

Innovation and Technology



Background and Relevance

In recent years, the sluggish economic conditions, along with the challenges posed by climate change, have impacted businesses both positively and negatively. Changes in consumer behavior and the adoption of the 'New Normal' lifestyle have further contributed to this. Therefore, ensuring sustainable business growth with Customer Centric manner necessitates the adoption of new innovations and technologies, which may stem from the modification of traditional work methods. These innovations and technologies enhance efficiency and effectiveness in operations, reduce resource consumption, and develop work processes to meet specific needs or address challenges. The use of technology or innovation to foster creativity in employee workflow processes promotes employee development and innovation in S&P. Additionally, collaborating with the education sector to support innovation and cultivate value in the youth of the country. Therefore, utilizing innovation as a tool to address issues and instigate change, creating positive impacts for the organization by increasing production capacity, reducing labor intensity, and ensuring product quality control, is another factor that differentiates and shapes the organization's identity.

Commitment

S&P is committed to sustainable business practices and recognizes the importance of fostering and supporting factors that promote growth. Innovation and technology are crucial factors in creating business opportunities for leapfrog growth, enhancing competitiveness in the industry. Utilizing innovation and process improvement enhances the potential of both employees and the organization, fostering a collaborative environment that continuously creates value. This commitment aims to achieve the following goals:

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



Management Approaches

The company supports, promotes, and drives the creation of innovation to generate opportunities for businesses to thrive and advance. This involves fostering innovation throughout the value chain, including products, packaging, production processes, and personnel development. Stimulating employees' creativity requires building knowledge, understanding of their roles, and adapting to changing contexts. Understanding customer needs and market conditions is essential for enhancing competitiveness and creating value for the organization.

The company has established guidelines for innovation and value creation to ensure that employees and stakeholders involved understand the objectives of sustainable innovation within the organization's operations. This includes cultivating innovation until it becomes part of the organizational culture.



Creation of Innovation Culture

One initiative toward building an innovation culture occurred in 2019 when S&P bakery production factory in Bangna-Trad, km. 23.5, established an Engineering and Innovation Department. This department aimed to promote the implementation of innovative ideas in the work processes, including maintenance, repair, and enhancement of machinery derived from employees' innovative thinking. Through learning the machinery's mechanisms and further developing them to suit the Company's needs, it does not only optimize the machinery's utilization but it also reduces operational costs.

