



# SUSTAINABLE DEVELOPMENT REPORT 2020







## RESPONSIBILITY POLICY

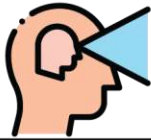
S&J International Enterprises Public Company Limited expects the company is the good role model in corporate governance, attempt society activity without obligation, participate with society beyond profit emphasize business survival together with internal Corporate Social Responsibility from every parts of organization.

### Corporate Philosophy





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GRI Index Report





**Corporate Culture** is the origin of the creative dynamism that empowers an organization to attain strength and sustainable growths. It unifies the efforts, ideas, skills and varied capabilities of personnel into respectful esteem for diversity and synergy to pursue the shared goal of long-term sustainability. With the corporate culture rooted in well-set business philosophy and principles for over 40 years, S&J staff are tough and ready for any challenging circumstances. Despite incidents or changes, S&J has always been resolute in maintaining corporate resilience and vitality, while helping the business ecosystem and surroundings, the society, the environment and, importantly, its stakeholders, i.e. employees, trade partners, customers, consumers and communities, to stay resilient as well.

**Mr. Teerasak Wikiset**  
**Managing Director**



# Message from the Managing Director

The COVID-19 pandemic has inevitably affected Thailand's economy on a wide scale. However, S & J suffers no operating disruption as it conducts business under sustainability practices, by giving top priority to all stakeholder groups, embracing key economic, social and environmental principles of good corporate governance, anti-corruption, respect for human rights, personnel enhancement especially in relation to technology and innovation that lead to corporate value addition in a sustainable manner, reviewing and applying enterprise-wide risk management, as well as revising contingency plan against the COVID-19 outbreak. According to its 2020 Materiality Matrix assessment, the Company has carried out sustainability development extensively covering main aspects as follows:

## Economic Aspect

Emphasis is on satisfying customer demand by introducing innovations that enable the Company to make sales and profits continuously. In this regard, the Company takes into account the legitimacy of production process and the validity of applicable regulations in the areas in which its customers operate so as to prevent possible impacts on both costs and brand image of the customers.

## Environmental Aspect

S & J's Environment Committee and Corporate Social Responsibility Committee has collaborated in setting strategies and goal to comprehensively minimize energy consumption right from the start, that is from the design and formula development process, procurement of eco-friendly raw materials, efficient manufacturing system, as well as industrial waste management based on recycling rather than landfill, which result in reduction of energy use by more than 50%.

## Social Aspect

The Company focuses on providing knowledge for better understanding of the major stakeholders significant to business operations, namely employees, customers, partners and contractors, about measures to handle and prevent possible effects of COVID-19 outbreak. As a result, the Company and these stakeholders can strongly get through this crisis. In addition, the Company has an opportunity to contribute to the society in the time of COVID-19 and donate food and medicine worth over 4 million baht to children, the underprivileged, medical personnel and hospitals, including animals in need.

S & J is committed to organizational development in effort to achieve sustainable growth by enhancing its leaders toward modern and profound insight of the work context as well as fostering a corporate culture that facilitates the expert-to-expert concept of people development.





# AWARDS OF THE YEARS



## Top Innovative Organization 2018

From NIA : National Innovation Agency and The Stock Exchange of Thailand



## Thailand Sustainability Investment Awards 2013-2020

The Stock Exchange of Thailand



## Highly Commended Sustainability Excellence 2019

## Outstanding Sustainability Awards 2017-2018

The Stock Exchange of Thailand



## DMSc Quality Awards 2018

From Ministry of Public Health



# AWARDS OF THE YEARS



**Best Supply Chain Improvement Awards 2013**  
From The body shop



**Preferred Supplier Awards 2016-2017**  
From customer UNILAB, Philippines



**Best Partnership Awards 2018**  
From Sainsbury's Argos



**Iconic Beauty Awards 2019**  
From Preaw



**Watson Awards 2017-2020**  
From Watson



**Quality Food and Drug Administration Awards 2017**  
From Food and Drug Administration



**Zero accident campaign Awards 2017-2020**  
From Ministry of Labour



**Outstanding Organization for Disabled Support Awards 2017**  
From Ministry of Social Development and Human Security

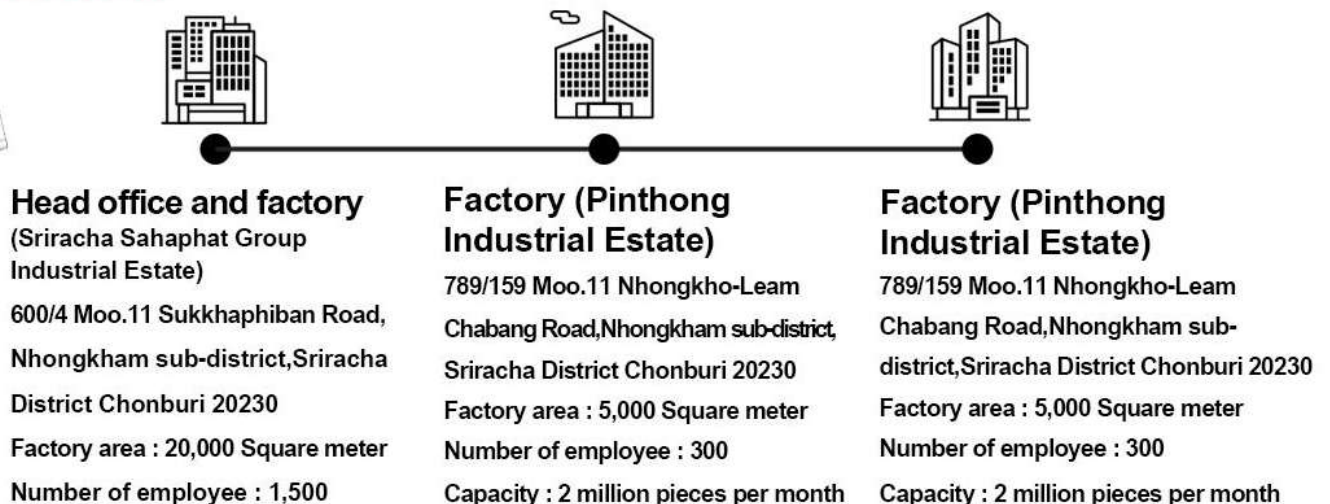


# ABOUT S&J

## S&J International Enterprises Public Company Limited

- Name in stock market : S&J
- Established : April 22<sup>nd</sup>, 1980
- Listed on the stock Exchange of Thailand : September 6<sup>th</sup>, 1988
- Capital : 200,000,000 Baht
- Type of business : Design and manufacturer cosmetics which aim to serve customers in Thailand and overseas with high technology by 200 researchers in order to develop products with global quality.
- Number of employee : 1,800

### Location



### Export Zoning and Marketing



- North America
- Central America
- South America
- Europe and Russia
- Asia
- Middle East
- Africa
- Australia and the Pacific







Good People

Good Product

Good Society

## Vision

To be leader in cosmetic industry in Thailand Asia and other regions with innovative added in product and service which could response customer's need and consumer behavior.

## Mission

- 1 Expand customers and income from beauty market to cover both domestic and international
- 2 Expand sales potential cover both domestic and international market, and be access business and service easily
- 3 Design, research & develop innovations and create value added of raw materials, packaging, products and mix base
- 4 Increase capacity and capability of manufacturing and management by modern technology throughout the supply chain
- 5 Operate sustainable growth to business under good governance and take into account the benefits of society, environment, shareholders and all related parties

## Sustainable Development Approach



### ECONOMIC

Materiality	Result
1.Consumer Responsibility	• Sales • Business growth
2.Risk Management	• Business growth and firm
3.Innovation and Technology	• Sales • Business growth
4.Customer engagement	• Sales • Business growth
5.Supply chain management	• Sales • Business growth • Cost management
6.Corporate Governance	• Business Trust • Business firm
7.Anti-Corruption	• Business Transparency • Business Trust

### SOCIAL

Materiality	Result
1.Human resource development for an innovative organization	• Sales • Business growth
2.Human rights and labor treatment	• Human liberty supporting • Business Trust
3.Safety at work	• Firm and safety in work environment
4.Community and social development	• Good quality of life • Help and Support • Peaceful co-existence

### ENVIRONMENT

Materiality	Result
1.Electric power management	• Conservation of natural resources • Production cost management
2.Water management	• Conservation of natural resources • Production cost management
3.Waste management	• Environmental pollution reduction
4.GHG Emission	• Environmental pollution reduction

### CORE COMPETENCY

- 1.COMMIT TO SUCCESS
- 2.CUSTOMER FOCUS
- 3.TEAM WORK

### CORE VALUE

- TARGET FOCUS
- CHALLENGING IDEAS
- SUCCESS
- UNITY
- ETHICS

### LEADERSHIP

- 1.EFFECTIVE COMMUNICATION
- 2.AGILE MINDSET
- 3.COLLABORATIVE



# “Shareholder Structure”



## Subsidiary

**TTM**  
capital 120 million  
Bath\*  
50.00%

**WL**  
capital 1 million  
Bath\*  
99.99%

**EF**  
capital 4 million  
Bath\*  
99.99%

**S&J UK**  
capital 5 million  
Bath\*  
100.00%

**4WD TH**  
capital 10 million  
Bath\*  
99.99%

**SASS**  
capital 10 million  
Bath\*  
99.99%

**GZ S&J**  
capital 5 million  
Bath\*  
100.00%

**4WD HK**  
capital 5 million  
Bath\*  
100.00%

**SASS**  
capital 10 million  
Bath\*  
99.99%

## Associated Company

**YHT**  
capital 20 million  
Bath\*  
30.00%

**OEG**  
capital 30 million  
Bath\*  
30.00%

**OSI**  
capital 600 million  
Bath\*  
33.19%

**Atika**  
capital 6 million  
Ringgit\*  
35.00%

**TTM** = Top Trend Manufacturing Co.,Ltd.  
**WL** = Wild Lives (Thailand) Co.,Ltd.  
**WF** = EF Co.,Ltd.  
**S&J-UK** = S&J International (UK) Co.,Ltd.  
**4WD-HK** = 4WD Vision (HK) Co.,Ltd.  
**4WD** = 4WD Vision Co.,Ltd.  
**SAAS** = SAAS Co.,Ltd. TTM  
**YHT** = Yamahatsu Thailand Co.,Ltd.  
**OEG** = Operational Energy Group Co.,Ltd.  
**OSI** = Osoth Inter Laboratories Co.,Ltd.  
**Atika** = Atika Beauty Manufacturing Sdn.Bhd.

\*Registered capital and Paid up capital

# “Organizational Structure”

Shareholder

External Auditor

Company Secretary

Broad of Directors

Risk Management Committee

Corporate Govenance Committee

Corporate Social Responsibility Committee

Audit Committee

Internal Audit Section

Recruitment Committee

Remuneration Committee

Executive Board

Managing Director

Deputy Managing Director

Business A

Business B

Business I

Business Happiness

Office Division

Human Resource Division

Purchase and Procurement Division

Technical Division

Factory Division

Quality Assurance Division

Strategy and Corporate Development Division

Automation and Digital Technology Division



# ABOUT SUSTAINABLE DEVELOPMENT REPORT

S&J international Enterprises Public Company Limited has issued sustainable development report as 8<sup>th</sup> year. The objective is to communicate the sustainable management and the outcome of economic, social and environment of company between 1 January – 31 December 2020. The framework of report has presented the outcome of Bangkok office, Sahaphat factory, Sriracha and Pinthong factory, Chonburi The report is written as the standard of Global Reporting Initiatives Guideline : GRI G4 issue.

So that we have linked to sustainable development goal. The main purpose has been presented as general and specific information to follow company's strategy in These have been done according to good governance risk management, supply chain management, human resource development, environmental management ,innovative business and society as well as participation in community/society. The main idea has related shareholder with strategy and target of sustainable development



#### REMARK :

A part of other operation disclosure,  
you can search more information  
in annual report 2020  
via Website : [www.snjinter.com](http://www.snjinter.com)



#### FOR MORE INFORMATION, PLEASE CONTACT :

Social responsibility department, Human resource development section

Tel : 0-3848-0086-89 Fax : 0-3848-0139

Remark : A part of other operation disclosure,  
you can search more information

in "annual report 2020" via website : [www.snjinter.com](http://www.snjinter.com)

Investor Relation topic E-mail : [csr.sji@snjinter.com](mailto:csr.sji@snjinter.com)



## Stakeholder Engagement

Company has emphasized and respect stakeholder's right in business by specify resolution. Therefore company has considered the effect to economy society and environment which led the positive effect to company, stability respond to customer's requirement and expectation of stakeholder fairly.

