivery to 2 Army Field Hospitals for medical personnel and COVID-19 patients, 500 sets, valued at 19,000 baht.**
- Between 23-30th September 2021, S&P gave 3,700 boxes of ready-to-eat, freshly prepared, clean and safe boxed food with a total value of 426,180 baht to 17 government, private organizations as well as communities,** as follow 1. Siriraj Hospital 2. Lerdsin Hospital 3. Lerdsin Field Hospital

4. Royal Thai Air Force Field Hospital (Don muang) (under Bhumibol Adulyadej Hospital and Chulabhorn Royal Academy)
 5. Chulalongkorn Field Hospital (Thai Red Cross Society)
 6. AIIR ICU RCU (Respiratory care unit of Rajavithi Field Hospital)
 7. CCU unit of Phramongkutklao Filed Hospital
 8. Praram 9 Hospital
 9. ICU unit of Rajapipat Field Hospital
 10. Nakhon Pathom 5th Field Hospital (under Phutthamonthon Hospital and Sampran Hospital)
 11. Golden Jubilee Medical Center; Faculty of Medicine Siriraj Hospital, Mahidol University
 12. Erawan 3 Field Hospita (under Charoen Krung Pracharak Hospital)
 13. Principal Healthcare Field Hospital (under Buddharaksa Foundation and Princ Hospital Suvarnabhumi), acceptance these public health organizations, S&P also donated food to any communities in Bangkok Metropolis passed the government organizations namely, 14. Bangkok Metropolitan Administration to transport food to Bangkoknoi District Office
 15. Community Isolation of Wat Hong Rattanaram and 16. Community of Wat Hong Rattanaram Ratchaworawihan, moreover S&P also prepared food to medical personnel and staff at vaccination points at 17. Social Security Office, Department of Employment.



Besides these, S&P donated 80 boxes of Delio Cookies which valued 15,848 baht to Foundation for the blind in Thailand under the Royal patronage of H.M. the Queen on 2nd July 2020 to support and encourage disadvantaged people in continuously the Covid-19 Situation.

Project “S&P Cooperation to Help Flood Disaster Year 2021”



S&P has been concerned about the flood situation with impact on people’s living and occupations because some families include the elderly, children and bedridden patients. In this regard, S&P joined forces with the Royal Thai Armed Forces Headquarters by the Disaster Mitigation Center Bureau of Development Region 5, Armed Forces Development Command. S&P went to the area and distributed bakery products and consumer goods packed in survival bags worth 1,000,309 baht to flood-affected communities so as to alleviate the suffering of flood victims and operational staff in Chiwan Sub-district, Phimai District, Nakhon Ratchasima Province. In addition, aid was distributed to another 9 provinces in the Lower Northeastern Region, viz. Buriram, Yasothon, Amnat Charoen, Ubon Ratchathani, Sisaket, Roi Et, Surin, Maha Sarakham and Chaiyaphum in October 2021. Besides, S&P visited the area again to help with housing rehabilitation and home repair materials support for affected people worth 200,000 baht in November 2021.





ENVIRONMENT

Packaging



Background and Relevance

Whereas, the Ministry of Natural Resources and Environment has announced the Roadmap for Plastic Waste Management B.E.2561-2573 and aimed to reduce single-use plastic waste and to cancel the use of 4 types of plastic, i.e., “plastic bags with the thickness of less than 30 microns”, “plastic straws”, “plastic cup less than 100 microns” and “foam boxes” within 2022 aiming at 100% recycling of plastic waste within 2027, S&P has cancelled the use of plastic bags with mixture of Oxo substance since 2011 and has cancelled the use of cap seals since 2018 and there is no use of micro beads in the business. Therefore, the Company has piloted the operation by taking account of responsibilities to the environment and abilities to achieve the goal before the Roadmap of 2019.

Regarding the goal in 2022, the Company has continuously initiated the development of environmental-friendly packages. However, due to the situation of COVID-19 Pandemic, the Company has given the top priority to the safety of customers, employees and other related parties. Therefore, it is necessary to relax some practices and limitations on using personal containers for purchase of foods and beverages for reduction of touch and convenience to customers. However, S&P, in the capacity of sustainable food and bakery business leader, is aware of local and overseas environmental issues and is determined to develop other environmental-friendly packages with no impacts on health safety in order to reduce global and environmental impacts.



Determination

The Company is determined to develop and supply standardized, safe and environmental-friendly packages. Therefore, S&P packages shall emphasize issues of quality and balances.

- 1. Quality** The Company has selected and used food-grade packages under the accredited standard of production which can touch foods and are not hazardous to consumers, and has printed the data of food-grade standard on products to ensure the highest safety for consumers and the quality of durability and prolonged service life and reusability.
- 2. Balances** The Company has prioritized the hygiene, safety and convenience for consumers' use, and is determined to reduce the use of plastic. However, plastic is a material which can maintain the product quality and effectively provide safety to products by functioning as a shield in preventing germs and contaminants and prolonging the service life of products. Therefore, the Company has selected and used bio-degradable plastic and hybrid boxes and food containers which are produced from natural-tissue and 100% bio-degradable paper; meanwhile, transparent lids are produced from PET plastic which can be recycled and reused in the plastic industry; provided that the selection and use of transparent lids shall enable customers to see goods inside the packages and shall be beneficial to the decision making to buy goods, and beautiful design of packages shall attract consumers to reuse packages and to reduce waste.



Goals

The Company has its goals of environmental management in conformity with the principle of sustainable development as per the UN goals for responsible consumption and production which is the important goal of S&P in the capacity of national food and bakery producer; provided that the Company is determined to provide the package management in support of sustainable consumption and production.

The Company has, therefore, stipulated that,

within 2022,

100% of S&P final products must be compostable, recyclable or reusable food packaging



for efficient use of resources as well as to reduce the impact on environment, health and the overall economy of the country.

Management Guidelines

Policy on “Effective and Optimal Use of Resources”

The Company has operated its sustainable business on the basis of worthy use of resources; provided that all units shall operate works with effective and optimal use of resources under the principle of 5Rs, including:

Reuse: for examples:

- 1) Beautiful design of usable packages for S&P products
- 2) Marketing promotion for reduction of single-use plastic packages
- 3) Use of reusable containers in transport
- 4) Worthy use of resources as well as promotion of use of employees' personal containers such as plates, forks and spoons, water glasses and bottles, etc.



Reduce: Reduction of use; for example:

Reduction of use of plastic packages; however, since the food business cannot 100% refuse the use of plastic due to priorities of hygiene, sanitation and storage and service life of products, therefore, the Company has adjusted the packages by reducing the thickness of plastic as may be suitable, and has used the bio-degradable, plastic-replacement packages.

Recycle: Recycling; for example:

- 1) Use of recycled plastic for reduction of new plastic production
- 2) Improvement of current packages by means of invention, experiment and use of mono-materials or use of other environmental-friendly materials for food and bakery containers to get into the recycling process

Refuse: Refusal of use of non-environmental-friendly materials such as foam, Oxo-degradable plastics, non-environmental-friendly refrigerant, etc.

Renewable: Use of renewable resources by using alternative energy in the production process and installing solar roof at S&P Bakery Production Factory to reduce normal use of electrical energy as well as giving priorities and consideration of trading partners who have used renewable resources or other environmental-friendly operations

Summary of 5 New Normal of S&P's approaches to plastic packaging

- 1. Prefer to use plastic Recycle,**
recycled plastic to reduce production of new plastics;
- 2. Opt for Mono-Material**
packaging which are recyclable.
- 3. Choose bio-plastic**
as it is biodegradable in the right conditions.
- 4. Reduce the thickness of plastic packaging.**
- 5. Prefer to choose compostable biodegradable materials**
for packaging in place of plastic, such as pulp mold food packaging, eco-friendly kraft paper snack box, etc.

Including the initiation of operations under measures to achieve the goal of 100% recycling of plastic waste within 2027 as per guidelines and draft of action plan of the Pollution Control Department, Ministry of Natural Resources and Environment, as follows:

- | | |
|---------------------|---|
| Measure No.1 | Reduction and cancellation of plastic waste at source |
| Measure No.2 | Reduction and cancellation of plastic use at the stage of consumption by driving for cancellation of single-use plastic which has environmental impacts and may not be reused in the circular economic system |
| Measure No.3 | Management of plastic waste after consumption by promoting the recycling of plastic waste |

Operating Results in 2021:

Whereas, the Company has aimed to develop environmental-friendly packages for goods at S&P outlets which must be reused, recycled or 100% bio-degradable within 2022;

In 2021, the Company has adjusted to the use of environmental-friendly packages by **93%**

from the total quantity of purchase of packages, divided into types of materials, as follows:

1. Packages produced from paper, pulp mold and paper stickers shall be bio-degradable by 44%
2. Packages of foils and metal boxes equal to 3% which can be recycled or magnified of use
3. Packages of mono materials equal to 46% which can be leading to the recycled processes
4. PLA/PBS bio-degradable plastic packages equal to 0.3%