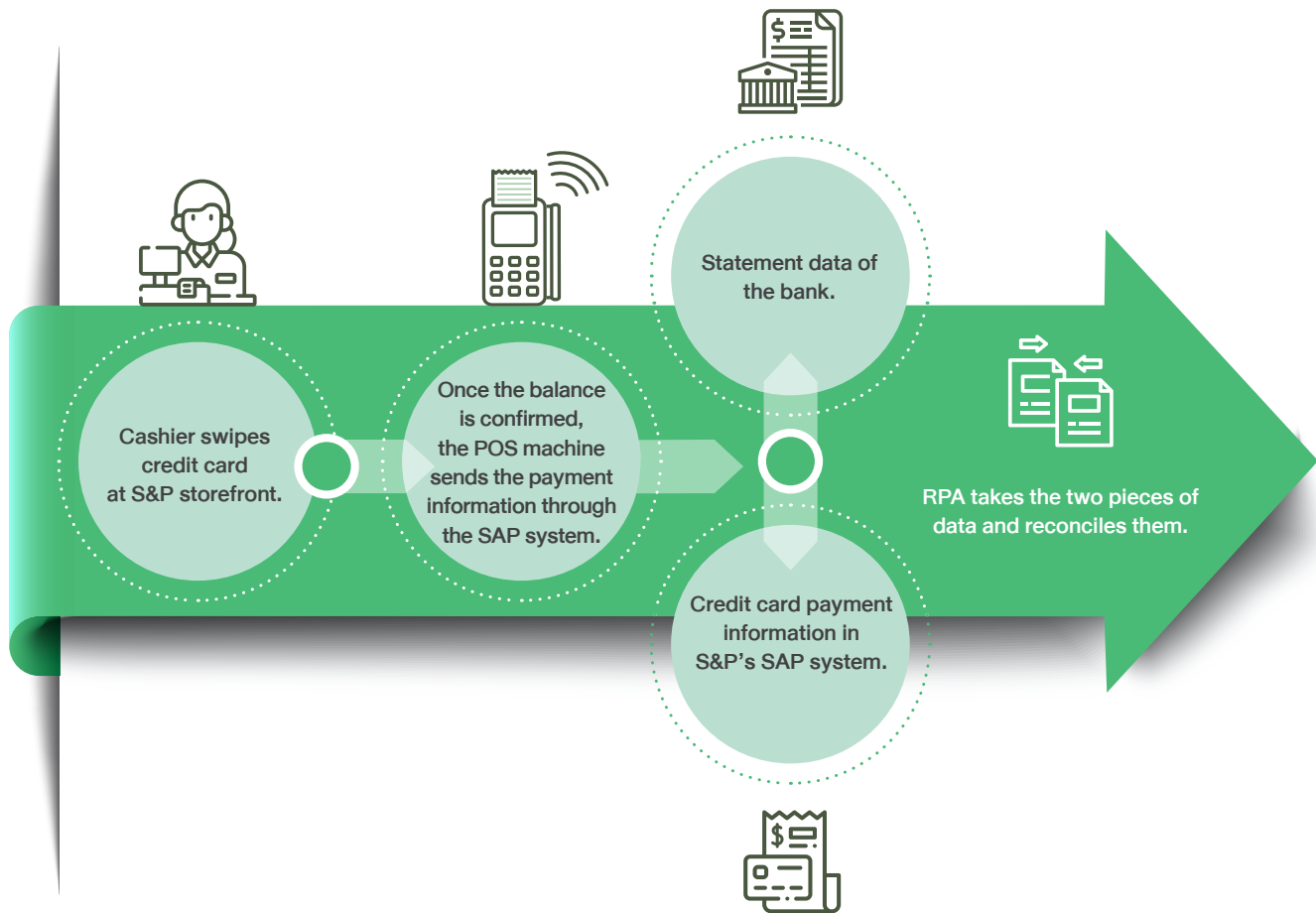
In addition, S&P conducts training programs to provide knowledge, build understanding, and create an environment where employees can generate new ideas and innovations. It also promotes internal innovation by honoring projects that yield positive results in the economic, social, and environmental aspects. Furthermore, it fosters knowledge management within the organization by expanding the impact of new innovations and exchanging best practices among teams. Additionally, it encourages continuous improvement and process optimization to reduce unnecessary workload, making the organization more agile. This enables employees to create valuable works and innovations for S&P, staying responsive to changes in the global market both now and in the future.



Adoption of innovation to develop operations

In 2023, S&P continued to utilize innovation to improve the business operations by implementing Robotic Process Automation (RPA) software in backend processes. This initiative aimed to streamline repetitive tasks and reduce the risk of errors resulting from manual work.

Office: S&P used RPA for credit card payment and bank statement reconcile process from the customers and the bank. This helped simplify procedures, save time for employees, and enhance data accuracy.



Factory: RPA is utilized for production orders, where employees record production data through the SAP (System Application products) system. Once the production results are obtained, RPA captures the production quantities to record receipt data and automatically transmit it to the goods issuance unit. This helps reduce employee workload, save time, and increase efficiency in management processes.

In the final step, after summarizing the results with RPA, employees verify the accuracy of the data obtained from using the RPA software, review the work process, find ways to improve and develop it further. This continuous improvement process aims to enhance work coverage across various departments.

Approaches for innovation
and value creation



Operational Performance in 2023

Targets	Unit	2021	2022	2023
Product Innovation including a project to extend product shelf life with ethanol packets	Product	N/A	N/A	3
Business Innovation including the Foxtrax project	Project	N/A	N/A	1
Process Innovation such as using technology in the production process	Project	N/A	1	1
Human Resource & Training Innovation to be creative in their work, such as Lean Manufacturing Workshop	Activity	N/A	1	1

Highlight Projects in 2023

Extended Shelf life Bakery Products Project Using “Ethanol Release Products”

Ethanol has the property of inhibiting the growth of fungi, which is a leading cause of bakery product spoilage. The ethanol release sachet is a small sachet made of special film that contains ethanol inside. It gradually releases ethanol slowly, adjusting the environment inside the packaging, thereby reducing moisture in bakery packaging, which inhibits the growth of microorganisms, particularly fungi. This innovation helps extend the shelf life of bakery products, ensuring consumer safety and reducing waste. S&P has been developing this innovation since October 2022 and has implemented it in cranberry bakery products in May 2023.