### The receiving information channel from stakeholder

#### Consumer

##### Receiving

- Satisfaction survey
- Promotion
- After service
- Meeting/Customer
- Review

##### Communication channel with S&J

Tel : 02-676-2727  
Fax : 02-676-2726  
Website : [www.snjinter.com](http://www.snjinter.com)  
Registered mail : Business relationship, Quality assurance

#### Customer

##### Receiving

- Information from customer
- Marketing survey with customer
- Promotional activities
- After sales service
- Meeting / Customer review
- Factory tour
- Information from social media

##### Communication channel with S&J

Tel : 02-676-2727  
Fax : 02-676-2726  
Website : [www.snjinter.com](http://www.snjinter.com)  
Registered mail : Business relationship, Quality assurance

#### Partner

##### Receiving

- Meeting/Seminar
- Annual partner evaluation
- Information/suggestion from cooperation
- Visiting

##### Communication channel with S&J

Tel : 02-676-2727  
Fax : 02-676-2726  
Website : [www.snjinter.com](http://www.snjinter.com)  
Registered mail : Purchase

#### Employee

##### Receiving

- Relationship survey
- Satisfaction from other operation
- Meeting
- Declared information from leader human resource department
- Suggested box

##### Communication channel with S&J

Tel : 02-676-2727,  
038-480-086  
Website : [www.snjinter.com](http://www.snjinter.com)  
Registered mail : Human Resource

#### Stakeholder

##### Receiving

- Annual General meeting of stakeholder
- Cooperation with analyst Investor meets Sahaphat group
- Suggestion/Opinion via website

##### Communication channel with S&J

Tel : 02-676-2727  
Fax : 02-676-2726  
Website : [www.snjinter.com](http://www.snjinter.com)  
Registered mail : Company secretary

#### Community and Society

##### Receiving




- Co-meeting/Seminar
- Doing activity
- Communication/Public relations

##### Communication channel with S&J

Tel : 038-480-086  
Website : [www.snjinter.com](http://www.snjinter.com)  
Registered mail : Corporate Social Responsibility






## Stakeholder Engagement

Stakeholder	Expectation	Response to expectation	Operation indicators
<b>Consumer</b> 	<ul style="list-style-type: none"> <li>Quality and safe products</li> <li>Clearly product information And do not exaggerate.</li> <li>Legal Product</li> <li>Reaction to complaint</li> </ul>	<ul style="list-style-type: none"> <li>Standardize and safety production</li> <li>Clearly product information, Easy understanding and legal</li> <li>Setting complaint's channel and other information</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction score response to customer complaint &gt;85% <b>Result : 100%</b></li> <li>FG recalled that effect to consumer = 0 <b>Result : No recalled</b></li> </ul>
<b>Customer</b> 	<ul style="list-style-type: none"> <li>New innovative product and service</li> <li>Understanding customer's requirement and targeting</li> <li>Delivery products to meet the need of customer completely and accurately</li> <li>Operating according to contract &amp; regulation</li> </ul>	<ul style="list-style-type: none"> <li>Research &amp; development for new innovation to serve customer requirement</li> <li>Supply chain process improvement for responsive to customer requirement change</li> <li>Transportation management effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>New innovation <b>32 items/year</b> Sale amount <b>151.7 Million Bath</b></li> <li>Customer satisfaction &gt;85 % Result : Domestic customer <b>88 %</b> International customer <b>85 %</b></li> <li>% Accurate delivery &gt;95 % Result : <b>95 %</b></li> </ul>
<b>Partner</b> 	<ul style="list-style-type: none"> <li>Business ethic</li> <li>Fairly procurement</li> <li>Exchange experience and technology</li> </ul>	<ul style="list-style-type: none"> <li>Follow the code of conduct</li> <li>Develop and exchange experience with partner</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder number with knowledge exchange and general development : 10 partner/year</li> <li>Stakeholder enrolling anti-corruption : 56 partners</li> </ul>



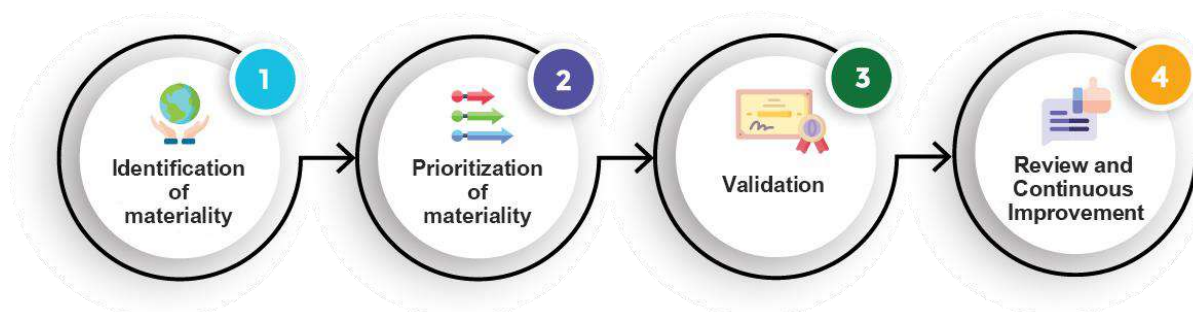
## Stakeholder Engagement

Stakeholder	Expectation	Response to expectation	Operation indicators
<b>Employee</b> 	<ul style="list-style-type: none"> <li>• Stability and progress in the job</li> <li>• Fairly treatment</li> <li>• Good life and happy working</li> </ul>	<ul style="list-style-type: none"> <li>• Development planning for human resources both hard side and soft side.</li> <li>• Compliance with human rights principles in business.</li> <li>• Happy workplace workshop</li> </ul>	<ul style="list-style-type: none"> <li>• Average training hours are Result : <b>30 hours per person per year</b></li> <li>• Accidental statistic until stop working Result : <b>1.95 ppm</b></li> <li>• Employee Engagement &gt; 70% Result : <b>84 %</b></li> </ul>
<b>Shareholder</b> 	<ul style="list-style-type: none"> <li>• Doing business with honesty, truthful, fairly, to reach the most benefit of shareholder</li> <li>• Good turnover and stable growth in business</li> </ul>	<ul style="list-style-type: none"> <li>• Doing business along with Good governance and Anti-corruption</li> <li>• Risk management in every dimension affects to business</li> </ul>	<ul style="list-style-type: none"> <li>• Annual shareholder evaluation Result : <b>100%</b></li> <li>• Good governance evaluation Result <b>IOD</b> Result : <b>91% is the best</b></li> <li>• Corruption complaint is Result : <b>0</b></li> </ul>
<b>Community</b> 	<ul style="list-style-type: none"> <li>• Participation in activity from society and government</li> <li>• Participate in developing society</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting activities in society and community can rely on themselves in long term</li> <li>• Solving problem together</li> </ul>	<ul style="list-style-type: none"> <li>• The number of supporting and developing society project Result : <b>15 projects</b></li> <li>• Satisfaction in activities &gt;85 % Result : <b>95 %</b></li> <li>• Complaint from society Result : <b>0 list</b></li> </ul>



## S & J and Sustainable Development

The Company's assessment of sustainability in 2020 has taken into consideration main aspects from both internal and external factors affecting its stakeholders by assessing and selecting topics of materiality as follows



### Identification

Analyze sustainability issues throughout the value chain by compiling both internal and external data that significantly affect the economy, the society and the environment

### Prioritization

Assess and prioritize results from the process of identifying material issues that affect the stakeholders' expectation

### Validation

Examine validity of the assessment and prioritization of material issues for submission to the executives

### Review and Continuous

Review results, together with risks and opportunities that affect business operations and value creation for the stakeholders, in order to make continuous improvements, corrections and planning developments pertinent to the issues

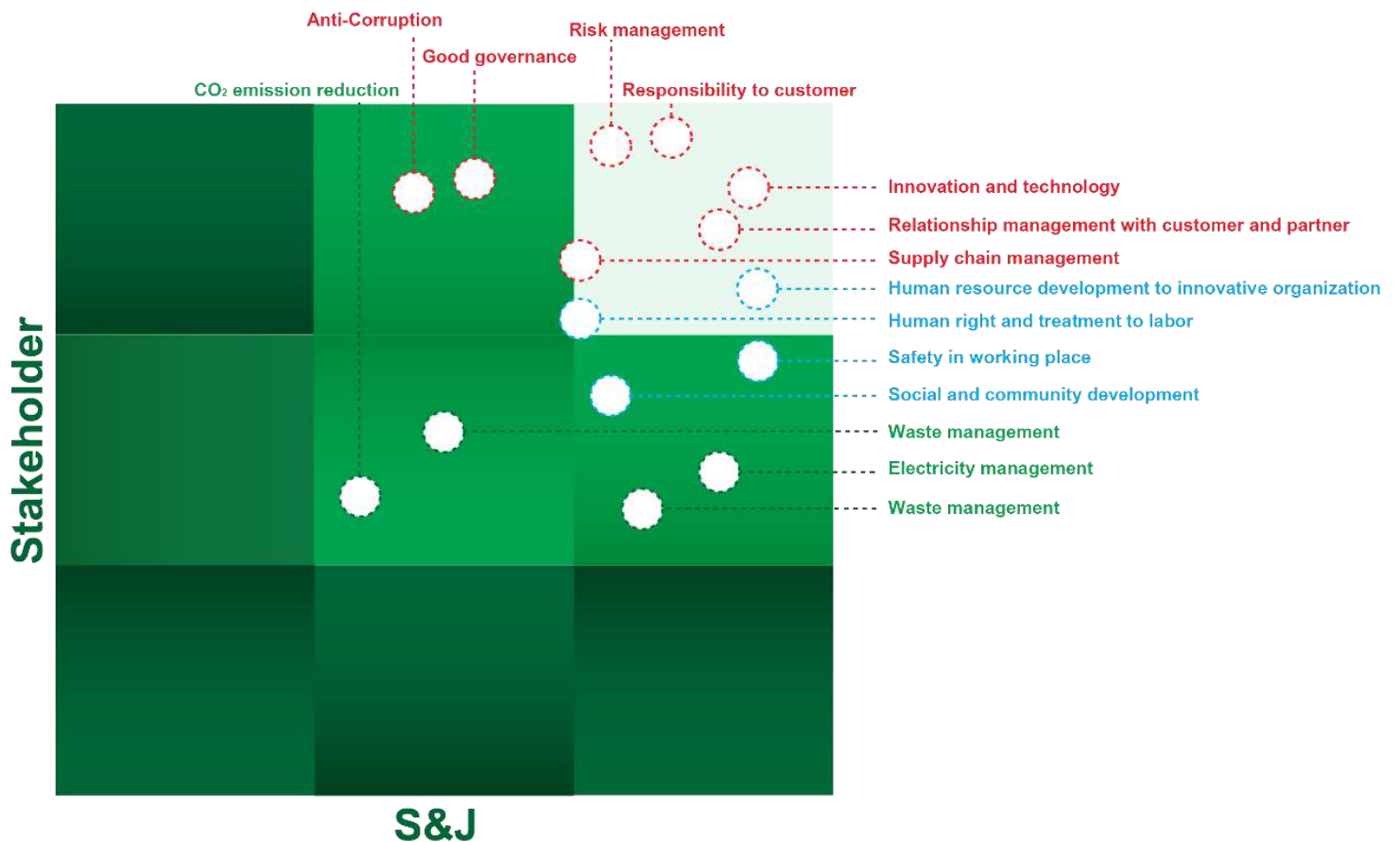


## Materiality Sources

- Customers
- Market surveys
- Economic conditions
- Seminars with trade partners
- Meetings with government agencies
- Information/news from Sahaphat Group
- Suggestions from employees
- Discussions with communities
- Information from internal/external meetings



## Materiality Matrix





## Important Sustainable Issue Summary

Group	No	issue important aspect sustainability	Importance of the issue	Scope of impact						Presentation topics in the report	Consistency SDGS
				Consumer	Customer	Partner	Shareholder	Employee	Community		
Economic	1	Risk Management	Reduce the impact of various risk factors and find opportunities for business to achieve goals and sustainable growth.	✓	✓	✓	✓	✓	✓	Good product	-
	2	Responsibility to customer	Develop products according to standards be safe per consumer	✓	✓	✓		✓		Good product	-
	3	Relationship management with customer and partner	Develop products to meet the needs of customers to promote sales	✓	✓			✓		Good product	8
	4	Supply chain management	consistent operation and effective		✓	✓		✓		Good product	8
	5	Innovation and Technology	Elevate the company's potential Can create value over competitors	✓	✓	✓		✓		Good product	1,9,12,14
	6	Good governance	transparent business practices able to maintain the interests of all groups of stakeholders	✓	✓	✓	✓	✓	✓	Good product	8,16
	7	Anti-Corruption	Creating a defense concept corporate corruption	✓	✓	✓	✓	✓	✓	Good product	8,16
Social	1	Human resource development	Developing personnel's knowledge/skills to work that affect the sustainable business operations of the organization	✓	✓	✓		✓		Good people	4
	2	hygiene and safety at work	Taking care of the health and safety of employees at work	✓	✓			✓		Good people	3,8
	3	Social and community development	Creating participation in community and social development		✓				✓	Good Society	1,2,3,4,9,15,16
	4	Human right and treatment to labor	Encouraging respect for rights and equality		✓	✓		✓		Good people	5,10,16
Environment	1	Water management	Reduce the risk of water scarcity and manage water efficiently					✓	✓	Good product	15
	2	Electricity management	energy efficiency		✓			✓	✓	Good product	12,13,15
	3	CO2 emission reduction	reduce global warming according to sustainable development guidelines		✓			✓	✓	Good product	12,15
	4	Waste management	Reduce the amount of waste generated from the production process.		✓			✓	✓	Good product	13