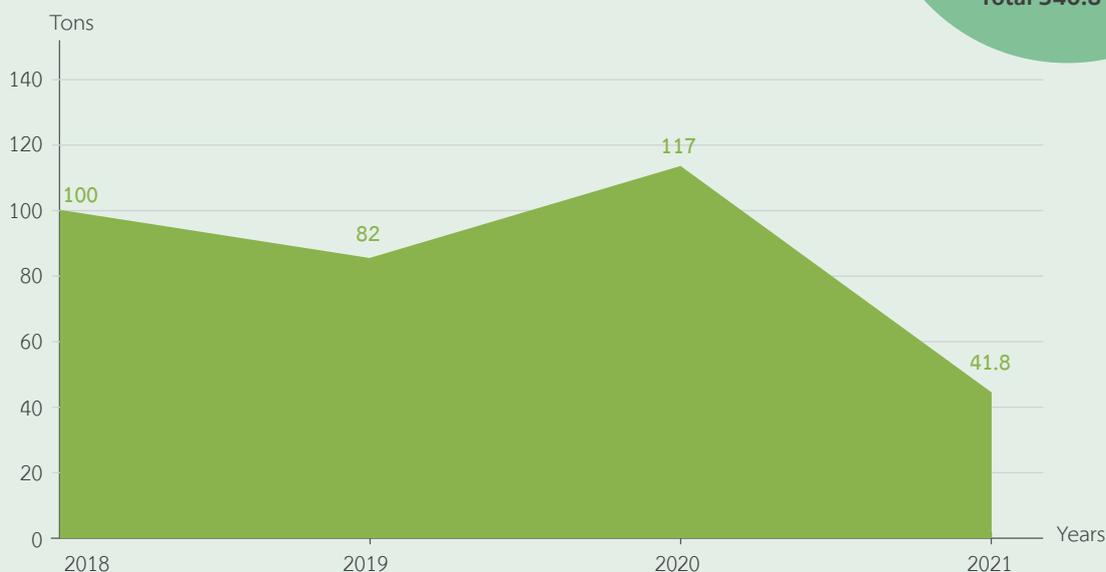
Regarding 7% of the remaining packages which had no properties of recycling, bio-degradable or re-usable were multi-layer plastic packages (6%) and plastic stickers (1%), the Company has still been determined to develop packages continuously by taking actions under the standard control of properties of goods without impacts on the quality and service life of products, and the Company expected that the operation shall be complete within 2022 as targeted.

Significant Results of Adjustment of Environmental-Friendly Packages:

2018	2019	2020	2021
Reduction of Plastic Use by 100 tons	Reduction of Plastic Use by 82 tons	Reduction of Plastic Use by 117 tons	Reduction of Plastic Use by 41.80 tons
1. Cancel the use of cap seals	1. Start practices of cancellation of use of plastic bags on every 4 th date of the month, and issue campaign for customers' use of cloth bags	1. Announce the cancellation of use of plastic bags to reduce plastic waste	1. Change food boxes and curry cups, and use transparent PP plastic materials to "pulp mold" containers
2. Cancel the use of foam boxes	2. Cancel the use of 000-size plastic bags and cancel the use of side-folded plastic bags (size: 10x15 inches)	2. Produce "green bags" from recycled plastic to reduce the quantity of new plastic from sources, and produce bags with the thickness of more than 50 microns which are durable and proper for reuse several times	2. Change of single-piece bakery and dessert packages to mono materials, totally 2 items, to get into the recycling process, and develop packages and prolong the service life of products
3. Use of snack boxes, craft paper for biodegradability	3. Use of Grab & Go food packages from pulp mold	3. Change custard and dessert cups from plastic to paper cups	3. Change to use hybrid salad boxes and hybrid Khao Chae containers
	4. Change bakery packs from single-piece packs to use mono materials for packs of 5 pieces to be able to enter the recycling process	4. Change hot coffee cups from paper cups coated with PE plastic which is not bio-degradable to use paper cups coated with PBS which is bio-degradable, and change organic sugar packets from paper packages coated with PE plastic to be coated with bio-plastic which is bio-degradable	4. Change glue on paper stickers to use removable stickers so that plastic packages can be used in the recycling process easier
	5. Change to use paper straws and bio-plastic straws in place of original plastic straws	5. Cancel the use of plastic stirring sticks for hot coffee to use bio-degradable materials	5. Change custard powder packages from cans to sachets
	6. Change box bands from plastic to paper	6. Reduce the use of plastic stickers and change to paper stickers	6. Reduce the thickness of plastic cake knife

2018	2019	2020	2021
	7. Reduce the thickness of food and quick meal trays	7. Reduce the thickness of bakery trays and boxes, laminate packs and film rolls of sauce packs	7. Reduce the thickness of bread bags and bakery boxes
	8. Change design of 1-pound cake boxes with handles to reduce the use of plastic bags with handles	8. Cancel the use of plastic knives for frozen butter cake products	
		9. Use thick PP plastic boxes for kitchen raw materials for reuse in at least 3-6 months in place of single-use boxes	

Volume of reduction of plastic consumption in Year 2018-2021 (tons)



Highlight Case: Projects and Benefits for Organizations

Goal No.1 : Change steamed stuff bun boxes, food containers, Khao Chae packages and custard bowls to hybrid type and from transparent PP plastic containers to bio-degradable pulp mold to reduce impacts on the environment and living things

Achievement : Reduce the quantity of plastic use, totally 23 tons



Goal No.2 : Change custard powder packages from cans to sachets

Achievement : Reduce the quantity of plastic use, totally 12 tons



Goal No.3 : Change packages of S&P Thong Yip, Thong Yod, Med Kanun, Foy Thong to packages from mono materials to get into the recycling process. In addition, it helps prolong the expiry date of products from 7 days to 14 days to the benefits of both the Company and consumers so that desserts can be kept for longer periods.

Achievement : Reduce the quantity of plastic use, totally 3.59 tons



Goal No.4 : Reduce the thickness of Chicken Leg Snack plastic packages from weight of 52.55 grams to 40.55 grams and change package labels to removable stickers so that packages can be reused or brought into the recycling process easier

Achievement : Reduce the quantity of plastic use, totally 8.15 tons



Waste and Food Waste Management

Whereas, the Government has required that all sectors shall jointly solve waste problems which shall be regarded as the national agenda for development of environmental quality in favor of living and sustainable development by referring to the master plan of national waste management (B.E.2559-2564) by the Pollution Control Department, Ministry of Natural Resources and Environment, in conformity with the direction of the 12th National Economic and Social Development Plan (B.E.2560-2564) under the main conceptual framework, i.e., emphasis on the reduction of waste at source, reuse and recycling of waste under the principle of 3Rs to reduce the quantity of waste for disposal and to reduce the cost of production of the production sector in a sustainable manner.

In addition, Thailand is taking actions to achieve the goal of reduction of food waste by half within 2030 as per the Sustainable Development Goal (SDG), Sub-clause 12.3, i.e., “reduction of global food waste by half at the level of retailing and consumers and reduction of food loss from the production process and the supply chain, including loss after harvesting within 2030”. Therefore, it shall be regarded one of the challenging responsibilities of S&P to manage the food waste effectively and to reduce social and environmental impacts on Thailand.



Determination

1. To reduce rubbish and waste at source
2. To increase the potentials of rubbish and waste management
3. To promote the rubbish and food waste management
4. To separate waste properly for reuse and effective management
5. To create the awareness of global environmental conservation and to propose guidelines for participation and sustainable environmental protection to employees and the general public through channels

Goals

The Company has determined the short-term and long-term goals for waste and food waste management, as follows:

Within
2030

S&P restaurants and bakery shops

Reduction of bakery waste by



▼ 30%

from the based year 2018

Within
2022

S&P Food Factory

Reduction of waste per unit of production to not exceeding



▼ 10%

Guidelines for Waste Management

1. The Company has the policy of “effective and optimal use of resources” as covering guidelines for waste and food waste management of the Pollution Control Department, as follows;

1.1 Reuse: select quality and standard materials, equipment and kitchenware to be reused several times and to be replaced as per proper service life; aim to optimally use resources such as use of Super Ware boxes instead of using thin and fragile boxes as containers of raw materials, reuse of freight boxes instead of single-use paper boxes, use of 2-sided paper, etc.

1.2 Reduce: make plans and design products in terms of magnification and development so that the same type of raw materials and packages can be used in order to reduce a large number of raw materials or packages and leading to opportunities to reduce waste

1.3 Recycle: select resources produced from recycled materials with no impacts on the quality of foods and services; for example, using recycled plastic bags to reduce rubbish and waste at source; promote the project implementation for use of waste; for examples, “Recycled Bottle Project”, “Upcycling Project for Production of Employee Uniforms from Plastic Bottles”

2. The Company has implemented the Project of “Separation of Waste in the Right Bins and Implantation of Awareness”, aiming at separating waste throughout the organization and concretely recording the quantity of each type of waste since 2020 and extending the scope of additional operation



from the production unit or S&P food and bakery factory which has continuously managed the waste, thus, for reuse of food waste; for example, giving food waste to farmers in communities to be used as fish food, using of waste of fruits and vegetables from cutting and giving them to Onnuich Organic Fertilizer Fermentation Factory to help BMA reduce the quantity of waste disposal, as well as separating scraps into the recycling process and providing guidelines for effective waste management.

3. The Company has managed the demand and the supply for conformity by developing IT system and making effective production and sale plan for estimation of sale and production of goods to be in conformity with the demand and to be more accurate, thus, to reduce the quantity of waste.

4. The Company has developed the prolonging of service life of products in favor of the storage of foods for the Company and consumers; for example, production of desserts, Foi Thong, Thong Yib, Thong Yod, etc., thus, to reduce the quantity of food waste.

5. The Company has provided the selling and service skill training course for development of potentials of employees as one of the guidelines for reduction of waste in S&P outlets.