Objective

Enhance the efficiency of bakery packages.



Environment

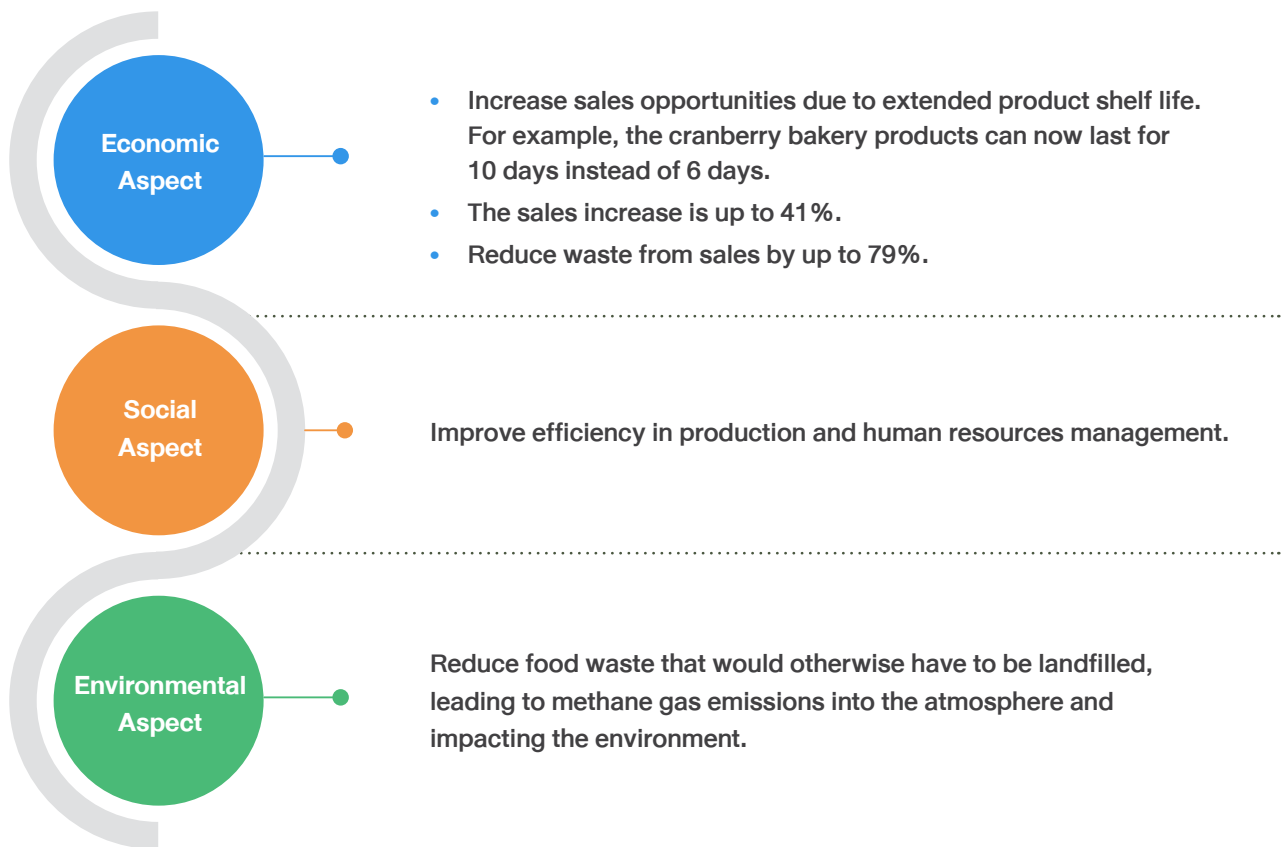


Social



Governance and Economy

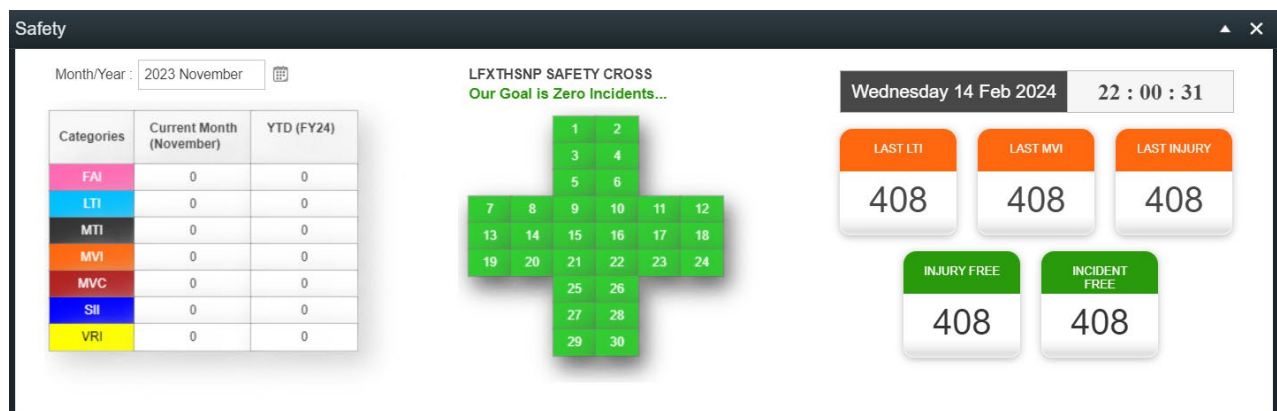
Results and Benefits



Project to Enhance Efficiency in Product Transportation for Factories and S&P Smart Distribution Center in 2023

S&P invested in the construction project of the “S&P Smart Distribution Center” located at Bangna-Trad Road, Km. 23.5 in 2021 and has continued operations since then. It serves as a central hub for planning, managing inventory, and transportation for S&P to increase operational efficiency, reduce redundancy in managing various tasks within the same location, and accommodate our future growth. Additionally, it aims to reduce transportation costs and maximize resource utilization.

In 2023, the logistics work of S&P distribution center has been developed as follows: Implement a TMS system (Foxtrax) to help track product delivery in Real Time. The status of product delivery in each branch can be known. In addition, the system can allow branch employees to evaluate their work or file complaints in order to improve operations to meet the needs and create maximum satisfaction for customers.



Results and Benefits

- Create a more efficient transportation management system.
- Maintain product quality effectively from the production factory until delivery to consumers.
- Track deliveries in Real Time in order to create speed in service and reassure consumers.



Project of Machine Development for Butterfly Crispy Pie Production

In October 2023, S&P initiated a project to develop machine for Butterfly Crispy Pie production by innovating and adapting new technologies. Currently, the project is in progress, focusing on the creation of conveyor belts and supplementary equipment to connect two sets of machinery: the pie cutter and the tray sorting machine. This development aims to reduce labor by an additional 5 people in the tray sorting process, thus decreasing work-related accidents during production and boosting employee morale.



Objective



Enhance employee efficiency and production capacity.



Environment



Social



Governance and Economy