# Presentation of Material Issues in Sustainable Development Report



## GOOD PEOPLE

- Personnel development and training
- Occupational health and safety
- Human rights and fair labor treatment



## GOOD PRODUCT

- Responsibility to consumers
- Risk management
- Innovation and technology
- Customer relationship management
- Supply chain management
- Good corporate governance
- Anti-corruption
- Water management
- Electricity management
- CO<sub>2</sub> emission reduction
- Waste management



## GOOD SOCIETY

- Community and social development



# SUSTAINABILITY PERFORMANCE 2020

## ECONOMIC

Sales Amount

**3,284 million Bath**

Client satisfaction  
in average

**86.5%**

**88%**

Domestic client

**85%**

International client

Satisfaction point to client's  
complaint immediately

**100%**

No. of developing  
partner in quality issued

**56 partners**

## SOCIETY

Training hour in everge

**30 hours**

per person/per year

Relationship of employee  
evaluation in everage

**84%**

Human right  
and labor complaint

**None**

No.of supporting and  
developing community

**15 Project**

Satisfaction in doing  
activity with community

**95.89%**

Complaint  
from community

**None**

## ENVIRONMENT

Reduced water  
consumption from 2019

**4.7%**

Reduced eletricity  
consumption from 2019

**3%**

Reduce waste industrial  
consumption

**Goal : 1%**

**Results : 1%**

Reduced CO2 emission

**Goal : 6,000 Ton Co<sub>2</sub>**

**Results : 5,363 Ton Co<sub>2</sub>**



# GOOD PEOPLE





# Staff Statistics



Man 436 person (26.28%) Woman 1,223 person (73.72%)

## Number of staff by level



Division  
0.6%



Section  
2.23%



Department  
7.00%



Staff  
93.4%

## Number of staff by gender by level



♂ 0.36%  
♀ 0.24%  
Division



♂ 0.42%  
♀ 1.81%  
Section



♂ 2.35%  
♀ 4.64%  
Department



♂ 23.15%  
♀ 67.03%  
Staff

## Number of staff by age



Less than 30 years old  
33.15%



30-50 years old  
58.59%



More than 50 years old  
8.26%

## Age ratio by level

Division



0.42%

0.18%

Section



1.20%

1.03%

Department



1.45%

5.55%

Staff



5.18%

51.84%

33.15%

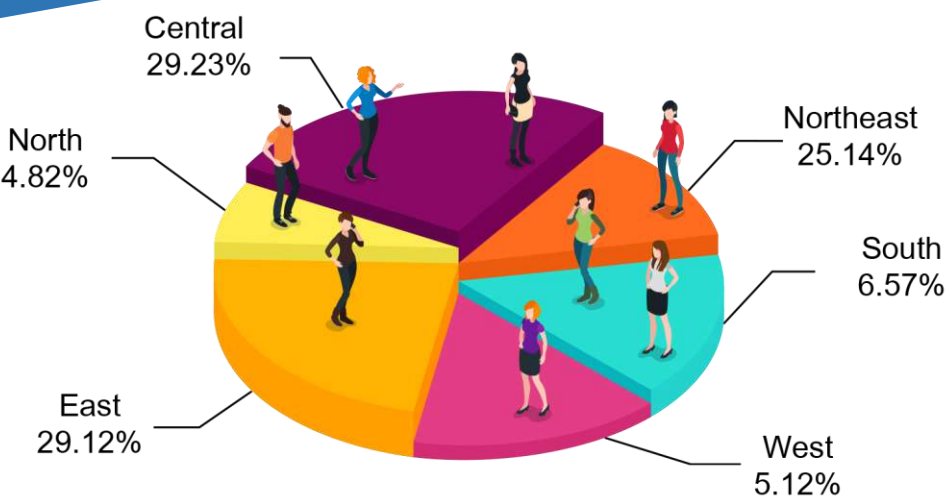
Age more than 50 years old

Age 30-50 years old

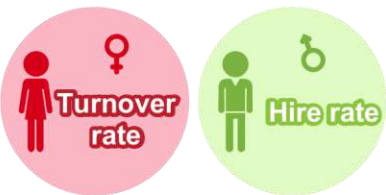
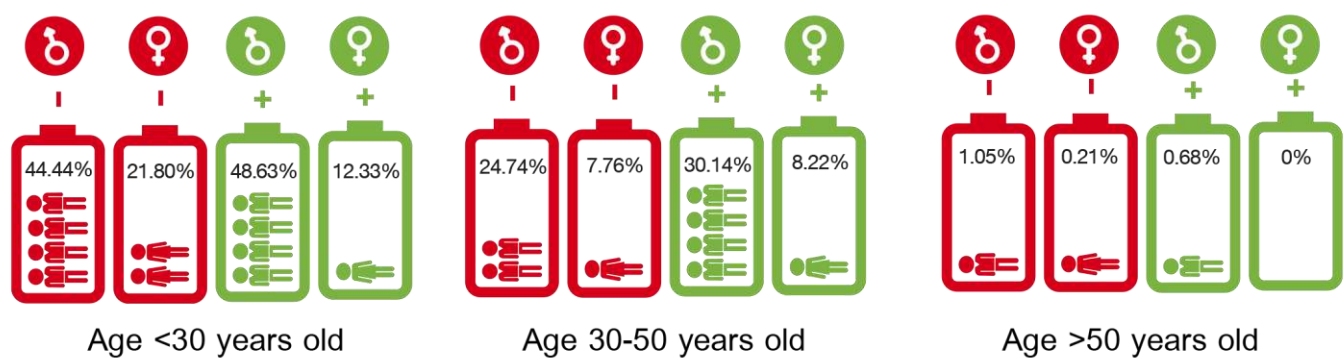
Age less than 30 years old



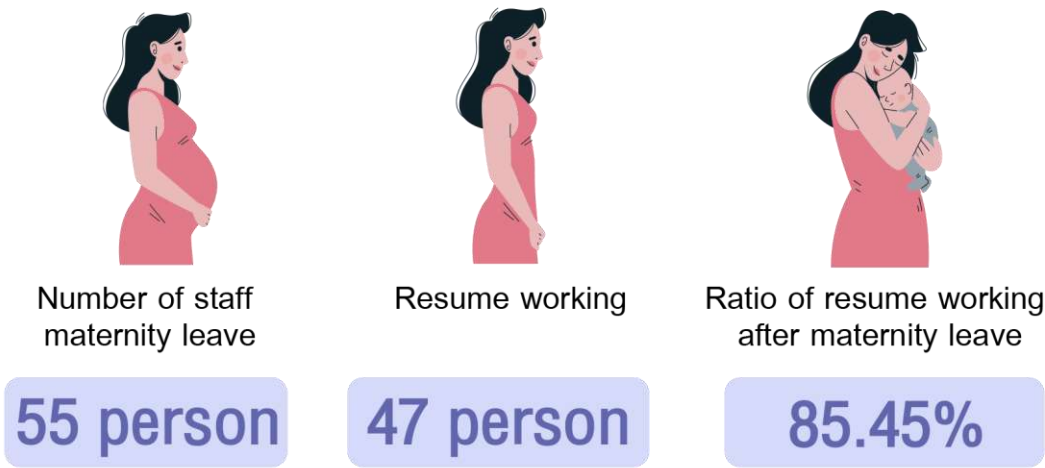
# Staff Statistics



## Number of staff by gender by level



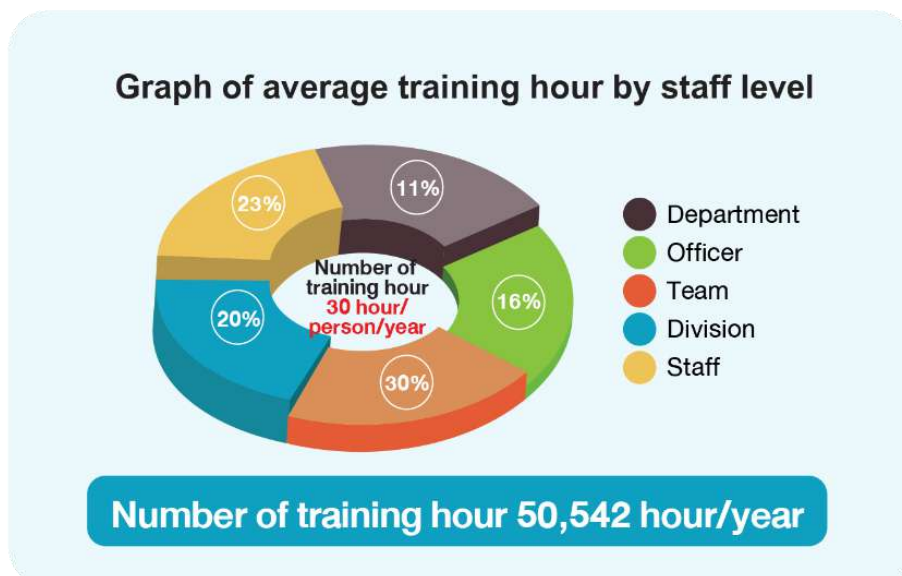
## Number of staff maternity leave and retio of resume working





# Human Resource Development

In the face of radical changes, volatile economy and unanticipated situations, an organization needs to be well adaptive and ready for ceaseless learning and improvement. Human resource is therefore a crucial mechanism for driving the organization toward accomplishing the determined goals. In 2020, the Company has focused on enhancing personnel capabilities in relation to and consistent with the changing business targets, particularly digital skills, analytical thinking skills and effective communication skills which are essential for employees and executives to do continual development planning at present and in the future. Although undergoing crisis due to COVID-19 outbreak, the Company continues to implement its personnel development on necessary matters as planned, with the added aid of technology in training, assessment and follow-up, which can be summarized as follows:





## 1. Annual personnel development 2020 (G4-LA9)



Annual Internal Training



Training (On the job training)



External training



**Performance  
37 Courses**



**Performance  
4,028 Courses**



**Performance  
19 Courses**

### Annual Internal Training

Item	Category	Total courses	% of all courses
1	Management Category	3	8.11
2	Quality and Environment Category	13	35.14
3	Safety Category	20	51.34
4	Technical Category and Etc.	2	5.41

### Example : Effectiveness from applying knowledge

Item	Name of course	Result
1.	New paradigm The Future of Leadership	<ul style="list-style-type: none"> <li>Employee Engagement &gt; 84%</li> </ul>
2.	Internal Audit ISO45001:2018	<ul style="list-style-type: none"> <li>34 staff members to register as internal auditors</li> <li>Has passed the latest certification from OHSAS18001:2007 to become ISO45001:2018</li> </ul>
3.	Safety Committee (CDC.)	<ul style="list-style-type: none"> <li>36 staff members to register as company CDC be able to audit and make risk assessment of each area accurately</li> </ul>
4.	5S. and recommendations for the head area	<ul style="list-style-type: none"> <li>Suggestions for work Improving for 835 Issue, Reduce expense of = 3,650,879 bath</li> </ul>
5.	PPE Applications effectively	<ul style="list-style-type: none"> <li>The staff wear PPE properly before performing the job</li> <li>Accidents and infections from not being worn PPE as zero rate</li> </ul>
6.	Technique for safety driving an electrical forklift	<ul style="list-style-type: none"> <li>Accidents from electrical forklift driving as zero rate</li> </ul>
7.	Safety and biosecurity	<ul style="list-style-type: none"> <li>staff members registered as responsible persons for the implementation and work related to microbial culture and the use of microorganisms that cause diseases</li> </ul>
8.	Digital Learning Develop to AWS	<ul style="list-style-type: none"> <li>3 programs system development project</li> <li>1. HRMS online 2. SJI Library 3. Approve OT online</li> </ul>

### Performance 2020

able to apply knowledge to applications

**>70% of the course**



## 2. Human Resource Development in Digital Age

Changes in daily life behavior of consumers in the wake of COVID-19 outbreak have massive impacts in terms of business undertaking model and innovative mode of communications with greater reliance on technology. Therefore, the Company needs to adjust methods of human resource development and create a new corporate culture in alignment with the situation, by adopting hard side and soft side training approaches which replace classroom trainings with online coaching and assessment, employing virtualization technology and tools in communicating with customers instead of factory visits, and using the efficient Zoom video conferencing in place of conventional meetings, etc.