6. The Company has provided proper sales promotion of goods to boost sales.

7. The Company has established the cooperation with its business alliances on sustainability to achieve the common goal of sustainability; for examples:

- S&P Food Rescue Project in cooperation with the Scholars of Sustenance (SOS) Foundation to donate surplus foods from daily production to communities in need
- Project of Cooperation with Yindii Application for S&P bakery distribution in terms of happy hour sale with 50-80% discount at the end of the day to solve the problem of food waste management so that consumers can buy quality foods at cheap prices
- S&P Paper X (plus SCG) Project for recycling of used paper
- Recycling Project in cooperation with TPBI to send plastic back into the recycling process
- Soft/Hard Plastic Separation Project in cooperation with “Course Air Group” to send plastic into the melting process for production of advanced biofuels, etc.



Operating Results

- Whereas, in 2018, the Company has targeted to reduce bakery waste by 30% within 2030; and in 2021, the Company could reduce bakery waste by 44.57%.

Since the Company has been determined to reduce bakery waste, the Management Team, including Strategic Unit, Planning Unit, Production Unit, Marketing Unit, Public Relations Unit, Sales Teams, as well as the Sustainability Development Office, has cooperated to operate works in accordance with guidelines for waste management to achieve long-term goals in 2030 in terms of early reduction of bakery waste; provided that the Company has been determined to continue reducing waste to achieve the highest goal of “zero waste” and to review and to set more challenging goals in the next years.

in 2021,
the Company could reduce
bakery waste by
44.57%

Performance	Value of bakery waste (MB.)				Waste volume compared by 2018		
	2018 (MB.)	2019 (MB.)	2020 (MB.)	2021 (MB.)	2019	2020	2021
Total of bakery waste	234	219	199	129.6	-6.4%	-14.96%	-44.57%
Waste value in each group							
• Daily Baked & Pastry	71.0	66.7	58.3	32.6	-6%	-17.89%	-54.08%
• Pound cake	64.8	66.5	47.7	39.3	2.6%	-26.39%	-39.35%
• Cake slice	62.4	52.2	53.2	38.2	-16.34%	-14.74%	-38.78%
• Sandwich	19.7	16.5	15.5	8.9	-16.24%	-21.32%	-54.82%
• Others	16.1	17.1	24.3	10.6	6.2%	50.93%	-34.16%

Value of bakery waste in Year 2018-2021 (MB.)



2. Whereas, in 2018, S&P Food Factory has targeted to reduce waste per production unit by not exceeding 10% within 2022; and in 2021, S&P Food Factory could reduce waste per production unit to 9.23%.

In summary, the Company could achieve the goal and maintain the level of operating result in order to reduce waste per production unit continuously from the previous year.

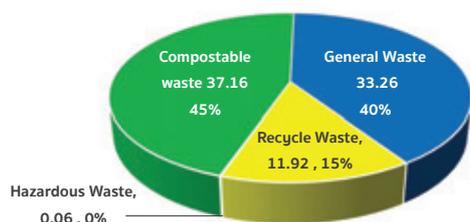
in 2021,
S&P Food Factory could reduce waste per production unit to
9.23%

Type of Waste	2019 (Tons)	2020 (Tons)	2021 (Tons)
1. Compostable waste	502.00	288.40	292.10
2. Recycle waste	61.33	42.91	36.24
3. General waste	131.00	48.80	55.00
4. Hazardous waste	0.31	0.15	0.1
Total waste (tons)	694.64	380.26	383.44
Total production (tons)	6,119	3,916	4,153
Waste percentage / Production unit (%)	11.35	9.71	9.23



3. Information of each type of waste in 2021

S&P Restaurants 65 piloted branches in hospitals (Tons)



S&P Headquarter (Kg.)



Highlight Cases: Projects and Benefits entitled by the Organization

1. • S&P Food Rescue Project

S&P Syndicate Public Company Limited, together with the Scholars of Sustenance Foundation (SOS), have undertaken the S&P Food Rescue project continuously to donate excess food from daily production to the communities in need at various places around Bangkok Metropolis and its nearby provinces such as Baan Phra Phon Foundation, Mercy Center, Rim Khlong Phra Khanong Community and Khlong Toei Community, etc. The implementation of S&P Food Rescue project started in restaurants and bakery shops at 10 outlets in Bangkok Metropolis on 15th October 2020. In 2021, the project was expanded to another 29 additional outlets in Bangkok Metropolis, Prachuap Khiri Khan Province, Phuket Province and Chiang Mai Province, totaling 39 outlets. This is considered to be management of excess food from production for maximum benefit, helping reduce the impact on the world from greenhouse gases and creating happiness as well as power for people in Thai society.



2. Project of Cooperation with Yindii Application

S&P has cooperated with Yindii Application in sending randomized surplus bakery foods from S&P outlets and fresh bake products with day-to-day sale period or goods which must be eaten up within the day, with the total value of 300-320 Baht, for distribution at the price of 150 Baht per set, and customers can buy goods at save prices for instant consumption. The Company aimed to reduce the quantity of food waste to be disposed of by means of landfill which could generate Methane or greenhouse gas in the atmosphere, thus, to reduce impacts from dumped foods and to protect the environment from global warming. The Company has started the implementation of such project since 7th October 2021 at Sukhumvit 26 Branch (piloted in 1 branch). Interested customers have made purchase orders, totally 39 sets, generating income of 5,850 Baht and reducing waste in the environment by approximately 234 pieces. The Project was regarded as one of the projects which could manage waste effectively; provided that the Company has expanded the number of outlets participating in the Project in more than 10 branches.

Provided that the Company has concretely and continuously implemented projects for environmental protection; for examples, Project on Reduction of Plastic Use in Packages, adjustment of certain types of plastic packages by using environmental-friendly materials, delivery of used plastic bags into the recycling process as per the guidelines for circular economy, campaign to create awareness on environmental protection among employees and customers in projects of "Cloth Bag Carrying and Saying Goodbye to Plastic Bags", and "Waste Separation for Proper Disposal" in offices, factories and S&P outlets.

3. S&P joining the project to separate bottles for helping doctors

Transferring unused plastic bottles from S&P's project "This bottle is not used...We want it" and supporting the cost of PPE production for medical personnel in Rajavithi Hospital, totaling 200 kits worth 90,000 Baht.



Project: This bottle is not used...We want

- S&P Syndicate Public Company Limited has undertaken the environmental project “This bottle is not used...We want” for the second consecutive year. Unused plastic bottles were delivered to the recycling process and transformed into new items according to the circular economy concept by taking unused resources to create added value for maximum benefit through the project “Separate the Bottles, Help the Doctors”, including supporting the cost of producing 200 PPE kits for medical personnel in Rajavithi Hospital valued at 90,000 Baht on 27th December 2021.
- “The project: “This bottle is not used...We want” is S&P’s environmental project. The operation thereof has started since 2020 with success by collecting and converting plastic bottles into 12,860 Upcycling shirts of employees. Unused plastic bottles have been collected from donation boxes at 10 outlets, namely the office, factories and S&P shops for campaign to encourage employees and customers to realize the importance of the environment, know the proper method of separating waste according to classification. The objectives are to recycle unused resources for maximum benefit, reduce the generation of plastic waste, which will lead to sustainability of the whole system. In addition to helping the environment, this project also creates pride for employees and customers as well.

- In the year 2021, S&P collected 1,185 kilograms of plastic bottles into the recycling process, combined with 1,386 kilograms collected in 2020, equaling the amount of 2,571 kilograms of plastic bottles transferred by S&P to the recycling process.



4. S&P joining the circular project

Forwarding clean stretchable plastics, e.g. plastic bag, plastic film, etc. into the recycling process according to the Circular Economy approach. This is the reuse of resources for maximum benefit and reducing of plastic waste to be released into the environment as much as possible. S&P cooperated with TPBI in setting up plastic- receiving box at S&P Sukhumvit 26 Branch.



5. S&P joining SCG PaperX project

to bring black and white paper as well as color paper that were no longer used from the head office into the recycling process to produce new items, e.g. paper bags, paper furniture, etc. This year, S&P recycled 880 kg. of paper, equivalent to reducing the cutting of 15 trees or reducing carbon oxide emissions by up to 598 kg.



6. S&P joining with Corsair Group,

a company that develops environmental business solutions, in bringing plastic waste at Italthai Head Office to enter the recycling process changing to advanced bio-oil of not polluting the environment by separating plastic waste into 2 types as follows.

- **Soft plastic waste**, stretchable plastics, e.g. handle bag, bread bag, stretch film, bubbles, water bottle pack plastic, postal envelope, etc.
- **Solid plastic** waste such as plastic food box and lid, glasses, lid, plastic bottle, plastic cutlery

However, S&P just cooperate with Corsair Group at the end of year 2021 because of the Work from Home measure so the Company would have the obviously results in the next year.

7. S&P has joined the MOU Signing Ceremony for “Plastic Footprint Reduction Project”



S&P Syndicate (Public) Co., Ltd., joined the MOU Signing Ceremony for “Plastic Footprint Reduction Project” under the SEA Circular Program of UNEP and sponsorship from the Government of the Kingdom of Sweden, organized by the Solid Waste Management Association (Thailand) (SWAT) to show its commitments to reduce the use of plastic and to increase the recycling of plastic under the concept of the circular economy, and jointly studied the use and discarding of plastic and indicated the opportunities to reduce impacts and to support practical operation to sustainably help reduce the pollution problems from plastic in the oceans, at Kamonthip 1 Room of “The Sukosol, Bangkok” on 26th March 2021.

S&P has continuously implemented the environmental projects tangibly such as the projects on reducing plastic used in packaging, modifying some types of plastic packaging with the use of environmentally friendly materials, bringing unused plastic bags into the recycling process according to the circular economy approach, campaign to raise environmental awareness among employees and customers in the project “Carrying Cloth Bags, Saying Goodbye to Plastic Bags” and waste separation for proper disposal in the office, factories and S&P shops.