Project Commencement

10th October, 2023

Results and Benefits



Economic Aspect

- Reduce waste in the cutting process by up to 90% using traditional methods.
- Increase production capacity in cutting by up to 200%.



Social Aspect

- Reduce workforce in the production line from 6 people to 1 person.
- Decrease working hours from the previous 216 hours per month to just 12 hours per month, allowing for more efficient rotation of employees in this production line to other tasks.
- Reduce worker fatigue during work by up to 2 hours per day.



Environmental Aspect

- The use of the pie cutter machine helps reduce waste in the production line from 48 kilograms per month to just 12 kilograms per month, equivalent to a 75% reduction.
- Help reduce food waste that would otherwise go to landfill by 36 kilograms per month, thereby reducing the generation of methane gas in the atmosphere, which contributes to environmental impacts. This reduction is equivalent to 91.08 kilograms of carbon dioxide equivalent (kgCO₂e).

Lean Manufacturing Workshop Project

S&P promotes a working culture aimed at fostering sustainable innovation by integrating Lean principles into employee workflows through a Blended Learning Approach, which combines training, project assignments, and coaching. The goal is to cultivate a work culture focused on eliminating waste in every process to efficiently produce high-quality products or services that meet customer needs. This approach helps reduce production costs, increase productivity, improve product or service quality, respond quickly to customer needs, and create a safe and pleasant working environment.



The training, project assignments, and coaching span a duration of 6 months from October 2023 to April 2024.

Results and Benefits

39 employees from the Sukhumvit 62 Bakery factory, Bangna-trad km. 23.5 Bakery factory and Latkrabang Food factories, as well as employees from the Purchasing Department, Accounting and Finance Department, and Human Resources Department participated in the project and the plan is set to continue expanding the results to other departments.



Environment



Social



Governance and Economy