### 2.1. Use of Technology in E-learning Training

Amount: 4 courses



**1. Prevention of Contamination, and Regulations and Practices under ASEAN GMP / ISO 22716**  
- 1,761 participants



**2. Thai Labor Standards (TLS) 8001**  
- 1,145 participants



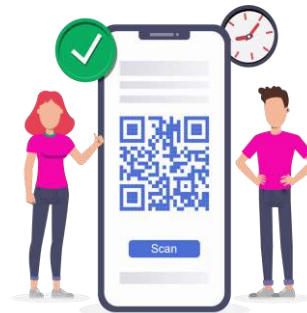
**3. Anti-Corruption**  
- 1,620 participants



**4. Corporate Central Standard System**  
- 60 participants

### 2.2. Online Test and Assessment

- **Quality Topic: 9 courses, 23 sessions**  
559 participants
- **Safety Topic: 13 courses, 30 sessions**  
2,370 participants



**22 courses,  
53 sessions**

### 2.3. Follow-up of Training Effectiveness via ZOOM

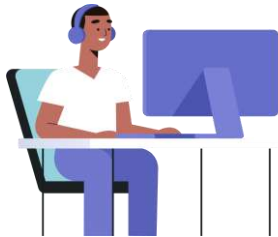
The Company not only uses online system in e-training, but also in following up the effectiveness of a training on “New paradigm the future of Leadership” via Zoom platform.





### Project on Review of Sales Force System Implementation

Objective : To develop an IT system for New Product Development (NPD) process as a solution for work precision in order to reduce redundancy and time in operations as well as to support an integral NPD networking that enables employees and executives to monitor NPD status at the enterprise level, customer service level, customer level, and product level.



## Organizational Knowledge Management

The Company focuses on knowledge management in all work processes in order to boost problem-solving capabilities and to develop corporate innovations.

### KM Roadmap

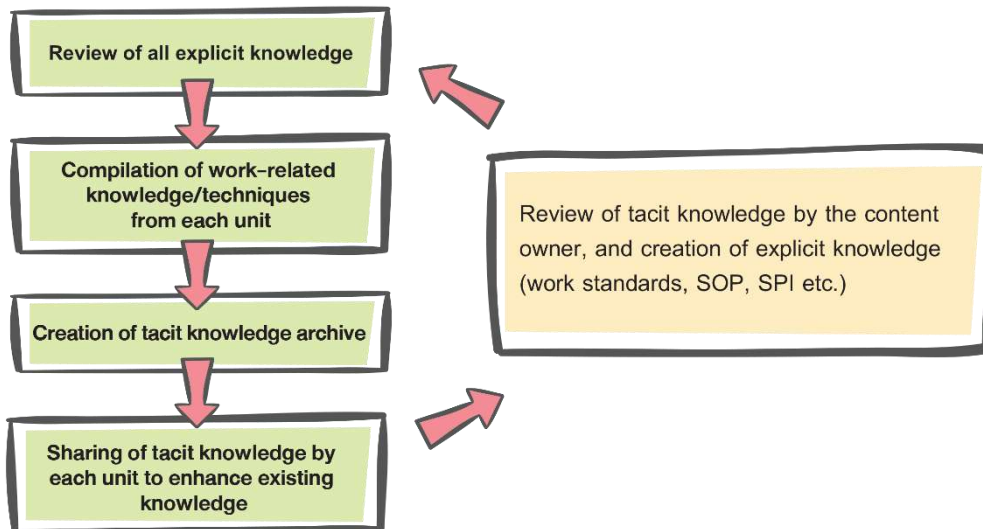


**BASED ON :**  
**PEOPLE / PROCESS / TECHNOLOGY**





## Knowledge Management Cycle



### KM Implementation in 2020



- KM target = 300 subjects  
Result = 267 subjects
- Issued as operating procedures = 100%



Knowledge archived  
during 2017 – 2020 in total  
**1,126 subjects**

### Promotion of Quality of Life Through Happy Workplace

**Happy Workplace** is the process of purposeful workforce development based on the fundamental happiness models (Happy 8), starting from cultivating positive attitude toward ways of life, coexistence with other persons, social responsibility, and keeping a balance of being a good member of the family, organization and the society.



Having a healthy body and mind in readiness for challenging assignments. Activities include:

- Regular exercise to decrease fatigue and prevent office syndrome
- Annual checkup for employees at risk of occupational diseases
- Cervical cancer screening (female staff)
- Drug testing



**Results :** Annual checkup for 1,277 employees or 98.5%, no employees are at risk of critical illness  
: Drug testing on 1,159 employees or 93.6 %, no employees are subjected to treatment  
: Exercise to reduce fatigue is carried daily at 15.00 hrs.





Constantly enhancing skills and knowledge necessary for work and mind development can lead to career stability and progress. Details are under the topic “Good People: Personnel Development



#### Results

- Total training hours 50,542 hours/year
- Average training hours 30 hours/person/year



Cultivating family love and attachment via activities as follows:

- Informational activities for pregnant staff
- Establishing breast pump room for the convenience of preparing milk for babies
- Organizing Father’s and Mother’s Days



#### Results:

- |                          |   |
|--------------------------|---|
| Informational activities | : 1 session/year, total 16 participants                             |
| Breast pump room:        | : Factory building  |
| Father’s/Mother’s Day    | : 2 times/year  |
| Children’s Day           | : Giving presents to children at communities and government offices |







- Cultivating generous mind and kind spirit via activities as follows:
- Friends help friends
- Welfare visit to staff on sick or maternity leave
- Blood donation and other merit makings



#### Results:

- Welfare visit : 92 employees/year
- Blood donation : 109 donors Total blood donated: 43,600 c.c.



Cultivating economical and good saving habits in employees via activities as follows:

Saving money with Sahapat Group and the Government Savings Bank



#### Results:

- Members of Sahapat Group's Savings Cooperative: 310 employees
- Deposit balance of the project: 9,120,715 baht



**RELAX** Encouraging relaxation of body and mind via such activities as Songkran Festival, New Year, and other religious days.





Promoting unity and harmony between the Company and its surrounding communities, details under the topic “Good Society,” via supportive activities as follows:



- For child/youth : Science on Mobile project
- For animals : Elephant conservation project
- For the elderly : Senior school project
- For the underprivileged : Mobile health project, etc.



Encouraging employees to find religious faith, moral conduct and decent living principles via such activities as Good Start – Good Life project, and Mind-cleansing Dharma project.





# Creation of Employee Engagement



**Employee engagement** is a vital driving force toward work efficiency which shall bring about sustainable business success. Thus, the Company has since 2016 recognized the importance of continually assessing employee engagement at different levels in order to identify employee satisfaction and confidence in the organization.

In 2020, the Company assessed employee engagement:

**Target group:** 198 supervisors at unit, team and equivalent levels in Sahaphat Sriracha factories and another 34 supervisors in Pinthong factory, totaling 231 persons.

## Findings : Employee Engagement, Year 2020

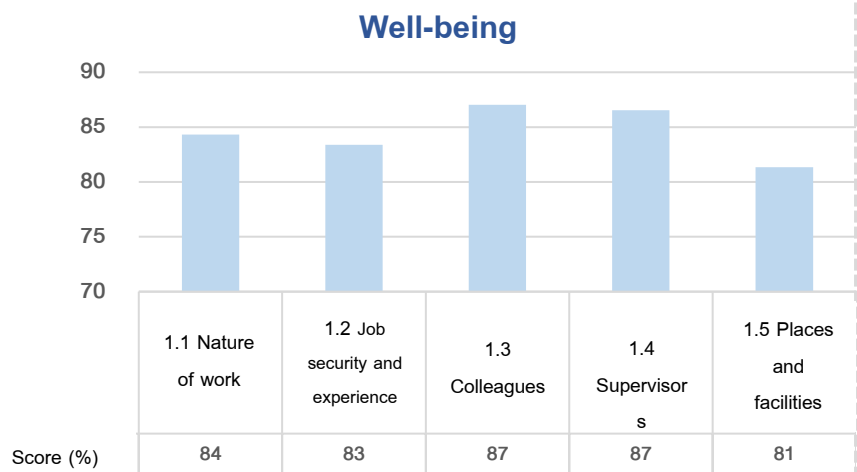
**Target :** Employee Engagement Score  $\geq 70$  %

**Result =** 84.83 %



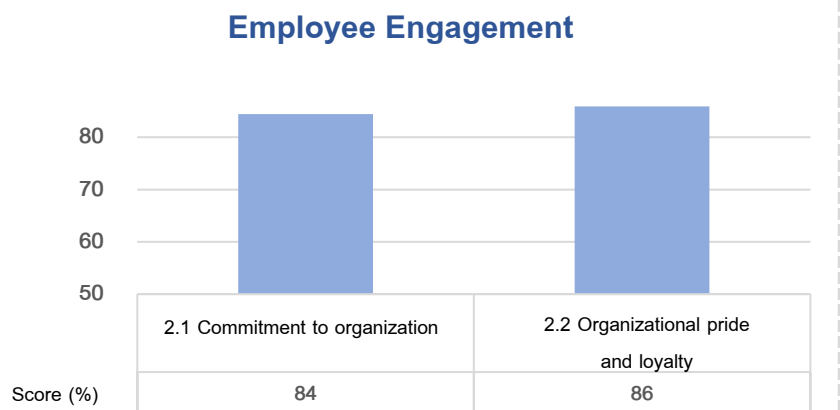
### 1. Well-being aspect consists of 5 dimensions:

- 1.1 Nature of work
- 1.2 Job security and experience
- 1.3 Colleagues
- 1.4 Supervisors
- 1.5 Places and facilities



### 2. Engagement aspect consists of 2 dimensions:

- 2.1 Commitment to accomplish organizational objectives
- 2.2 Pride in and loyalty to the organization





# Human Resource Management

## Recruitment

The Company has a systematic process of recruitment and employment for personnel, both externally and internally, based on knowledge, capabilities, fairness, equality regardless of gender, race, religion, disability and ethnic origin. Recruitment target is set in order to promptly respond to business expansion, and recruitment channels that allow equal access for all applicants are established. In this regard, the Company has improved its recruitment system by utilizing various technological platforms for recruiting via Job Website, LinkedIn, Connection Channel, Line, Facebook, and Sahaphat Group's job application page.

The recruitment process includes screening by a committee, job-related tests, assessment tools, and attitude test to ensure that the hired employees are suited for the job and corporate culture, as well as ready to be developed and take on higher responsibility in the future.



Jobs DB

JOB BKK

JOBTHAI

Page Job





# Ethical Conduct



## Fair treatment of employees

Fair treatment of employees is an important mechanism for sustainable business operation and a practice under corporate governance. Therefore, a policy on labor treatment is formulated in strict accordance with the Thai Labor Standard (TLS 8001-2010) encompassing forced labor, child labor, occupational safety and health, work environment, remunerations, welfare benefits, discipline and penalty, etc. with the aim of providing its labor with equal protection that will result in good quality of life and high morale. The Company has also established a committee, comprising the management representatives and the elected employee representatives, to be responsible for overseeing compliance with the requirements. Practices under the Thai Labor Standard are applicable to trade partners and subcontractors as well.

To help the employees gain a complete understanding of human rights specified by laws and relevant standards, the Company has provided them with a free-access online e-learning system on “Thai Labor Standard (TLS.8001) and Business Ethics,” which was attended by a total of 1,522 employees. There were 1,522 participants passing the test, equivalent to 100% with an average score of 95%.

Result: Number of labor complaints = 0





# Human Rights Practices



The Company is well aware of essential fundamental human rights and liberty, with regard for egalitarian human dignity, rights, liberty and equality. Accordingly, it does not violate the employees and other persons, but oversees that they are treated and protected under the Constitution of the Kingdom of Thailand and international treaties, without discrimination of race, color, gender, language, religion, political or other opinion. The Company adheres to all the 30 articles of the United Nation's Universal Declaration of Human Rights, and puts in place a system on human rights due diligence and risk assessment in order to identify preventive actions and opportunities for continual improvement.

The Company has become a member of the Sedex Members Ethical Trade Audit (SMETA), aka SEDEX, a membership organization that sets standards on labor protection, occupational safety, development of work and business ethics in global supply chain.