Climate Change, Energy Management and GHG Emissions

Background and Rationale

Thailand has jointly signed the Paris Agreement to collaborate with other countries to limit global temperature rises to below 1.5-2 °C compared to pre-industrial revolution and attended COP 26 or a conference to determine policy framework on the climate crisis under framework of the 26th UN Climate Change Conference on 31st October 2021. The country has presented national plan to confirm that Thailand has genuine intention to comply with the global temperature limit targets stipulated in the Paris Agreement. Scientists estimated that in order to achieve the target, a 45 percent reduction in greenhouse gas emissions must be accomplished by 2030 and gradually bring down carbon dioxide emissions to zero percent over the next 30 years. Nonetheless, the Global Carbon Project (GCP) 2021 reported that carbon dioxide (CO₂) emissions from combustion of fossil fuels have increased from last year due to COVID pandemic situation. In addition, it is also expected that in 2022, the figure will be higher because of plans to rehabilitate the country and economy after being significantly affected by the epidemic crisis. Therefore, S&P has been putting effort to study and draft a policy on climate change, utilization of energy and greenhouse gas emissions, including taking steps to reduce energy consumption and greenhouse gas emissions from production and transportation processes and improve various engineering works in order to contribute in reduction of global warming by recognizing shared responsibilities.

Climate Change Risk and Impact on Business

In addition to the on-going pandemic which has affected people around the world, climate change is another risk that has been raising awareness continuously. This is in line with the World Economic Forum's Global Risks Report which indicated that climate change is one of the top five global risks since 2010. In addition, the UN's 2021 IPCC Climate Change Report also emphasized the urgency to resolve the situation. The report stated that the current global temperature has risen more than 1 °C from the pre-industrial revolution era. If no action is taken, the temperature will rise by 1.5 °C which would result in disasters, floods, droughts, famines and mass extinction of many species, including collapse of some civilizations. The company therefore places emphasis on climate management that has become more important issue, and evaluates climate change risk and its impact on business.

Climate Change Risk Management Plan

Risk Assessment	Risk Management
<p>1. Risk of changes in law and regulations such as Climate Change Act or the global warming law, including changes in energy or carbon emission tax that may occur in the future</p>	<p>1. The Company has studied and prepared data on greenhouse gas emissions, sequestration and reduction activities since 2019 in order to prepare guidelines to reduce carbon dioxide (CO₂) emissions from the Company's operations. In this regard, S&P has participated in the pilot project for voluntary reporting on GHG emissions activities and has been granted financial support from Thailand Greenhouse Gas Management Organization (Public Organization).</p> <p>2. Prepare to participate in Thailand Voluntary Emission Reduction Program (T-VER) to reduce GHG emissions and develop mechanisms that could be sold as carbon credits or carbon offset in Thailand Voluntary Emission Trading System as guidelines for reduction of GHG emissions.</p> <p>3. Commit to promote low-carbon organization through projects which support GHG emissions reduction activities.</p>

Risk Assessment	Risk Management
2. Fluctuation in raw material prices due to droughts, forest fires, floods, and agricultural production loss.	<ol style="list-style-type: none"> 1. Purchasing raw materials from multiple suppliers 2. Enter into price bidding with trading partners and sale and purchase contract 3. Determine specifications for product replacement
3. Impact on costs for growing electricity demand from business growth and increase in global temperature	<ol style="list-style-type: none"> 1. The Company evaluated value and payback period for investment in solar roof installation project to utilize solar energy in bakery production since 2016 which helped to save electricity costs in production and reduce heat to the building and lower the load on the air conditioners and refrigeration as well. 2. The Company has evaluated investments according to market trends and, therefore, extended installation area of the solar roof into phases to reduce investment costs. In addition, S&P has also assessed installation performance risks in case of conflict between international standards and local standards, the Company would adhere to the local standards. 3. S&P also includes energy conservation as part of the implementation plan and determines annual energy conservation goals and encourages all employees to participate in energy reduction, as well as communicates the plans and goals for all employees to understand and comply with appropriately.
4. Increase in energy costs from various factors that affect the world economy	S&P has invested in construction of “S&P SMART Distribution Center” to be the center of the Company’s planning, warehouse management and transportation, as well as develop transportation management system to reduce the impact of increased fuel costs.
5. Demand for environmentally friendly packaging which affects costs of the Company	<ol style="list-style-type: none"> 1. S&P plans and procures trading partners who produce environmentally friendly packaging on continuous basis in order to obtain reasonable buying-selling prices to avoid significant impact on the Company’s costs. 2. The Company would conduct tests on environmentally friendly packaging without affecting quality of the products. 3. The Company has gradually changed its packaging and communicated to consumers and employees to reduce the impact from society as well as to promote good image of the brand.

Electricity/Energy Reduction Goals



Reduce the Company’s electricity consumption by

3%

from the total energy consumption.



Reduce GHG emissions by

10%

from the Company’s transportation efficiency project.



Initiate energy conservation action plan at least

1 project per year.

Management Approaches

 <p>To use clean energy in the production (installing the Solar Roof)</p>	 <p>To increase the efficiency of energy use / to assess the capacity of significant machinery or equipment in order to find energy conservation measures</p>	 <p>Creating Carbon Footprint for Products and Organization to continue finding ways to reduce Carbon Footprint emissions</p>
 <p>Reducing the use of plastic, reducing the wasteful use of resources and reducing waste from production process</p>	 <p>Construction investment the "S&P SMART Distribution Center" to be the center for enhancing the efficiency of planning, warehouse management and transportation</p>	 <p>To promote the operation under the 5Rs principle Reuse / Reduce / Recycle / Refuse / Renewable</p>

S&P is aware of environmental stewardship and global climate change. Therefore, it commits to conserve energy and electricity to reduce emissions of pollution which is in align with the Paris Agreement's goal of achieving net zero carbon emissions by 2050. The Company strives to focus on energy management and resource utilization throughout its value chain for maximum efficiency, starting from upstream to downstream processes, including

Procurement

- Selection of trading partners who operate legally in terms of economy, society and environment, including promoting suppliers and farmers to have environmentally friendly production processes without relying on chemicals.
- Selection of environmentally friendly packaging and reduction of plastic consumption.

Production Process

- Utilization of alternative energy in food and bakery design and production processes as well as equipment including evaluation of potential of significant machinery or equipment for energy efficiency and to determine energy conservation measures.
- Compliance with environmental law requirements and international standards as well as regulating emissions into the external environment and strictly adherence to the

principle of environmental management system in accordance with international standards.

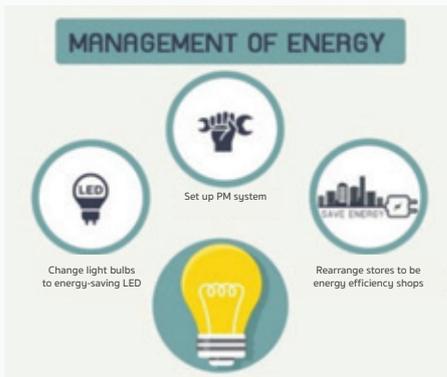
- Manage waste efficiently to reduce waste from production processes and general operation by creating value for wastes which can be utilized in order to achieve zero-waste production.

Transportation and Logistics

- Development of transportation management system for transportation capacity utilization;
- Review and reroute transportation routes to reduce overlapping delivery routes and reduce the number of transport trips;
- Collaboration and consolidated transportations of frozen products of food and bakery factories;
- Backhauling management;
- Truck/load utilization

Service

- Review store management system from store design, material selection, energy-saving appliances and usage worthiness by creating a prototype energy efficiency shop.
- Change store's light bulbs to energy-saving LED bulbs at every point of sale.
- Set up preventive maintenance system to maintain equipment at points of sale to ensure that the equipment can be used at its full potential and prolong service life of equipment, as well as reduce loss of product selling opportunity.



Human Capital Development

- Educate and encourage employees to adopt energy management to reduce energy consumption, and determine approaches to utilize resources under the 5Rs principle, namely Reuse, Reduce, Recycle, Refuse and Renewable.
- Implement projects in the organization to reduce GHG emissions and cooperate with partners to reuse recyclable resources.

