

# Business Integrity

## Targets in 2023

**100%**

Training on ethics, corporate governance, and anti-corruption for all employees.



**100%**

Suppliers have been informed about the promotion of ethics and sustainable business practices.



**100%**

Suppliers have acknowledged receipt of information regarding the promotion of ethics and sustainable business practices.



**No**

incidents of corruption were reported.



## Performance against Targets

**100%**

Training on ethics, corporate governance, and anti-corruption for all employees.

**100%**

Suppliers have been informed about the promotion of ethics and sustainable business practices.

**100%**

Suppliers have acknowledged receipt of information regarding the promotion of ethics and sustainable business practices.

**0 case**

of corruption was reported.

## Background and relevance

Good corporate governance is considered another practice principle that enables S&P to sustainably operate and grow. S&P firmly believes in efficient organizational management, transparency, and accountability. We ensure structured frameworks and internal management mechanisms that integrate among the Board of Directors, management, employees, and shareholders. Additionally, operating ethically to instill confidence among all stakeholders is emphasized.



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## Commitment

S&P aims to promote and support good corporate governance under the principles of “Quality, Value, and Virtue,” including ethical conduct in business operations. Good corporate governance is the foundation for organizational stability, sustainable growth, and anti-corruption policies. To this end, a code of ethics has been developed as a guideline, with continuous communication to ensure all levels of employees understand and adhere to it consistently.

Furthermore, S&P continues to value and prioritize all stakeholders, hence establishing channels for whistleblowing or reports related to corruption or unethical behavior in the organization. These channels are as follows:



**Telephone :**

089-204-5542 or

02-785-4000 ext. 386



**E-mail :**

whistleline@snpfood.com



**Cover letter :**

Audit Office of S&P Syndicate Public Company Limited (Head Office)



**Other channels for whistleblowing :**

Head office, including bakery factories and S&P food factory

## Operational approaches

S&P adheres to the principle of accuracy and transparency as an important basis for operations. Therefore, the Code of Conduct for Directors, Executives and Employees is prepared to cover important issues as follows:

- |   |  |   |    |  |  |
|---|--|---|----|--|--|
| 1 |  | Compliance with the law                             | 10 |  | Confidentiality of information                   |
| 2 |  | Safety of products and services                     | 11 |  | IT Security                                      |
| 3 |  | Environmental care and conservation                 | 12 |  | Antitrust/Anticompetitive practices              |
| 4 |  | Discrimination, Human Rights, and Labor             | 13 |  | Insider trading/dealing                          |
| 5 |  | Safety, Health and Environment                      | 14 |  | Procurement practices                            |
| 6 |  | Anti-corruption                                     | 15 |  | Cooperate in internal control and internal audit |
| 7 |  | Giving and receiving gifts and entertainment        | 16 |  | Political Practice                               |
| 8 |  | Prevention of conflicts of interest                 | 17 |  | Whistleblowing                                   |
| 9 |  | Helping protect the Company's intellectual property |    |  |  |



The Company also operates

- The fundamental approaches for corporate governance and business ethics are issued such as the anti-corruption policy, approaches for combating corporate corruption, and gift acceptance policy.
- S&P also conducts regular training on ethics and anti-corruption for all employees.
- Monthly sessions are held to address complaints from new employees, allowing everyone to review and study additional information on these topics through the E-Learning system and internal e-mail announcements.
- Communication with suppliers includes the distribution of the S&P Code of Conduct for Suppliers, ensuring that all suppliers are informed and adhere strictly to the approaches.
- The information on good corporate governance can be accessed on S&P's website.

In addition, S&P also has an **Internal audit unit** responsible for auditing operations and internal control systems in the organization. They adhere to the principles of internal auditing in accordance with international standards, including the charter of the audit committee. There are criteria for auditing based on risk assessment results and key control points. Additionally, there is an examination of the Audit Committee's practices with a focus on preventive controls to reduce the risk of fraud in the organization. Along with summarizing the audit findings, in case of fraud discovery, for the fiscal year 2023, it will be presented to the Audit Committee to ensure that every department operates with quality, compliance with policies, regulations, and ethics correctly, appropriately, and results in S&P's business operations following good governance principles.

## Consideration of penalties

S&P conducts internal reviews and takes corrective actions as necessary, including disciplining employees who engage in misconduct according to S&P's procedures. Additionally, S&P has a process for investigating, addressing, and mitigating issues. When abnormal activities are detected, the audit office conducts further investigations and calls in the individuals involved for questioning by the investigation committee. If actual misconduct by employees is found, disciplinary actions are taken in accordance with S&P's regulations, and preventive measures are sought jointly with the department's management to prevent future risks. In cases where individuals suffer damages from employee actions, S&P will consider appropriate compensation.

In 2023, S&P received one report and complaint regarding financial misconduct but found no violations of S&P's governance policies, nor were there any disputes settled, convictions, lawsuits, or complaints related to environmental, social, and governance issues. S&P remains committed to stringent work practices to reduce corruption in the organization. Regarding disciplinary actions for misconduct, they are based on the employee code of conduct. If issues arise, S&P implements corrective measures to prevent recurrence, such as reviewing relevant processes across departments to identify weaknesses and making improvements to prevent future incidents, thereby reducing the likelihood of problems sustainably.