## Results



Certified with SMETA (SEDEX)  
version 6.1

(2 factories: Sriracha and Pinthong)  
for 14<sup>th</sup> consecutive year



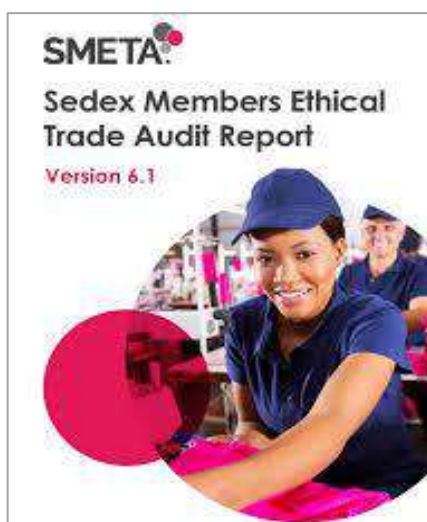
Number of employees participating  
in training on human rights review

**= 100%**



Number of human rights complaints

**= 0**





## Employment of Disabled Persons

The Company complies to the principle of equality and the policy on non-discrimination in employment and engagement of occupation in accordance with Sections 33 and 35 of the Persons with Disabilities Empowerment Act B.E. 2550, thereby opening up opportunities for disabled persons nationwide to be honorably self-reliant. It has been undertaking “S&J (Care You)” project since 2017, and has consequently been granted honorary plaque and certificate of merit for “Best Organization with Disability Employment” by the Department of Empowerment of Persons with Disabilities, the Ministry of Social Development and Human Security, since 2017 until now.



Number of Disabled Persons Employed in 2017-2020



## Complaints and Grievances

The Company has a systematic mechanism for transparently handing complaints of employees and stakeholders in the event of rights violation or unfair treatment, together with systematic protective measures for the complainant. Complaint or grievance can be formally filed with the Human Resource Division or concerned persons as follows:

 <p>Mrs. Patchara Pongwichan Tel. No. 02-676-2727 ext. 2208</p>	 <p>Mr. Sumit Khopai boon Tel. No. 02-676-2727 ext. 2812</p>
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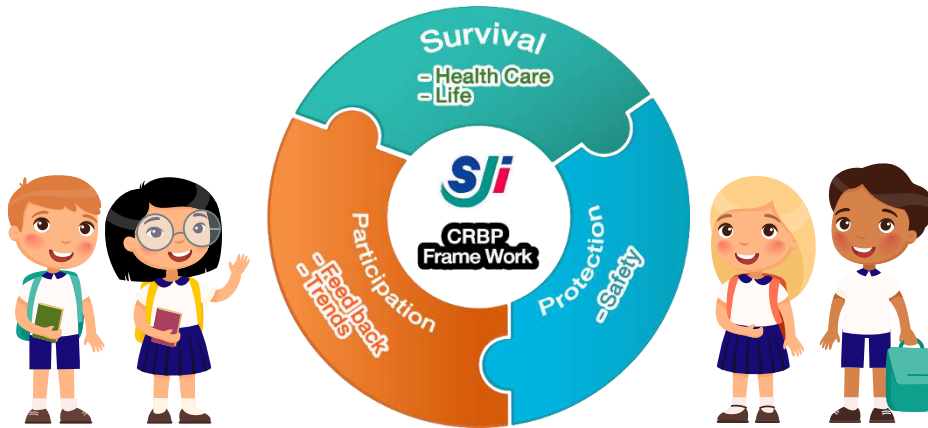
Notes: Please see more details under the topic “Whistleblowing” in the 2020 Annual Report.



# Business Practices under the Children's Rights



Recognizing the value and significance of managing the rights of children in business value chain, the Company adopts the Children's Rights and Business Principles (CRBP) as the following practice guidelines:



## 1. Survival

The Company puts emphasis on safety of children, as the consumers, along the course of operations starting from formulation design, raw material selection with less irritant chemical substances, various tests for quality assurance, and production control that meet international standard, in order to ensure safe goods.

In 2020, the Company has designed and developed 3 products for children

## 2. Protection

The Company has set safety areas for children throughout the supply chain with business responsibility, by adopting human rights principles as follows:

- Employing no child labor,
- Running factory environmental care project to reduce adverse impact on the communities and provide the children and youth with favorable surroundings.

## 3. Participation

The Company respects the rights, liberty and co-creation of children in driving the society in multiple creative aspects. It has encouraged the youth's participation in activities both locally and nationally via such projects as the Young Scientist Innovation project, as well as forums for the express of their opinions on important occasions hosted by the Company such as the Scholarship Presentation Day, Mother's Day, Father's Day, etc.



## Support and Scholarships for Children/Youth

- 63 scholarships from the Company to children of employees

Total 165,000 baht

### Kindergarten Level, 3,000 baht each

Amount : 7 scholarships

Total : 21,000 baht

### Elementary Level, 2,500 baht each

Amount : 27 scholarships

Total : 67,500 baht

### Secondary Level, 3,000 baht each

Amount : 24 scholarships

Total : 72,000 baht

### Great Academic Performance: 1,000 baht each

Amount : 5 scholarships

Total : 5,000 baht

## 2. 30 scholarships from Dr. Thiam Chokwatana Foundation to children of employees

Total 160,000 baht

### Kindergarten and Elementary Level:

5,000 baht each

Amount: 20 scholarships

Total 100,000 baht

### Secondary Level

6,000 baht each

Amount: 10 scholarships

Total 60,000 baht



Kindergarten Level



Elementary Level



Secondary Level



Great Academic





## Policy on Elderly Care: “Graceful, Radiant, Peaceful”

The Company has joined the Network Coalition for Aged-Friendly Business, initiated in collaboration of Thaipat Institute and the Department of Older Persons, the Ministry of Social Development and Human Security, and consistently implemented relevant policy and guidelines on business with the elderly as follows:

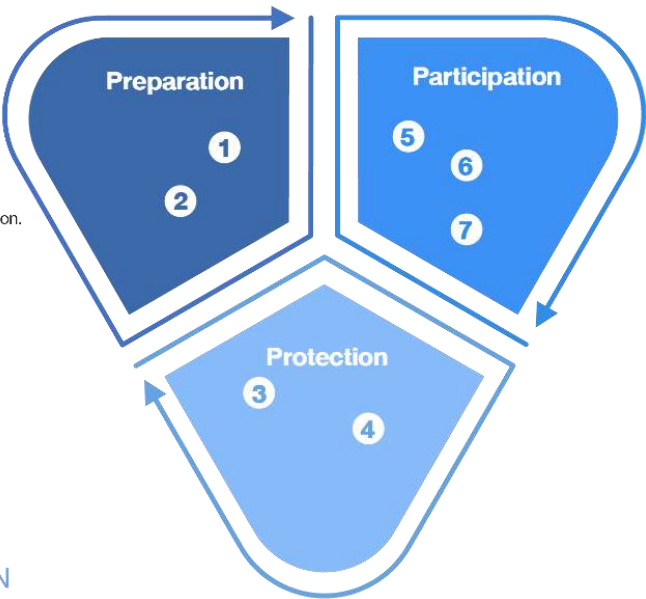
### BUSINESS GUIDANCE ON OLDER PERSONS

#### PREPARATION

**Vision :** Focus on participating in the improvement of quality of life of the elderly, both inside and outside the organization.

**Mission :** Undertake projects to move forward the quality of life of the elderly, both inside and outside the organization.

**Practices :** Ensure that the products and services are designed and developed to be aged-friendly.

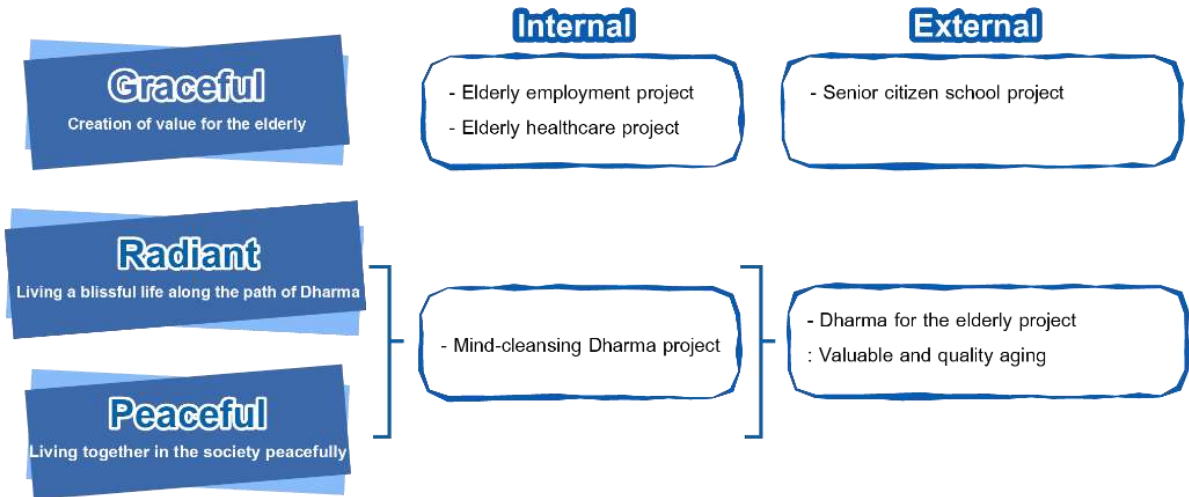


#### PARTICIPATION

- Endorse equal human rights via participation in product review.
- Provide an opportunity for retired employees to work further.
- Encourage and strengthen capabilities of aged employees, and offer proper welfare benefits to protect their rights.
- Support the roles of the public sector and civil society in taking care of the elderly via Senior Citizen School Program.

#### PROTECTION

- **Aged consumers**  
The Company utilizes innovations in developing the elderly products that meet their needs, such as wrinkle treatment, aging skin rejuvenation, or grey coverage etc, and avoid using allergenic chemical substances in order to ensure product trustworthiness.
- **Aged employees**  
The Company offers them the same welfare benefits as those of general employees, and clearly specifies requirements and operational guidelines for each work.





# Occupational Health and Safety



S & J puts in place a safety management system in conformity to legal requirements and international standards in order to ensure safety of employees and contractors operating in the organization. In addition, it has also set forth preventive measures against possible risks of occupational accidents, illnesses and diseases.

## Results of Occupational Health and Safety Implementation in 2020

1

*No accident which needs a 3-day leave of absence*

**Result: Target achieved**

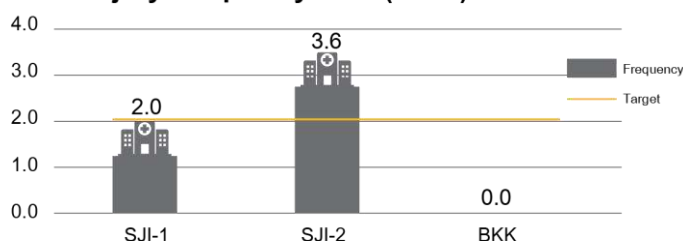
2

*Occupational disease = 0 case*

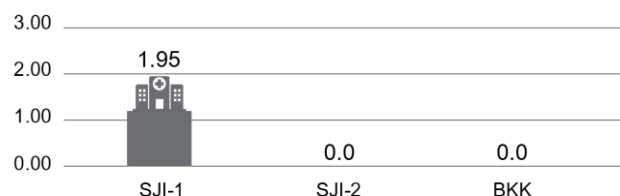
**Result: 0 case**

## Injury Frequency Rate and Injury Severity Rate

**Injury Frequency Rate (I.F.R.) Year 2020**



**Injury Severity Rate (I.S.R.) Year 2020**



Rate of Incident	SJ1 1 (Sriracha)	SJ1 2 (Pinthong)	BKK Office
Injury Frequency Rate : I.F.R (ppm)	2.0	3.6	0
Injury Severity Rate : I.S.R. (ppm)	1.95	0	0



# Safety Operation Guideline

Recogn-  
ition

Risk  
Assessment

Control

## Recognition

Safety recognition is raised among supervisors and staff by organizing trainings on pre-operational safety procedures, as well as coaching the supervisors to assess and foresee accident-causing hazard from either unsafe action or unsafe condition.

## Risk Assessment

Pre-operational measures are set to include risk assessment by a working unit in case of new machine, new device/tool, or new process. If the nature of work or activities does not change, such risk assessment must be reviewed at least once a year in order to determine the risk level of each activity tending or likely to cause hazard at work and occupational disease.

## Control

Measures are imposed to prevent and control hazards, starting from designing or improving the risk sources based on engineering principles, separating or partitioning the work areas to reduce impacts on the employees, and implementing disciplinary measures in case an employee violates safety rules.