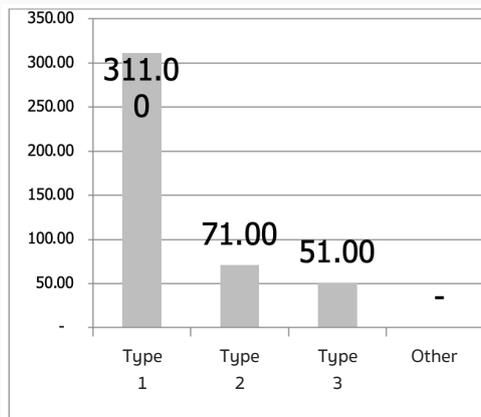
Implementation Results

Carbon Footprint for Organization (CFO) Project

บัญชีรายการก๊าซเรือนกระจก บริษัท เอส แอนด์ พี ซินดิเคท จำกัด (มหาชน) สำนักงานใหญ่						
หมวดหมู่	รายการ	ค่า LCI		GHGs	Total GHGs	Total GHGs (Ton CO2-e)
		หน่วย	ปริมาณ	(kg CO2-e/หน่วย)	(Ton CO2-e)	
หมวด 1	การปล่อยก๊าซเรือนกระจกที่เกิดขึ้นจากการเผาไหม้ของเครื่องยนต์ (Mobile Combustion)					
	จำนวนรถขับและเกาต์	Fleet Card	L	86,549.19	2,2719	196.63
	จำนวนดีเซล	Fleet Card	L	29,499.83	2,7406	80.85
	จำนวนดีเซล	รถกึ่งพ่วงบรรทุก (ไม่เข้า Fleet Card)	L	5,033.05	2,7406	13.79
	การปล่อยก๊าซเรือนกระจกที่เกิดขึ้นจากการรั่วไหลและอื่นๆ (Fugitive Emissions)					
	ก๊าซมีเทน ระบบ septic tank (ปล่องสุขา)	จำนวนพนักงาน และจำนวนรถจักรยาน	kgO ₂ H ₄	691.43	28.0000	19.36
หมวด 2	การใช้ไฟฟ้า	ใบระดมค่าไฟฟ้า	kWh	140,936.00	0.4999	70.45
หมวด 3	Fuel- and energy related activities (not included in scope 1 or scope 2)					
	การวัดของเชื้อเพลิงและพลังงาน					
	จำนวนรถขับและเกาต์	Fleet Card	kg	64,479.15	0.4024	25.95
	จำนวนดีเซล	Fleet Card	kg	24,641.33	0.3522	8.68
	จำนวนดีเซล	รถกึ่งพ่วงบรรทุก (ไม่เข้า Fleet Card)	kg	4,212.66	0.3522	1.48
	การใช้ไฟฟ้า	ใบระดมค่าไฟฟ้า	kWh	140,936.00	0.0987	13.92
433 Total GHGs (Ton CO2-e)						



S&P' GHG Emission (tCO₂e/yr)



Scope	Greenhouse Gas Emission of S&P (tCO ₂ e/yr)	% Proportion
Type 1	311.00	71.82
Type 2	71.00	16.40
Type 3	51.00	11.78
Total	433.00	100.00

Consultant	Excellence Center of Eco-Energy (ECEE)
Validation & Verification by	Bureau Veritas Certification (Thailand) Co., Ltd.
Level of Certification	Limited Assurance

For the manufacturing sector or establishment of Carbon Footprint for Organization (CFO) regarding factories, S&P assessed Carbon Footprint emissions of the year 2020 due to related activities from many sources as follows.

- Type 1:** Direct Carbon Footprint (Direct Emissions) from activities of the organization such as the combustion of machines, use of corporate vehicles (owned by the organization), use of chemicals in wastewater treatment, leakage from processes or activities, etc.
- Type 2:** Indirect Carbon Footprint calculation from energy consumption (Energy Indirect Emissions), i.e. electricity use
- Type 3:** Other indirect Carbon Footprint calculations such as water consumption, use of plastic film or plastic packaging

The verification of operating results for the year 2021 will be completed in August 2022 approximately.

Certificate of Carbon Footprint Emissions of the Organization at S&P Bakery Factories Bangna-Trad Km.23.5 and Sukhumvit 62 by Bureau Veritas Certification (Thailand) Co., Ltd. for verification



Certificate of Carbon Footprint Emissions of the Organization at S&P Food Factories Lat Krabang Industrial Estate by Bureau Veritas Certification (Thailand) Co., Ltd. for verification



Operating Results: Operating Result Indicators: Electricity Consumption Volume in 2021

Description	Quantity (unit)			Amount of GHG emissions (Tons CO ₂ e)		
	2019	2020	2021	2019	2020	2021
Electric energy used for S&P Restaurants and Bakery Shops	17,990,889	21,122,304	19,034,623	8,994	10,559	9,515
Electric energy used for bakery factory : Sukhumvit 62	4,864,973	4,138,828	4,321,727	2,432	2,069	2,160
Electric energy used for bakery factory : Bangna-Trad Km.23.5	3,946,790	3,438,688	2,750,000	1,973	1,719	1,375
Electric energy used for bakery factory : Lamphun	1,225,594	1,251,524	1,421,170	613	626	710
Electric energy used for food factory : Lat Krabang Industrial Estate	4,610,000	3,544,709	4,047,000	2,305	1,772	2,023
Electric energy used for catering service unit	460,320	387,511	339,364	230	226	170
Electric energy used for offices	676,054	295,430	140,936	338	148	71
Electric energy used for RCA Training Center and S&P Learning Center	565,733	405,521	*Area Cancellation	283	203	0
Total	34,340,353	34,584,515	32,054,820	17,168	17,322	16,024

Summary of Implementation Results of Electricity Consumption Volume in 2021

S&P was able to reduce the amount of electricity consumption volume by

▼ **2,529,695** units

Accounting for **7.31%** from the total energy consumption.

The Company has over achieved the target that reduction the electricity consumption by 3% from the total energy consumption due to addition of cancellation the RCA Training Center and S&P Learning Center which instead of having to be online training.

Therefore, S&P was able to reduce the amount of GHG emissions volume

▼ **1,298** Tons CO₂e

which calculated Emission Factor (EF) equal 0.4999 KgCO₂e/unit



Operating Result Indicators: Electricity Consumption Volume solely in the Production in 2021 (Unit : kWh)

Location	Descriptions	Quantity (Unit)		
		2019	2020	2021
Bakery Factory Bangna-Trad Km. 23.5	Amount of electricity consumption (kWh)	3,946,790	3,438,688	2,750,000
	Amount of GHG emissions (TonsCO ₂ e)	1,973	1,719	1,375
	Total production volume (Tons)	4,510.32	3,523.21	3,067.35
	Amount of GHG emissions per bakery production unit (TonsCO ₂ e)	0.44	0.65	0.45
	Implementation results compared to the previous year	N/A	47.72%	-30.77%
Implementation results compared to the previous year	Amount of electricity consumption (kWh)	4,864,973	4,138,828	4,312,727
	Amount of GHG emissions (TonsCO ₂ e)	2,432	2,069	2,160
	Total production volume (Tons)	3,699.03	3,183.08	2,971.83
	Amount of GHG emissions per bakery production unit (TonsCO ₂ e)	0.66	0.65	0.73
	Implementation results compared to the previous year	N/A	-1.51%	12.31%
Bakery Factory Lamphun	Amount of electricity consumption (kWh)	1,225,594	1,251,524	1,421,170
	Amount of GHG emissions (TonsCO ₂ e)	613	626	710
	Total production volume (Tons)	659.92	720.64	997.17
	Amount of GHG emissions per bakery production unit (TonsCO ₂ e)	0.93	0.87	0.71
	Implementation results compared to the previous year	N/A	-6.45%	-18.39%
Food Factory : Lat Krabang Industrial Estate	Amount of electricity consumption (kWh)	4,610,000	3,544,709	4,047,000
	Amount of GHG emissions (TonsCO ₂ e)	2,305	1,772	2,023
	Total production volume (Tons)	6,119	3,919	4,157
	Amount of GHG emissions per bakery production unit (TonsCO ₂ e)	0.38	0.45	0.49
	Implementation results compared to the previous year	N/A	18.42%	8.89%

Summary of Implementation Results of GHG Emissions per Production Unit in 2021

- Bakery Factory at Bangna-Trad Km. 23.5 and Bakery Factory at Lamphun Province were able to reduce the amount of GHG emissions per production unit by

30.77% and **18.39%**, respectively.

- Nonetheless, Bakery Factory at Sukhumvit 62 has increased GHG emissions by

12.31%

due to addition of production lines for S&P soft cakes which required more installation of cold storages in the factory. Therefore, the rate of electricity consumption increased.

In the next year, the Company plans to relocate product storage to S&P SMART Distribution Center to reduce energy consumption.

- GHG emissions per production unit of food factory increased by

8.89%

Due to COVID-19 pandemic situation, additional cold storages were required in the factories to store raw materials and finished goods instead of having to be stored in external distribution center to reduce exposure and movement of goods. Therefore, electricity consumptions were higher than usual.

In this regard, the Company commits to manage GHG emissions more efficiently. S&P is expanding the installation of solar panels for its food factory (Ladkrabang Industrial Estate). The installation is expected to be completed by 2022.

Operating Result Indicators: Amount of Liquefied Petroleum Gas (LPG) consumption and GHG emissions per production unit (Unit: KWh)

Location	Descriptions	Quantity		
		2019	2020	2021
S&P Bakery Factory	Amount of Liquefied Petroleum Gas (LPG) consumption (kWh)	3,720,433	3,563,078	3,343,265
	Amount of GHG emissions (TonsCO ₂ e)	879.90	841.71	788.64
	Total production volume (Tons)	8,866.27	7,426.93	7,036.35
	Amount of GHG emissions per bakery production unit (KWh)	0.10	0.11	0.11
S&P Food Factory	Amount of Liquefied Petroleum Gas (LPG) consumption (kWh)	4,568,486	3,484,776	3,798,071
	Amount of GHG emissions (TonsCO ₂ e)	859.48	655.30	714.33
	Total production volume (Tons)	6,119	3,919	2,971.83
	Amount of GHG emissions per bakery production unit (KWh)	0.14	0.17	0.17

Summary of Implementation Results for Fuel Management only for the Production Sector for 2021

S&P bakery factories and food factories have GHG emissions per production unit

of **0.11** and **0.17** KWh, respectively.

The Company regularly examines efficiency of the machine to ensure perfect operation and ability to carry out production to the full potential.