Code of Conduct for Directors,  
Executives and Employees



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## Approaches for improving, preventing, and solving corruption in organizations

S&P has reviewed and improved operational processes to enhance efficiency as follows:

1. Review and revise work regulations and streamlined workflows to improve efficiency and internal controls. Utilize technology such as Robotic Process Automation (RPA) to automate routine tasks, such as issuing sales orders.
2. Increase support for online payment transactions. In 2023, 33 branches stopped accepting cash payments, reducing the burden of handling cash for employees.
3. S&P announced a collaboration initiative to discourage the acceptance of gifts during all occasions, promoting anti-corruption measures and corporate integrity.



Anti-Corruption Policy



## Engagement with stakeholders

S&P provides channels for stakeholders to report allegations of corruption, fostering collaboration in combating corporate corruption. Additionally, S&P has pledged commitment and received certification as a member of the Collective Action Coalition (CAC), a project initiated by the Thai Institute of Directors (IOD), to continuously promote corporate governance in Thailand.

Furthermore, S&P also supports suppliers to participate as stakeholders in networks with both public and private sector organizations to collectively combat corruption and all forms of corporate misconduct. This initiative aims to establish a strong foundation for good corporate governance oversight and foster collaboration among stakeholders in the private sector to address and prevent nationwide corporate corruption.



Environment

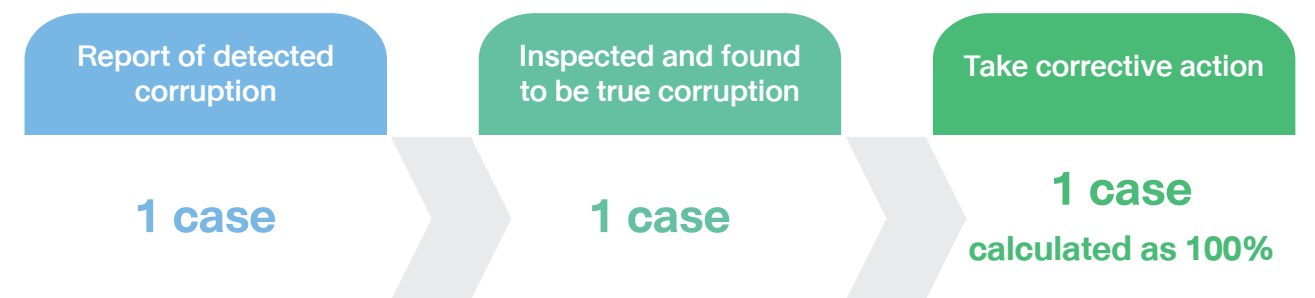


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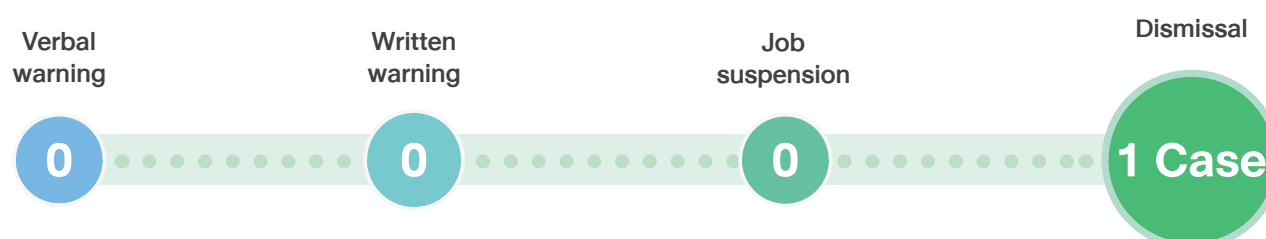
## Summary of operational performance in 2023



## Classified by type of corruption

Type of corruption	2020	2021	2022	2023
Claiming benefits/ benefiting suppliers	0	0	0	0
Financial corruption	7	3	4	1
Fraud in reports/ forgery of documents	0	0	0	0
Total number of complaints	7	3	4	1

## Consideration of penalties





## Highlight projects in 2023

### Project to Communicate and Raise Awareness of Morality

S&P has implemented a project to communicate and raise awareness of governance practices among managers and employees across all office branches, operational units, and factories. This initiative aims to instill an understanding of conducting business ethically by creating knowledge materials, manuals, and quizzes for employees through E-Learning and E-mail systems.

To ensure that employees are well-informed and understand ethical principles clearly, training sessions are conducted and employees' perception and understanding of ethics and anti-corruption measures are assessed through tests. Employees who pass the assessments are awarded certificates. 100% of employees attended training and passed the criteria.

In the year 2023, it was found that 100% of employees had a good understanding of corporate governance and anti-corruption measures. S&P remains committed to continuously raising awareness among employees about the impact of corporate corruption and understanding how to act as responsible corporate citizens, conducting business ethically.



#### Operational performance



Code of Conduct for Directors,  
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**4,207 persons**



# Outstanding Ethics Recognition Project, Thai Chamber of Commerce, Year 2023

## Objectives

S&P participated in the project to recognize outstanding ethics from the Thai Chamber of Commerce in order to support and develop the organization to be outstanding in ethics to be acceptable and trustworthy to the public.

## Benefits

Executives and employees are aware of the importance of operating in a systematic, transparent, and verifiable manner according to the code of ethics. This includes pride in being a model organization for entrepreneurs as well as building trust among suppliers and investors by conducting business according to 10 principles of ethics, including:

1. Providing fairness to those involved.
2. Information disclosure and transparency can be verified.
3. Responsibility to consumers and suppliers.
4. Maintaining honesty
5. Activities that promote ethics

6. Activities to help society
7. Promotion of environmental treatment and conservation.
8. Individual rights and freedom
9. Reduction of business risks
10. Focus on promoting the principles of excellent practice in the organization.



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