Target for 2022

**ZERO**  
**Accident**

**Injury Frequency Rate to be 2.0**

**Injury Severity Rate to be 0**



# ISO 45001:2018

## Occupational Health and Safety Management Systems

The Company has been certified with ISO 45001:2018 standard for occupational health and safety management, which is the international standards upgraded from OHSAS 18001. The standard focuses on improvement of safety and organizational environment, entailing risks, opportunities, regulations and pertinent laws in order to enhance safety efficiency, decrease accident severity, reduce injuries and illnesses, and lessen damages to work-related property

### PPE Culture



### (Safety Recognition)

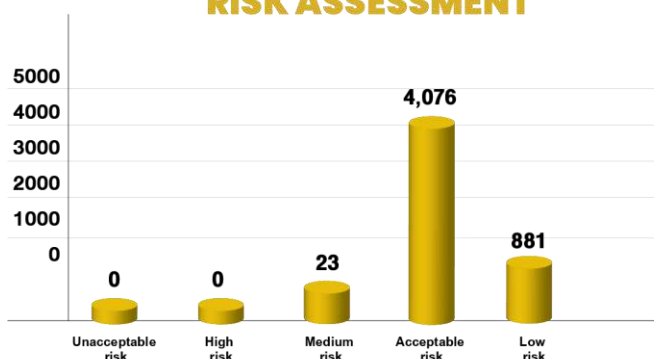
In 2020, the Company was granted GP (Good Point) certification by TUV Nord Thailand for “PPE Culture” category as the employees across the organization have awareness of using PPE for personal safety.

## Operational Risk Assessment

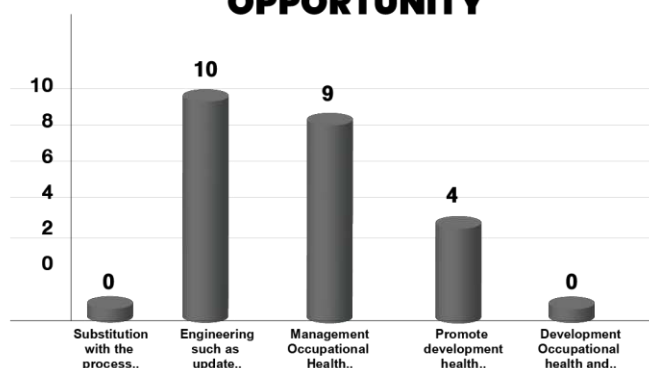
All units have analyzed descriptions of 4,980 tasks or activities prone to be risk factors for occupational diseases or hazards, based on 5 risk levels (details as per the table below). The detected risks are transformed into opportunities for development, modification and correctio of risks in each activity, namely improvements of machines/devices/work environment, issuance of safety standards (manuals/work standards), and promotion of a healthy body and mind for the staff, etc.

Type of Risk	No. of Activities
Unacceptable risk	Unacceptable: U 0
High risk	High: H 0
Medium risk	Medium: M 23
Acceptable risk	Accept: A 4,076
Low risk	Low: L 881

### RISK ASSESSMENT



### OPPORTUNITY





## Vision Toward Safety Organization

The Company is determined to be a safety organization by fostering an across-the-board safety culture, carrying out safety promotion activities, establishing internal collaboration between the management and employees via safety projects, organizing trainings on safety, as well as developing personnel to gain knowledge, understanding and awareness of occupational safety.



1. Creation of safety culture
2. Creation of safe work environment
3. Promotion of safety conditions
4. Safety trainings
5. Communication about safety
6. Health and safety projects

### 1. Creation of Safety Culture

Consequently, S & J succeeded in creating a PPE Culture across the organization.





## 2. Creation of Safe Work Environment

The Company gives priority to the creation of a work environment that is safe and suitable for operations, by complying to safety laws and applicable regulations. Work environment inspection include measurement of the intensity of light, heat, noise, chemical substances and dust, in order to prevent any impacts on the employees and stakeholders of the organization.



## 3. Promotion of Safety Conditions

Safety promotion activities are organized, such as safety training, safety talks, safety patrol, safety inspection, etc.



## 4. Safety Trainings

In 2020, the Safety Department and the Human Resource Development Section jointly organized 20 safety training courses as necessitated by the legal requirements and the issues associated with accidents, as follows:

- Trainings by legal requirements: 15 courses, e.g. safety for new employees, safety officer – supervisory level, safety officer – management level, etc.
- Trainings by accident-associated issues: 5 courses, e.g. risk assessment, PPE utilization, machinery safety, etc.





## 5. Communication about Safety

The Company sets forth communication procedures upon detection of irregularities to enable safe handling of machines. The procedures are divided into 3 steps as follows:



### External Communication

The Company has held a meeting to clarify its “Safety Regulations and Environmental Policy for the Year 2020” to the stakeholders and trade partners dealing businesses with the Company for acknowledgement, so that they can protect themselves against occupational injuries, and comply with relevant laws, regulations and policies on safety. The Company has also kept the workplace safe and in hygienic conditions for the employees and stakeholders operating in the organization.





## 6. Health and Safety Projects

### Project on Capability Enhancement of Corporate Emergency Response Team

The Company has arranged due trainings for its emergency response team to ensure expertise in emergency suppression. Refresher trainings and drills on emergency response are conducted regularly to secure proficiency and prepare the Company's staff for prevention and prompt response to emergencies.



### Project on Zero-Accident Campaign, Kiken Yoshi Training (KYT)

The project is aimed at raising awareness and recognition of safety in all the activities of procedures with latent risks and dangers, in order to prevent possible accidents due to such unsafe actions as carelessness, abstraction, haste, etc. It calls for the involvement of supervisors and operators in identifying risk points and brainstorming for corrective measures to achieve zero accident.

#### Raising of Safety Awareness



**KIKEN**

Danger



**YOSHI**

Foresee or predict



**TRAINING**



### Safe Driving Campaign

To cultivate safety awareness, and encourage employees to comply with traffic rules and drive vehicles to work and back home safely.





## Zero Accident Champion

In 2020, the Company joined the project by Thailand Institute of Occupational Safety and Health (T-OSH), campaigning for all employees to collectively reduce work accidents to zero. The Company was awarded an honorary plaque for the national achievement of “Silver Level.”



## Projects on Workplace Health

### Annual Checkup

- Annual health checkup program for employees to monitor occupational diseases



### Good Health, Happy Life Project

- Health promotion activities for employees with over-standard waist circumference, for their healthiness



### Work-Related Fatigue Reduction Project

- Promotion of right ergonomic postures among employees while working
- Encouragement of exercise during the day





# GOOD PRODUCT





# CORPORATE GOVERNANCE



Corporate Governance is the basis for business operation. Hence the company has complied with Corporate Governance Code for listed company in role, responsibility and carefulness on decision making for doing business based on integrity, transparency, fair, business ethic and code of conduct by aware of responsibility and benefit for all stakeholders with fair and equitable treatment.

The Company has defined its Corporate Governance Principle, Business Ethic and Code of Conduct for Directors, Executive Officers and Employees to be followed as practice guidelines, consist of followings:



See more details with new Good Corporate Governance Code in company's website under "Invertor Relations : Corporate Governance"

In 2020, the Board of Director has stipulated the use of the 8 Good Corporate Governance Principles of to be Suitable for the business which covers 5 categories of the Corporate Governance Practice as follows :

## 1.The Right of Shareholders

The Board of Directors appreciates and respects the ownership rights of shareholders No actions are taken to violate or infringe the right of shareholders. Neither the interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, minority shareholders or institutional shareholders, incorporating both the basic rights of shareholders, and the other rights to determine directions for operations and decisions on matters having a significant impact on the company

## 2.Equitable Treatment of Shareholders

The company attaches importance and ensures that all shareholders are treated equally and fairly either they are major shareholders, minority shareholders, overseas shareholders or institute investors

## 3 . Consideration of the Roles of Stakeholders

Based on its recognition of the right of stakeholder, The Boards of Directors, management members and the employees, to be followed as practice guidelines, to ensure that all stakeholders receive fair and equitable treatment

## 4.Information Disclosure and Transparency

The Board of Directors duly recognized the importance of disclosing significant company information relating to both financial and non-financial topics, which was regarded as one of the company's policies regarding good corporate governance. The company ensured that the shareholders and investors receive such information, in a fast, accurate, and equitable manner, through such channels as, the annual report, annual information disclosure from 56-1, news distribution channel of the stock Exchange of Thailand, and The Securities and Exchange Commission, as well as the company website, in both Thai and English ([www.snjinter.com](http://www.snjinter.com)), with those information being regularly updated



## 5.Responsibilities of The Boards of Directors

The Board of Directors had important responsibility in setting the direction for the company's business operations, following up on the work results by its management members, and being responsible for their duties to contribute to the best interests of the shareholders and the company.

The Board of Directors consisted of qualified directors with knowledge, proficiency, and various experiences in accounting, finance, management, marketing, laws and science, as well as no gender discrimination. The Board of Directors comprised 15 directors, classified into

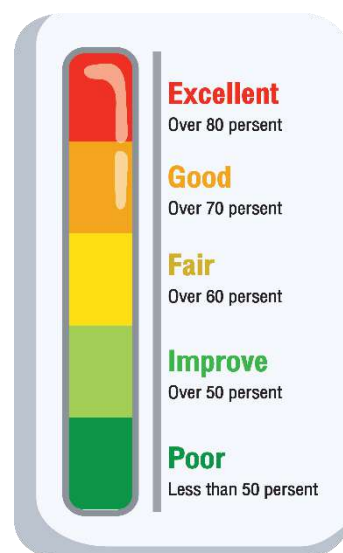
- Executive directors 5 person
- Non-executive directors 10 person

There are 10 non-executive directors of whom 6 are independent directors or equal to 40.00 % of the total number of the Board. And among 6 Independent Directors, 4 of them are members of the Audit Committee. The Chairman shall not be the same person who is taking an office of Managing Director. All directors have a determination to perform their duty as trusted by the Board of Directors and shareholders. They are all independent in expressing their idea, considering and approving any issue by regarding the optimum benefit to the company.

### Evaluation of the Board of Directors

The evaluation of the Board of Director for the year 2020 has been carry out, in which the evaluation was set to conduct yearly. Each of the directors will be given opportunity to assess the performance both individuals and the board as a whole to review performance by The Board of Directors

There is a process in which the evaluation as follows: the Company Secretary sent out an evaluation of the performance of the Board of Directors form, an evaluation of the performance of the directors individually form, and an evaluation of the performance of the Sub-Committees Directors form (Only directors who are members of the committees of the Board) to all directors. Every director was independent in taking such evaluation. The evaluation form was returned to the Company Secretary once completed to be collected, summarized, and reported to The Board of Directors at The Board meeting.



### Yearly Performance Evaluation of the Board of Directors

The Board of Directors carried out the board's performance evaluation, which divided in to 3 aspects as follow:



In 2020, Performance Evaluation of the Board of Directors as follow

Yearly Performance	Evaluation Result	Criteria
The Board of Directors	93%	Excellent
The Individual Director	93%	Excellent



## Yearly Performance Evaluation of the Various

The Board of Directors has set the evaluation of performance of every various in 2020 that each member of the various committees evaluated the work of his/her various committees as a whole. The result can be summarized as follow :

The Sub-Committees	Evaluation Result	Criteria
The Corporate Governance Committee	97%	Excellent
The Corporate Social Responsibility Committee	97%	Excellent
The Audit Committee	94%	Excellent
The Executive Board	89%	Excellent
The Remuneration Committee	85%	Excellent
The Risk Management Committee	82%	Excellent
The Nominating Committee	82%	Excellent

With regard to the appraisal of the performance of the Managing Director, this would be carried out by the Chairman and the Board of Director, by considering and assessment the performances result from target of company every year.

### Business Ethics

1. Responsibility to stakeholder
2. Conflict of Interest
3. Entertainment or receiving or taking gift
4. Anti-corruption
5. No infringement of intellectual property
6. No Human Rights Violation
7. Occupational Health and Safety

### Ethics of Board of Director Management Employee

1. Responsibility to duty
2. Taking care of company assets
3. Clues, request, protection of complaint
4. Diagnosing suspicions

### Corporate governance evaluation result for registered company by IOD (Full score at 100)

Year	2018	2019	2020
Average score	90%	91%	91%
Level	Excellent	Excellent	Excellent

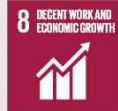
### Annual General Meeting of Shareholder quality evaluation by Thai Investors

Year	2018	2019	2020
Score	100	100	100



# Anti Corruption

**ANTI  
CORRUPTION**



The company has set anti-corruption policy and prepared a manual for anti-corruption measures for Directors, Executives and employees to use as guidelines. The key focus of such policy and measures is to prevent and corruption in all forms whether directly or indirectly. The company will not participate in any bribery or corruption to government officials, public as well as private sectors in order to gain or maintain competitive advantage. In addition, the company have set the practice guidelines for activities with potential risk of corruption in order to clear guidelines in the doing business and reduce the risk of corruption.