Highlight Case: Outstanding Projects and Benefits entitled by the Organization

1. Solar Energy Installation Area Expansion Project at Bakery Factory Phase 2 for a Sustainable World



S&P has strived to reduce the negative impact on the environment, especially the management of greenhouse gas emissions into the atmosphere. Therefore, S&P’s Board resolved to invest in expanding the area of the project “Energy-Saving Solar Roof S&P Bakery Factory” Phase 2, with the installation of Smart Inverter room for energy conversion in the environmentally friendly bakery production at the bakery production line Bangna-Trad Km. 23.5. The operation of using Phase 2 started in February 2021 after starting to use the first phase in 2016.

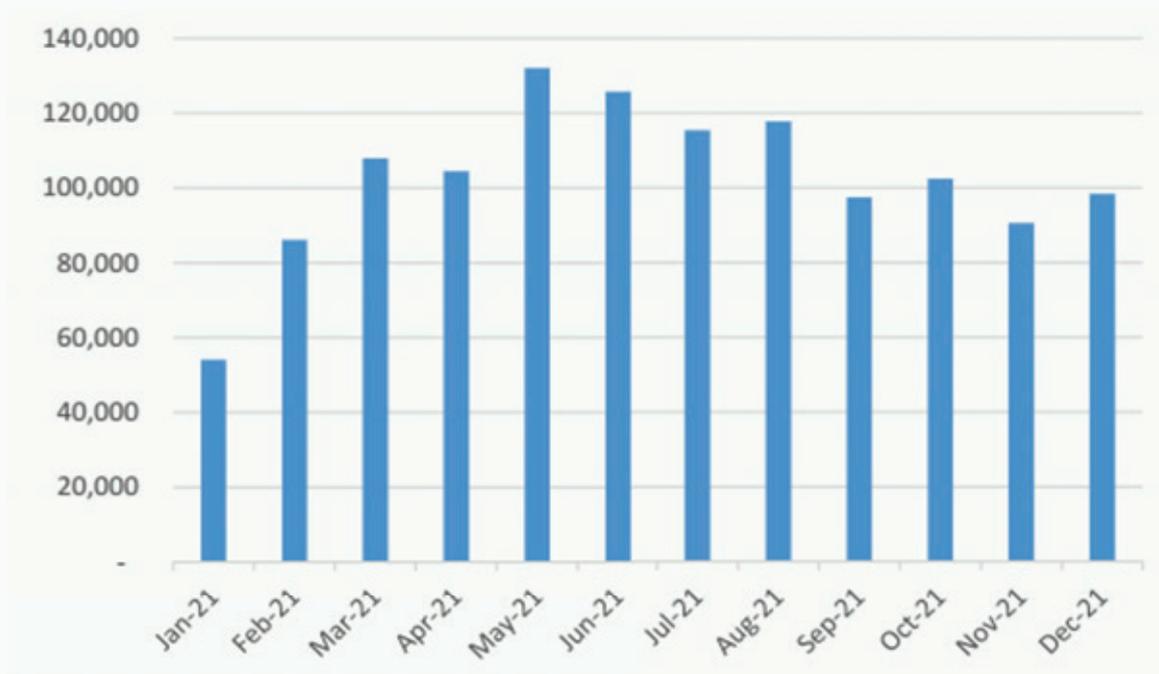
In 2016, S&P installed Phase 1 solar panel of 510 kilowatts on the area of factory roof of 2,700 square meters whereby solar energy could be used for producing S&P bakeries, namely banana cake, butter cake, marble cake, puffs, pies, cookies, pizza, butter bread, fluffy cotton candy and mooncakes weighting over 3,942 tons in total with 4.05 million units of solar power.

For this year 2021, S&P expanded the installation of Phase 2 solar panels with a total size of 997.5 kilowatts on the area of factory roof sized 4,990 square meters, which will be able to produce electricity of 1.35 million units per year approximately. This accounts for up to 35-40% solar energy consumption in the production of S&P bakeries from the total electricity consumption of Bakery Factory Bangna-Trad 23.5 km. Especially during April-May, it can save up to 43% electricity in bakery production and can also help reduce heat for the building, which decreases the load on air conditioners and chillers as well. Apart from helping to save electricity, it is also equal to helping the planet to reduce Carbon Footprint of business sector by up to 710 Ton CO₂e per year, or equivalent to planting 60,000 trees per year approximately.

Operating Result Indicators: Alternative Energy Consumption Volume (Solar Energy) 2019-2021

Volume of Alternative Energy Generation	2019	2020	2021
Electricity generation capacity (Generation: KWh)	756,339	721,195.75	1,232,889
CO ₂ emission per electricity generation unit (KgCO ₂ e/KWh)	0.4999	0.4999	0.4999
Carbon Footprint reduction capacity (Ton CO ₂ e)	378.1	360.5	616.3
Energy value equivalent (MB.)	3.02	2.88	4.93
As equal to the number of planted trees	31,508	30,041	51,358
A perennial tree planted helps to absorb 9-15 kg. of CO ₂ per year.			
Source : Department of Public Works and Town & Country Planning			

Alternative Energy Consumption Volume (Solar Energy) of 2021



2. Construction investment project “S&P SMART Distribution Center Bangna Km. 23.5”



S&P invested in the project on construction of “S&P SMART Distribution Center Bangna Km. 23.5” to be the center for planning, warehouse management and transportation of S&P. The project was completed and officially opened in October 2021. Additionally, S&P also provided the trucks controlling temperature at 10 degrees Celsius as well as developed software and technology systems to help in logistics planning management for planning and laying out comprehensive distribution routes so as to increase the efficiency of suitable food and be able to maintain the product quality standards before reaching consumers and distribute products continuously and quickly more. This makes it possible to deliver goods from the factories to the destinations efficiently and satisfy the suppliers well.

Project objectives

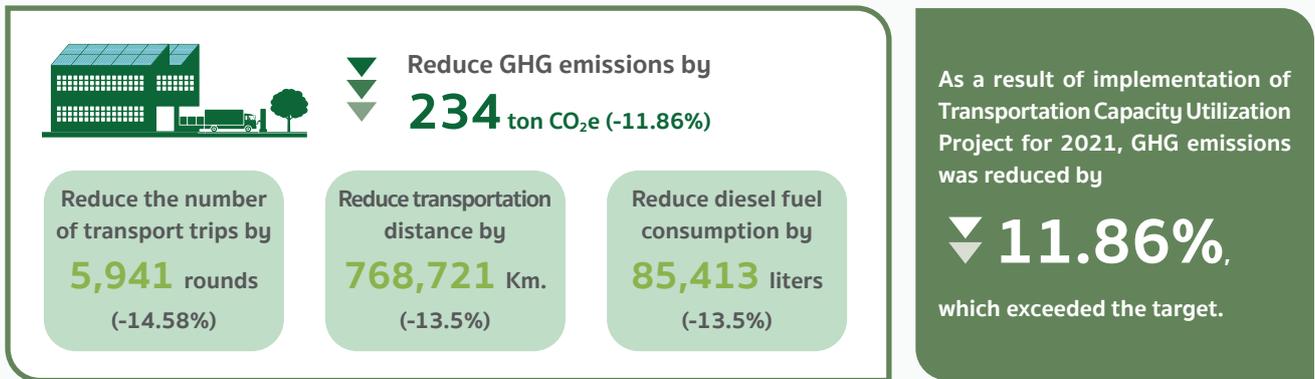
1. To set up Distribution Center to be the center for warehouse and transportation of S&P.
2. To reduce the cost of merging activities and be able to use resources together for maximum benefit.
3. To increase the speed of operations, reduce redundancy in working and reduce Lead time, be able to manage various tasks in one place.
4. To separate warehousing and transportation activities from the factories, allow the factories to focus on goods production more, have enough space for operations and number of workers in the production line.
5. To increase the production capacity to have sufficient goods for delivery to sales channels more.
6. To increase incomes from producing goods more.
7. To accommodate S&P's further growth.

S&P aims to handle greenhouse gas emissions by improving transport effectiveness for increased efficiency to reduce the burning of fuel oil and decrease the environmental impact according to S&P's policy. The plan is also available to install solar roofs for helping save more electricity in the next year as another way to help reduce global warming.

Results of undertaking the project to increase goods transport efficiency

Project to increase goods transport efficiency	Year 2019	Year 2020	Year 2021	Comparison Year 2019: 2020		Comparison Year 2020: 2021		Target of Year 2021
				Difference	%	Difference	%	
Number of transport trips (Round)	43,808	40,759	34,818	(3,049)	-7.0%	(5,941)	-14.58%	-10%
Transportation distance (km.)	7,010,328	6,481,420	5,712,699	(528,908)	-7.5%	(768,721)	-13.5%	-10%
Diesel fuel consumption (Liter)	778,925	720,158	634,744	(58,768)	-7.5%	(85,413)	-13.5%	-10%
Reducing greenhouse gas emission (Ton CO ₂ e)	2,134	1,973	1,739	(161)	-7.5%	(234)	-11.86%	-10%

Summary of Implementation Results of Transportation Capacity Utilization Project for 2021



3. S&P received “Low Emission Support Scheme (LESS)” honorary award.



As a result of the project to change light bulbs to energy-saving LED bulbs to reduce global warming in food factories, GHG emissions were reduced by 73,136 kg CO₂eq during 1st October 2018 - 30th September 2021.

4. Energy Conservation Measures for Air Conditioning System

How do we know that we can save energy by 10% after adjustment of temperature by 1°C.

From $COP_{ideal} = \frac{1}{((T_{external} + 273) / (T_{room} + 273))^{-1}}$

- the room temperature was set at 25 °C
 $COP_{ideal} = \frac{1}{(308 / 298)^{-1}} = 29.8$
- the room temperature was set at 26 °C
 $COP_{ideal} = \frac{1}{(308 / 299)^{-1}} = 33.22$

***Reduction in energy consumption**
= $(33.32 - 29.8) / 29.8 \times 100$
= 11.5%

Bakery Factory at Sukhumvit 62 adopts measures to save electricity by adjusting temperature of air conditioners in the factories and offices by 1°C for 127 sets of air conditioners, totaling 4,658,363.77 BTU, with average Energy Efficiency Ratio of 10.6 BTU/h/w, representing a total power consumption of 439.46 Kw/h.

As the factories would turn on air conditioners for a period of 12 hours/day, total reduction of energy consumption was 5,273.52 Kw/h per day or 1,898,467.2 Kw/h per year. As a result, reduction of GHG emissions from the organization's use of electricity was 949.04 TonsCO₂e, and save electricity costs approximately by 683,448 baht from the investment budget for temperature controller of only 35,000 baht.

5. Carbon Footprint of Products (CFP) Project

S&P dedicates to develop carbon footprint label for S&P products to provide consumers with greenhouse gas emissions information of each type of product in order to assist in the decision to purchase environmentally-friendly products and determine approaches to reduce carbon footprint of products for the Company which will further enhance the competitive capability of the Thai industry in the world market.

ฉลาก "คาร์บอนฟุตพริ้นท์"
คุณคือพลังช่วยหยุดยั้งภาวะโลกร้อน

กิจกรรมในชีวิตประจำวันของเรา เป็นสาเหตุหนึ่งของการปล่อยก๊าซเรือนกระจก

คาร์บอนฟุตพริ้นท์ คืออะไร? เป็นหน่วยการวัดปริมาณของก๊าซเรือนกระจกที่ปล่อยออกมาจากผลิตภัณฑ์ตลอดวงจรชีวิตของผลิตภัณฑ์ ตั้งแต่การได้มาซึ่งวัตถุดิบ การขนส่ง การประกอบเป็นชิ้น การใช้งาน และการจัดการซากผลิตภัณฑ์สิ้นอายุการใช้งาน

ฉลากคาร์บอน คือเครื่องหมายที่แสดงถึงปริมาณที่ปล่อยออกมาเมื่อได้ใช้ผลิตภัณฑ์อย่างมีประสิทธิภาพและคุ้มค่า ซึ่งทำให้ไม่ใช้ทรัพยากรอย่างสิ้นเปลืองในการใช้งาน และยังช่วยรักษาสิ่งแวดล้อมด้วย

ความนิยมไม่ใช้จากฉลากนี้ช่วยของบริษัทในการลดปริมาณการปล่อยก๊าซเรือนกระจก ซึ่งการปล่อยมีผลต่อการดำเนินงานที่ต่างออกไปใช้ทรัพยากรอย่างมีประสิทธิภาพ

นี่คือฉลากที่ช่วยบอกถึงปริมาณการปล่อยก๊าซเรือนกระจก (วัดที่คาร์บอนไดออกไซด์)

รู้หรือยังคะว่า มาตราความยั่งยืนที่ "คาร์บอนฟุตพริ้นท์" มีประโยชน์อย่างไร

"นี่คือฉลากที่บอกถึง...เรื่องเกี่ยวกับฉลากคาร์บอน"

คุณคือพลังช่วยหยุดยั้งภาวะโลกร้อน!

S&P มุ่งมั่นพัฒนาผลิตภัณฑ์ภายใต้หลักความเป็นธรรม เพื่อประโยชน์แก่ผู้บริโภคและผู้มีส่วนได้ส่วนเสีย โดยคำนึงถึงผลกระทบต่อสิ่งแวดล้อม

Carbon Footprint ของ Butter Cake S&P คือ 293 g ต่อชิ้น ซึ่งช่วยลดลงมาจาก 326 g ต่อชิ้น จากการประเมินครั้งแรก

Carbon Footprint ของ Butter Cake S&P

ประเภท	ปริมาณ
การผลิต	11%
การขนส่ง	21%
การกระจาย	97.45%

S&P ได้ลดปริมาณ Carbon Footprint ของ Butter Cake S&P จาก 326 เป็น 293 ton CO₂e ต่อชิ้น

พื้นที่โรงงานของเราใช้พลังงานแสงอาทิตย์

พื้นที่โรงงานของเราใช้พลังงานแสงอาทิตย์ 15,000 วัตต์

พื้นที่โรงงานของเราใช้พลังงานแสงอาทิตย์ 15,000 วัตต์

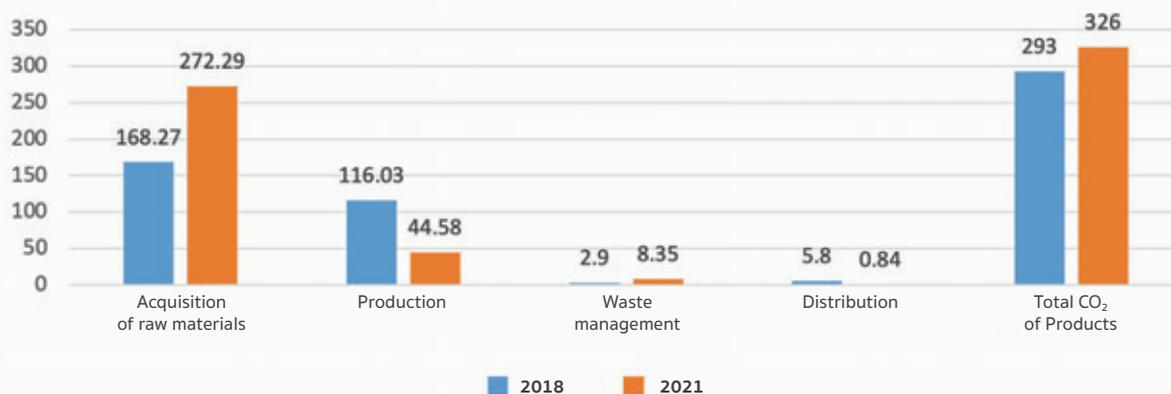
According to Thailand Greenhouse Gas Management Organization (Public Organization), "Carbon Footprint" means the amount of greenhouse gas emitted by each product unit throughout the product life cycle from acquisition of raw materials, transportation, assembly, usage and handling of post-use residues by calculating it in the form of carbon dioxide equivalent. This will enable consumers in their purchase decisions and encourage operators to change their production technology to be more environmentally-friendly. Adopting carbon footprint label will also increase product competitiveness in the global marketplace. In addition, if Thailand has implemented projects and collect data on greenhouse gas emissions reductions, this would enable Thailand to express opinions on the international forum on subject of promoting the use of carbon footprint with more reliability and credibility.

In 2021, S&P has renewed Carbon Footprint of Products (CFP) mark for 'Butter Cake' products with assessment of total carbon footprint of products of 326g CO₂e/pcs which increased by 33 gCO₂e from the first assessment in 2018 due to increase in proportion of 'acquisition of raw materials' which is an external factor (Third party) and is beyond the Company's control.

For 'production' and 'distribution' processes which are under supervision of the Company, S&P has developed operational system based on Solar Energy and Smart DC to assist in management. As a result, carbon footprints of products were reduced by 71.45 and 4.96 gCO₂e, respectively.

Products	Proportion of Carbon Footprint of Products for 'Butter Cake'				
	Acquisition of raw materials	Production	Waste management	Distribution	Carbon footprint of products
2018	168.27 (57.43%)	116.03 (39.6%)	2.9 (0.99%)	5.8 (1.98%)	293 gCO ₂ e
2021	272.29 (83.51%)	44.58 (13.67%)	8.35 (2.56%)	0.84 (0.26%)	326 gCO ₂ e

Proportion of Carbon Footprint of Products for 'S&P Butter Cake'
Comparison between 2018 and 2021



Water Management

Background and Relevance

The year 2020 included seasonal fluctuations, especially the long dry season until causing the tap water to be salty. The Pollution Control Department, Ministry of Natural Resources and Environment performed quality audit. It was found that in 2021, the situation of surface water quality improved. The water quality was at a fair level 46 percent. However, it was revealed that the seawater quality situation deteriorated by being in good condition 47 percent due to 17 oil spills in the seas and coastal areas and coral bleaching was also found as a result of climate change. Therefore, measures and approaches for overall water quality management are needed by reducing and controlling the discharge of water pollution from sources, strictly inspecting and enforcing laws on sources of pollution, revising and developing water quality standards and measures to control water pollution from sources, encouraging the local administrative organizations to build and increase the capacity of collective wastewater treatment system of the localities as well as building the networks between government organizations and the sectors involved to coordinate the integrated management of wastewater solutions, including campaign to build cooperation in the restoration of rivers, canals, seas and coasts.

Policies and plans for water management at organizational level

S&P has operated its business according to the targets in line with the global goals and based on the country's legal requirements, including taking into account local issues in accordance with sustainable development practices to promote business development to grow sustainably and be able to help drive the country's economy, society and environment concurrently.

Water is an important natural resource that can affect people and living things all over the world. Therefore, S&P must operate its business by taking account of sustainable water conservation. This is in line with guidelines of 20-year Water Resources Management Master Plan 2018-2037 and the Water Resources Act 2018 (Thailand's first water law) to link the policies to practice.

Emphases are put on innovation, technology and application of new knowledge. The goals are to reduce the use of water resources, reduce the discharge of wastewater as well as reduce energy consumption from water treatment for efficient water management and the most cost-effective water consumption.