The company has a process to review, monitoring and assessment of the risks of corruption, as well as plans for preventing such risks. The supervisory board governance is the risk assessor in corruption and coordination with internal audit checks and presentation at the meeting of the Audit Committee to review the internal control and internal audit follow-up. In the case of fraud, internal audit work unit will report directly to the Audit Committee and the Audit Committee will report to the Board of Directors, respectively

The Company has expressed its intent against corruption in the Private Sector Collective Action Against Anti-Corruption (CAC) project since 2014 and on October 14, 2016, the Company passed the Certified as a member of the Thai Private Sector Collective Action Coalition Against Corruption, which in 2020 the Company renewed its membership in the Coalition Project By preparing a self-assessment 71 and the Board of Directors approved a self-assessment on anti-corruption measures. At the Board of Directors' meeting no. 4/2019 to renew the registration of the names of companies in the coalition project which the Coalition Committee certified the Company to be a member of the Thai Private Sector Collective Action Coalition Against Corruption for the second period in Q3/2019.



In 2020, due to the epidemic situation of Corona 2019 (Covid-19), the company has promoted knowledge in various forms. to focus on the Principles of Corporate Governance, Anti-Corruption, Business Ethics, Code of Conduct for Directors Executives management and Employees as sustainable development as follows:

1. Training "SJI cooperation for Anti-Corruption " for employees of all levels for the year 2020 through the E-learning system and assessment for average score at 95% (very good level).
2. The Company has extended the Coalition against Corruption to Top Trend Manufacturing Co.,Ltd. (a subsidiary), which announced its intention to the Thai Private Sector Coalition Against Corruption Committee. (CAC) in December 2020



Moreover company has measures about clue notification and complaint when employee or shareholder find or have evidence or doubt any person who act as company suborn or corruption, corruption, violation of rules, rules, company's policy, non-compliance with code of conduct for Directors, Executive Officers and Employees as well as protection and fairness to complainant.

## Method of receiving clues or complaints

**1**

### By Telephone or E-mail Address

Division	Telephone number	E- MAIL
Human Resource Division Manager	0-2676-2727 Ext. 2208 0-2676-4492	patchara@snjinter.com
Company Secretary	0-2676-2727 Ext. 2812	sumit_k@snjinter.com



**2**

### Complaint Box



- Bangkok office
- Sahaphat Group Industrial Estate, Sriracha
- Pinthong 1 Industrial Estate

**3**

### Registered Mail



President of Auditor or President of Corporate Governance or Human Resource Manager or Internal Audit Leader or Secretary

**4**



In case of board of directors or executive manager get involved corruption of participated in corruption must complain to president to president or president of auditor

**5**



In case of complainant would not like to disclose name, the fact must be specified or evidence that could believe the participation in corruption.

Company would keep information as secret and consider safety of complainant except all must be disclose according to the law



# Scrutiny Process

Whistleblower/Complainter



Complainter recipient



Human Resource  
Division Manager



General Matter



Managing Director appoints  
Investigation Committee to  
process within 30 days and  
propose to Managing Director  
to approve penalties



Managing Director reports  
the results of consideration  
to the Boards of Director  
and the Corporate Governance  
Committee

Urgent Matter



Managing Director appoints  
Investigation Committee to  
process within 15 days and  
propose to Managing Director  
to approve penalties



Managing Director reports  
the results of consideration  
to the Boards of Director  
and the Corporate Governance  
Committee

Director/Executive  
Director being  
a complaint person



Chairman of the Board of  
Director or chairman of Audit  
Committee appoints Investigation  
Committee to process within  
30 days and report to chairman  
of the board of Director or  
Chairman of Audit Committee



Chairman of the Board of  
Director or chairman of Audit  
Committee reports the results  
of consideration to the board  
of Directors





# Risk Factors



S & J International Enterprises Public Company Limited places great importance on management of risks, particularly those jeopardizing accomplishment of the Company's business objectives and goals of being a leader in comprehensive beauty industry. To this end, it seeks to minimize potential risks and pursue business opportunities favorable to creation of added value for the shareholders and stakeholders. The Risk Management Committee was therefore established, comprising Assist.Prof.Dr.Pongchai Athikomrattanakul as Chairman and Assoc.Prof.Nares Kesaprakorn, Mrs.Porntip Putipat, Mrs.Thongsuk Upathambhakul and Mrs.Daranee Ajjaneeeyakul as member directors, with Ms.Waraluck Punpairoj as a member director and secretary to the Committee.

In 2020, the Risk Management Committee has discharged its duties as assigned by the Board of Directors and under the Charter of the Risk Management Committee. Its responsibilities included determining the enterprise risk management policy, goal and framework so as to ensure appropriateness to the Company's domestic and overseas operations, attainment of international standards, and alignment with corporate strategies and business plans. The Committee held meetings on a quarterly basis to monitor and assess risks and results of risk management at both departmental and organizational levels. Its performance could be summarized as follows

1. The Risk Management Committee set risk management framework and reviewed risk factors and impacts there of in order to develop a systematic and standardized risk management plan covering economic, financial, social and environmental aspects. It also managed emerging internal and external risks, while placing the highest priority on steady growth of the Company.

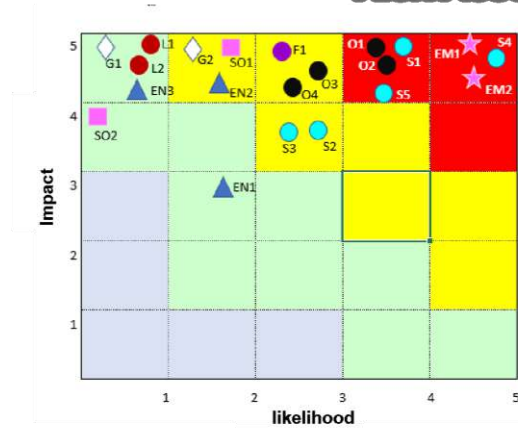
2. The Risk Management Committee oversaw those significant risks were managed and assessed and that a risk management plan was formulated, in order to enable the company to systematically curb risks to an acceptable level or to mitigate future risk opportunities.

3. The Risk Management Committee passed on the risk management report to the Executive Board in order to ensure that the company's risk management was efficient and consistent with internal control system and good corporate governance guidelines.

From the above mentioned performance, the Risk Management Committee viewed that the risk management practice had been carried out systematically with close monitoring. This has contributed to the Company's achievement of the delivered to the Company's shareholders and stakeholders



## Risk Assessment 2020



Significant Factors  
taken into account



1. Concentration of Supplier (S1)
2. Reliance on large customers (S4)
3. Consumer Information Management (S5)
4. Demand for innovative products or fast differentiation products (O1)
5. Demand for products that are environmentally friendly (O2)
6. Demographic and environmental changes (EM1)
7. Rapid Change of Digital Technology (EM2)

Abbreviation	Factor
S1	Supplier concentration
S2	Competitors have lower production costs
S3	Competitors have great potential and rapid development
S4	Reliance on large customers
S5	Consumer behavior data management
F1	Loss from foreign exchange management
O1	Demand for innovative products or products with rapid differences
O2	The demand for products that conserve the green world and environment
O3	Supply chain management (Time and Flexibility)
O4	Uncertainty of raw material prices

Abbreviation	Factor
L1	Changes in cosmetic rules and regulations
L2	Legal changes and regulations both domestically and internationally
EM1	Demographic and environmental changes
EM2	Digital Technology's Rapid Change
EN1	Pollution arising from the production process
EN2	Insufficiency of production resources
EN3	Climate change
SO1	Crisis and epidemic
SO2	Participation in community support and development
G1	Deficiencies in corporate governance
G2	Corruption in the organization



The Risk Management Committee and related units have jointly analyzed and identified types of risks in order to determine preventive measures and mitigate potential risks. All the risk factors were examined systematically and categorized into 7 types of risks as follows:

### 1 Risk Associated with Overseas Business Operations

The Company undertakes a cosmetic manufacturing business and distributes the products to foreign countries through S & J International (UK) Limited in England and 4WD Vision (HK) Limited in China, with a total sales volume of 59% annually. As the COVID-19 pandemic and the UK BREXIT may induce a decrease in sales volume overseas, the Company has therefore adjusted its business strategies and approaches based on the demand for necessity goods in European markets to ensure timely response to customers. In addition, it has managed to expedite delivery time so as to enable the customers to serve the market with fast sales. As a result, the Company could mitigate risks and enjoy continual growth in sales.

### 2 Risk Associated with Domestic Business Operations

According to preventive measures against the spread of COVID-19, the government has imposed international travel restrictions which led to a contraction of foreign tourists. The situation correspondingly affected the Company's local customers on sales of cosmetics and other related products to foreign tourists. Besides, local consumers have less their spending on cosmetics, as luxury goods, resulting decrease in company's sale. However, the Company has more focus on personal care products, hygienic products and other necessary goods during the COVID situation by producing products for customers to serve and respond to the market and consumer need.

### 3 Risk from Foreign Exchange

The Company imports raw materials and packaging as well as distributes cosmetics to overseas markets, with US dollar as the main currency for exchange. It has closely monitored changes in exchange rates and prevented foreign exchange risks by executing currency hedging contracts and adopting a natural hedging method of foreign currency deposit account. Thus, foreign currency risks have been effectively managed and impacts been greatly lessened.



#### 4 Risk Associated with Ability to Retain Domestic and Overseas Customer Bases

Aware of the importance of retaining existing customers to maintain revenue, the Company focuses on gaining customer satisfaction with products and services, constantly interacting with customers in the development of new products that meet market and consumer demand, and being highly responsive to existing customers by means of shortened process and fast delivery of goods.

Moreover, the Company conducts a customer satisfaction survey on an annual basis in order to affirm its emphasis on customer satisfaction. It has also carried out a study into ways of boosting customer satisfaction and formulated a joint action plan.

For smooth-running operations, the Company has enhanced its methods for communicating with both local and international customers by setting up communication technology system on such online conference platforms as Zoom, etc in order to assure customers of its ability to serve their demand either for new product development or purchase order placement, including communication required by customer, such as online inspection of products.

#### 5 Risk from Economic Situation

Over the previous year, economic situation changed significantly and influenced the demand of people across the world according to the New Normal, which posed impacts upon many industries in terms of higher costs of raw materials and transportation. The Company has devised thorough cost management in upstream and downstream supply chain, agile sales strategy to attain continuous revenue, and effective and suitable inventory management. Accordingly, it could keep the production costs less volatile and well respond to ever-changing competition.

#### 6 Risk from Government Policies Affecting Businesses

Changes of government policies as well as enactment of laws or regulations may affect business undertaking. Consequently, the Company attaches importance to laws or rules that are subject to immediate changes. Upon legislation of the current Personal Data Protection Act, the company realizes the risk in the unconsented collection, use and disclosure of personal data. Hence, it has prepared a draft Personal Data Protection Policy and a draft Letter of Consent for customers and other related parties, both internally and externally. Relevant operating procedures have been set forth in conformity to the laws and been communicated for enterprise-wide implementation.

#### 7 Environment Risks

As a cosmetic manufacturer with a factory located at Saha Group Industrial Park in Chonburi, the Company's non-potable water supply system and wastewater treatment must meet the Ministry of Industry's standards. Despite having a closed manufacturing system with low environment risks, the Company remains fully eco-conscious and manages environment risks by establishing a unit responsible for occupational health and environment. Additionally, it has pursued systematic environment management and been continually ISO 14001:2015 certification on environment management system from RW TUV NORD.

### Dispute

1. The Cases which may have the negative impact on the company's assets or its subsidiaries a higher number of 5% of the shareholders' equity as of December 31, 2020.

- None -

2. The Cases that affect the business of the Company or its subsidiaries significantly but can not assess the impact number

- None -

3. The Cases that do not incur from the normal business operations of the company or its subsidiaries

- None -





## Customer Centric Social and Environment Concern



S & J adopts an approach to driving innovation on the basis of customer centric focus, and social and environment concern as follows:

- Create innovative products based on modern concept that corresponds to consumer behavior, and concentrate on selecting eco-friendly products (Clean & Green Beauty)
- Cooperate with the public institutes to research into and promote the use of Thai herbs in cosmetics, for example cooperation with Thailand Institute of Scientific and Technological Research (TISTR) in the project on “Thai Cosmetopoeia,” to drive the country’s economy through the creation of cosmetic values based on local uniqueness.
- Develop and invent new innovations with social responsibility and concern for consumer safety

### Type of Innovation

1. Uniqueness innovation
2. Product innovation with unique business characteristics
3. Eco-friendly innovation (GREEN BEAUTY)
4. Innovation elevating Thai cosmetics to global

### Benefits Derived from Innovation Development

1. Identification of strengths and weaknesses in developing organizational innovation capabilities
2. Ability to outperform competitors in enhancing greater innovation capabilities
3. Opportunity for improvement of system/process/ corporate culture
4. Build trust and respect in business and social relationship

### Results

Year	2017	2018	2019	2020
New innovations with high sales (items)	-	-	17	32
Award or certificate (items)	6	6	5	10
% Customer satisfaction in product development	86%	86%	89%	88%



## INNOVATION SUCCESS RESULT 2020

- Innovation Products, total 52 items : Success items 32
- Sales Volume = 151.7 million baht

### Product Innovation

#### 1. Uniqueness Innovation

Since 2013 to now, the Company has been inventing natural herbal extract products in order to add value to products that use local agricultural produce and to promote national economy by bringing Thai endemic plants into global spotlight. It has therefore collaborated with Thailand Institute of Scientific and Technological Research (TISTR) to research into and promote the use of native plants in cosmetics under the project on “Driving the country’s economy through the creation of cosmetic values based on local uniqueness” or “Thai Cosmetopoeia.”