Guidelines for water use management

1. Water risk management by monitoring the amount of water available at local level to evaluate the situation and the potential impact of changes in the amount or water quality such as a shortage of products from the drought crisis due to non-seasonal rain problems or flood crisis (Abnormal Precipitation), including the impact on biodiversity arising from water situation, e.g. seafood quality, etc. Besides, S&P's suppliers are encouraged to manage water risks, have a water allocation plan such as planning to cultivate dry season crops to prevent the problems of conflicts with the communities and the impact on the company's operations.
2. Evaluating the quality of water used in the production process by annual Sensitivity Analysis, namely Metals Testing, Microbiological Testing, Water Testing, e.g. color, minerals in water, acidity- alkalinity as well as assessing the quality of ice for safety and maintaining quality production, providing consumers with the safest products.
3. Monitoring the amount of water used throughout the organization, including the financial impact of changing water prices to find water-saving measures in the organization and create a water management plan according to 3Rs principles.
4. Evaluating the quality of wastewater from production process every time with the control of wastewater according to the law so as not to affect the environment of the communities as well as the inappropriate image of the organization.
5. Investment in the project to improve the quality of wastewater for reuse by using aerated biological water treatment system (Sequencing Batch Reactor- SBR), namely aeration for microorganisms to decompose organic substances in wastewater for sedimentation to be left as clear water for reuse.

- Installation of Grease Trap at S&P restaurants and bakery shops, all outlets to trap grease before releasing wastewater into the drainage system of various places by having to throw away accumulated fat or oil every day or at least once a week, putting in plastic bags to dispose of, transport on garbage vehicles of Bangkok Metropolitan Administration or to be dried or composted to make fertilizer so as to reduce sewage problems.



- Promoting awareness and understanding of water resource conservation among employees and key stakeholders such as training, knowledge sharing or water- saving campaign activities, etc.

Additionally, S&P has also assessed the risks in case of the waterworks authority's inability to supply water by spreading 3 bakery factory locations, viz. Bangkok Metropolis, Samut Prakan Province and Lamphun Province to ensure that the business will be able to operate continuously without interruption on the basis of maintaining a balance of water use in line with water demand by not affecting the communities and environment.

Operating Result Indicators

Description	Quantity of Water supplies used (Unit)		
	2019	2020	2021
Water supplies used for bakery factories (Sukhumvit 62, Bangplee and Lamphun factories)	115,753	89,689	82,023
Water supplies used for food factory (Lat Krabang Industrial Estate)	68,860	53,834	56,070
Water supplies used for S&P Restaurants and Bakery Shops	242,677	242,778.36	122,670
Water supplies used for catering service unit	10,437	9,261	8,996
Water supplies used for offices	3,403	3,403	2,382
Water supplies used for RCA Training Center and S&P Learning Center	5,080	2,213	*Area Cancellation
Total	446,210	400,684	272,141

Summary of water consumption performance of the whole S&P organization for the year 2021:

Tap water consumption decreased by **128,543** units, accounting for **32.08%** from the total use of tap water.

Performance indicators for factories only

Particulars	Bakery Factories (Sukhumvit 62 Branch, Bang Phli Branch, Lamphun Branch)			Food Factory (Ladkrabang Industrial Estate)		
	Year 2019	Year 2020	Year 2021	Year 2019	Year 2020	Year 2021
Amount of tap water used in the factory (unit)	115,753	89,689	82,023	68,860	53,834	56,070
Production capacity (tons)	8,869	7,427	7,036	6,119	3,919	4,157
Accounting for the amount of water used per production unit	13.05	12.08	11.65	11.25	13.74	13.48
Amount of wastewater discharged into water management system (unit)	43,500	36,948	35,830	33,052	43,067	44,856
Equaling the wastewater ratio	37.58%	41.20%	44%	48.00%	80.00%	80.00%

Operating Results for Wastewater Management

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 25-115 mg/L
BOD 20 mg/L	BOD 4-20 mg/L	BOD 500 mg/L	BOD 10-50 mg/L
	80% reserved in the clarifier for floor washing and plant watering		100% released to the wastewater treatment system of the Industrial Estate Authority of Thailand (Lat Krabang)
	20% released to the public		

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).

Summary of Wastewater Management Performance for the Year 2021

- S&P Bakery Factories decreased water consumption by

▼▼ **7,666** units or equivalent to **8.55%**

- Water consumption per production unit decreased from

▼▼ **12.08** units to **11.65** units

with water-saving measures in practicable parts such as replacing with water-saving sanitary equipment and the reuse of water by increasing the amount of reserve water storage in the clarifier from 60% to 80% for washing the floor and watering the trees with only 20% released into public sources.



- Food factory increased water consumption per production unit because of using agricultural, fishery and livestock raw materials mainly.

Additionally, all factories also had a proportion of increased wastewater discharge continuously during the past 2 years. Because S&P attaches maximum importance to cleanliness for the safety of raw materials before being prepared into products prior to delivery to consumers, therefore water consumption increased for the raw material cleaning process, including the hygiene of employees with emphasis on frequent hand washing, especially during the epidemic situation of COVID-19.

GRI content index

Statement of use: S&P Syndicate Public Company Limited has reported the information cited in this GRI content index for the period 1st January 2021 - 31st December 2021 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION / INFORMATION	
		SUSTAINABILITY REPORT	56-1 ONE REPORT
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 8 - 9	
	2-2 Entities included in the organization's sustainability reporting	Page 9	
	2-3 Reporting period, frequency and contact point	Page 8	
	2-4 Restatements of information	There is no restatement of information	
	2-5 External assurance	Page 135, 144	
	2-6 Activities, value chain and other business relationships	Page 9, 11-15, 18	
	2-7 Employees	Page 10	
	2-8 Workers who are not employees	Page 57	
	2-9 Governance structure and composition		Page 68-70, 157
	2-10 Nomination and selection of the highest governance body		Page 163-165
	2-11 Chair of the highest governance body		Page 12
	2-12 Role of the highest governance body in overseeing the management of impacts		Page 139-148, 158-163
	2-13 Delegation of responsibility for managing impacts		Page 167
	2-14 Role of the highest governance body in sustainability reporting		Page 27
	2-15 Conflicts of interest		Page 144, 147, 159-160, 167
	2-16 Communication of critical concerns		Page 178 - 179
	2-17 Collective knowledge of the highest governance body		Page 142 - 143
	2-18 Evaluation of the performance of the highest governance body		Page 142
	2-19 Remuneration policies		Page 161, 168-169
	2-20 Process to determine remuneration		Page 161, 168-169

GRI STANDARD	DISCLOSURE	LOCATION / INFORMATION	
		SUSTAINABILITY REPORT	56-1 ONE REPORT
	2-21 Annual total compensation ratio		Page 169, 171
	2-22 Statement on sustainable development strategy	Page 4, 6-7	
	2-23 Policy commitments	Page 31-35	
	2-24 Embedding policy commitments	Page 31-35	
	2-25 Processes to remediate negative impacts	Page 100	
	2-26 Mechanisms for seeking advice and raising concerns	Page 41, 87	
	2-27 Compliance with laws and regulations	Page 42, 79, 100	
	2-28 Membership associations	Page 36-39	
	2-29 Approach to stakeholder engagement	Page 24-26	
	2-30 Collective bargaining agreements	100%	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 27	
	3-2 List of material topics	Page 28	
	3-3 Management of material topics	page 29-30	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 17	
	201-2 Financial implications and other risks and opportunities due to climate change	Page 131-144	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Page 58-59	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Page 42	
	205-3 Confirmed incidents of corruption and actions taken	Page 42	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 40-42	
GRI 301: Materials 2016	301-2 Recycled input materials used	Page 120	
	301-3 Reclaimed products and their packaging materials	Page 120	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 136	
	302-3 Energy intensity	Page 137-138	
	302-4 Reduction of energy consumption	Page 136	
	302-5 Reductions in energy requirements of products and services	Page 143-144	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 145-146	
	303-2 Management of water discharge-related impacts	Page 145-146	
	303-3 Water withdrawal	Page 146	

GRI STANDARD	DISCLOSURE	LOCATION / INFORMATION	
		SUSTAINABILITY REPORT	56-1 ONE REPORT
	303-4 Water discharge	Page 147	
	303-5 Water consumption	Page 146	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 135-136	
	305-2 Energy indirect (Scope 2) GHG emissions	Page 135-136	
	305-3 Other indirect (Scope 3) GHG emissions	Page 135-136	
	305-4 GHG emissions intensity	Page 137-138	
	305-5 Reduction of GHG emissions	Page 136	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 124	
	306-2 Management of significant waste-related impacts	Page 125	
	306-3 Waste generated	Page 126	
	306-4 Waste diverted from disposal	Page 127	
	306-5 Waste directed to disposal	Page 127	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 52, 57	
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 55, 57	
GRI 401: Employment 2016	401-1 Employee turnover	Page 96	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Page 215
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 101-106	
	403-2 Hazard identification, risk assessment, and incident investigation	Page 103-104	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 105-108	
	403-5 Worker training on occupational health and safety	Page 106	
	403-6 Promotion of worker health	Page 102-108	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 102-108	
	403-9 Work-related injuries	Page 106-107	
	403-10 Work-related ill health	Page 106-107	

GRI STANDARD	DISCLOSURE	LOCATION / INFORMATION	
		SUSTAINABILITY REPORT	56-1 ONE REPORT
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 96	
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 97-98	
	404-3 Percentage of employees receiving regular performance and career development reviews	100%	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 10	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Zero case	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 100	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 52, 57	
	414-2 Negative social impacts in the supply chain and actions taken	Page 55, 57	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 60-62, 70	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 79	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 74-82	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Page 79	
	417-3 Incidents of non-compliance concerning marketing communications	Page 79	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero complaints	



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