- In 2020, the total sales volume amounted to 10.7 million baht.



Year	Herbal Extract Innovation
2013	Extract of Lemongrass, Black jasmine rice, Baby jackfruit, Blackcurrent and Blueberry
2014	Extract of Tofu, Red jasmine rice and Wasabi
2015	Extract of Zingiberaceae, Japanese honeysuckle, Barbed grass and Thai blueberry
2016	Extract of Finger lime, Corn silk, Black ginger, Berry rice, Hawaii pineapple and Date <u>Extract blend</u> - 5 V flowers (Tuberose, Jasmine, Ylang-ylang, White champak, Chrysanthemum) - Potpourri (Agarwood, Sand ginger, Ylang-ylang, Jasmine, White champak)
2017	Extract of Purple corn silk, Zingiberaceae and Litsia
2018	Extract of Giant tamarind, Para grass, Green apple, English rose, Bird's nest
2019	Extract of Sweet Osmanthus, Lychee and Avocado
2020	Extract of Green chiretta, Caviar, Tomyum herbs, Assam tea, Fermented assam tea, Sweet tamarind and Okra





## 2. Product Innovation with Unique Business Characteristics



In 2020, S & J developed cosmetic formulae of CLEAN BEAUTY products that avoid using such chemical substances as paraben, triclosan, formaldehyde, etc that may cause irritation on consumers. The products gained growing popularity in the cosmetic market. **Total sales amounted to 134 million baht.**



## Innovation Awards at Company Products Received in 2020 with a total of 9 awards



## 3. Eco-friendly Innovation (GREEN BEAUTY)



In 2020, the Company received RSPO Certification to demonstrate its intent to conserve the sustainable use of palm.

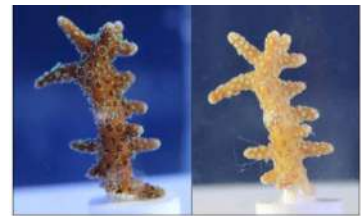




## • Development of New Products

Coral-safe and oxybenzone-free sunscreen products to decrease coral destruction and coral bleaching.

**Total sales amounted to 7 million baht**



Time 0

500 pptillion  
Oxybenzone  
14 days

## Promotion of Eco-friendly Packaging

### 1. Using Post Consumer Recycle Bottle (PCR)

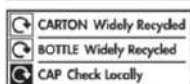


To help reduce plastic residue as a plastic bottle takes more than 400 years to decompose



**Total sales amounted to 63.66 million baht**

### 2. Using recycled packaging by Gift Set Unit (186 from total 229 items)



**Recycle symbol**  
186 item



#### 4. Thailand innovative cosmetic cosmetics market in the world



INNOVATION TREE 2020

- Jelly Mist, a transformative texture, which contains Anti Blue-light and skin soothing ingredient to protect your skin from a digital-life damage and moisturize the skin at one. It is free from Paraben and Alcohol.

#### INNOVATION HISTORY





## Development and Improvement of Production Process

Apart from acquiring new advanced machines with production efficiency, the Engineering Division plans to improve the existing machines in order to facilitate a more efficient production process for quality products, which is also a way to save the expenses of buying new machines.

### Operating performance in 2020

Number of machines enhanced = 45

Value of machine enhancement = **7,772,310 baht**

### Type of Expenses Saved By Machine Enhancement

No.	Description	Value (Baht)
1	Purchase of Machines	1,742,500
2	Decreasing Direct Labor Costs	1,438,510
3	Decreasing Overhead Costs	6,333,800
Total		7,772,310

### Examples of Enhanced Machines



#### Scale with Auto-Printer

Benefit:

Reduce human errors in recording and controlling the weight to stay within the determined weighing range

Expenses saved:

648,000 baht



#### Sticker Labeling Machine

Benefit:

Increase productivity by 70%

Expenses saved:

560,000 baht



#### Conveyor Carton Feeder

Benefit:

Increase productivity by 100%

Expenses saved:

276,000 baht



#### Side Sticker Labeling Machine

Benefit:

Increase productivity by 100%

Expenses saved:

114,000 baht

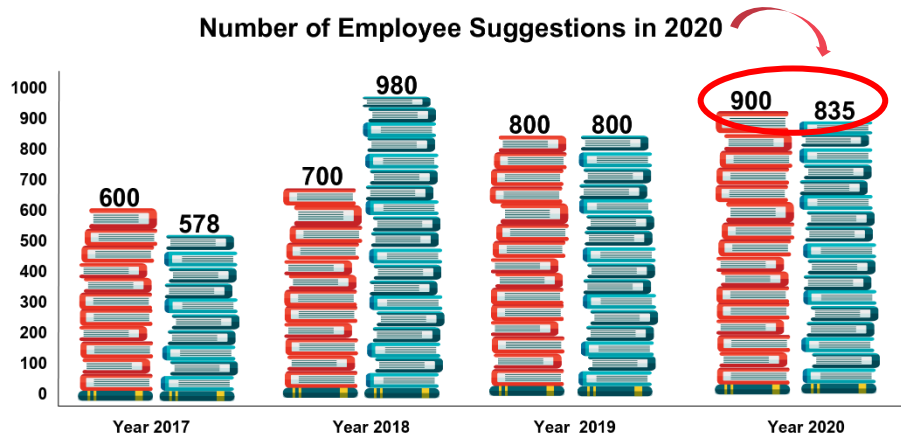


## Implementation of Suggestion

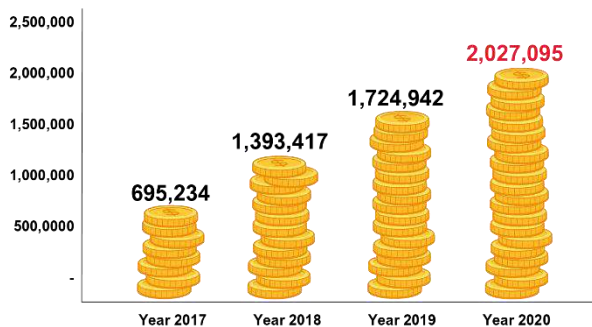
### Sense of Work Improvement

The Company continuously endorses the suggestion project as it brings about systematic improvement of work and encourages employees' creativity and involvement in making suggestions toward work. Benefits derived from the project include operational efficiency enhancement, production cost reduction, waste reduction, better quality of workplace safety, as well as initiation of pre-emptive work practices

Number of Employee Suggestions in 2020



Expenses Saved by Suggestions (Baht)



### Results:

No. of Suggestions: 835

Expenses saved: 2,027,095 baht

**SJI** บริษัท เอส แอนด์ เจ อินเตอร์เนชั่นแนล เอนเตอร์ไพรส์ จำกัด (มหาชน)  
 หลักรคิด : จ้อ 10 คนคิดบวกรมีโอกาศสำเร้งมากกว่าคนคิดลบ  
 เรือ้ง : ปรับปรุงหน้าแปลนจานอัดเบ้ง

ก่อนปรับปรุง ✖

หลังปรับปรุง ✖



งานกลึงจานอัดเบ้งจำเป็นต้องเปลี่ยนหัวจับเครื่องกลึงใหม่ ทุกครั้งทำให้เสียเวลาในการเปลี่ยน 30-45 นาที/ครั้ง

สร้างหัวยึดชิ้นงานใหม่ที่มีขนาดและน้ำหนักที่น้อยลงสามารถที่จะติดตั้งคนเดียวได้

ข้อเสนอแนะ  
ประเภท  
ปรับปรุงเครื่องจักร



ผลที่ได้รับ ✖

- ✖ ลดเวลาการเปลี่ยนหัวจับชิ้นงาน 30-45 นาที / ครั้ง ลดเหลือ 5 นาที
- ✖ ลดการเกิดอุบัติเหตุ จากการยกของผิดท่าทางการยศาสตร์และยกหัวจับหล่นกับเก้าอี้
- ✖ ลดพนักงานจากเดิม 3 คน ลดเหลือ 1 คน

นายอำนาจ ไทศรี  
หน่วยงาน : ENG 3

**SJI** บริษัท เอส แอนด์ เจ อินเตอร์เนชั่นแนล เอนเตอร์ไพรส์ จำกัด (มหาชน)  
 เรือ้ง : นื้อยึด Guide ประครองวด

วัตถุประสงค์ ✖

- 1.เพื่อลดเวลาการเดินทางประแ่ง L
- 2.เพื่อพนักงานสามารถปรับ Guide เองได้โดยไม่ต้องเรียกร่าง



- 1.พวง.เสียเวลาเดินทางประแ่ง L ทำให้เสียเวลาในการจัดตั้งไลน์
- 2.ต้องตามช่างทุกครั้งเมื่อเปลี่ยน Order

นำนื้อยึด Guide ที่ไม่ต้องใช้ประแ่ง L มาติดตั้งแทน

หลังปรับปรุง ✖

- ลดเวลาในการเดินทางไปหาประแ่ง L ได้ 3 นาที/ครั้ง
- ไม่ต้องตามช่างทุกครั้งเมื่อเปลี่ยน Order

- พวง.สามารถปรับ Guide เองได้เสียโดยที่ไม่ต้องเดินทางประแ่ง L หรือตามช่างให้มาปรับ Guide ให้

นางสาววรรณภา โพธิ์ชัย  
พนักงานรายวัน  
หน่วยงาน : CFN5

ข้อเสนอแนะ  
ประเภท  
ปรับปรุงอุปกรณ์



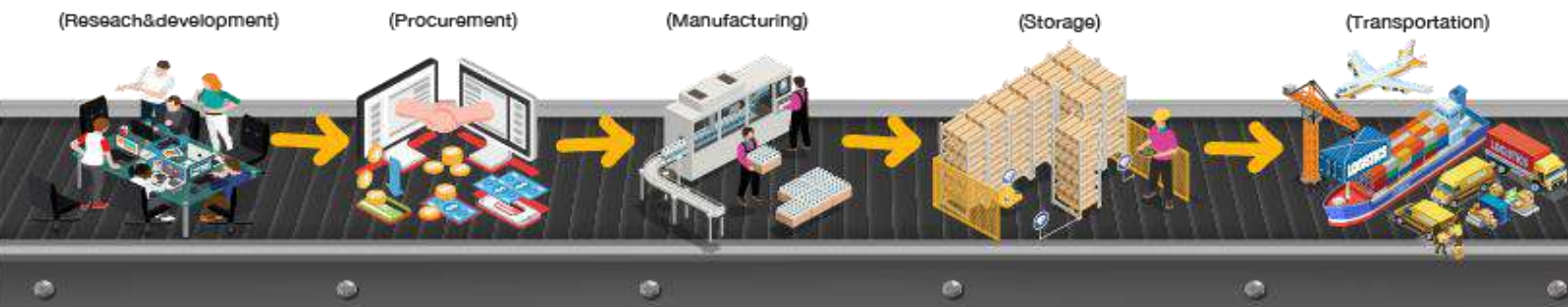
ผลที่ได้รับ ✖



# Supply Chain Management



## S&J SUPPLY CHAIN MANAGEMENT



### Supply Chain Management Policy

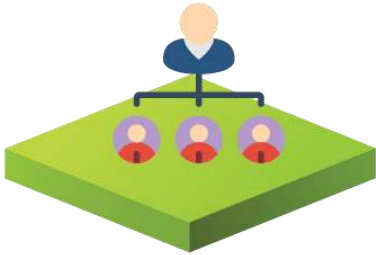
S & J establishes a policy on sustainable supply chain management by treating trade partners on an equal, transparent and accountable basis within business conduct framework and corporate governance principles, attaching importance on exchange of knowledge, and forging collaborative relationship with trade partners toward development of product/service quality with the intention of supporting and encouraging its partners to pursue sustainable business operations as well.

### Business Partner Policy and Code of Conduct

1. Put in place a system for selecting trade partners in its value supply chain who comply with the laws, observe human and children's rights, conform to occupational health and safety standards, carry out environmentally-friendly practices. Trade partners are treated on the basis of on fair competition, equality and mutual respect.
2. Keep trade partners' secrets or information completely confidential without being exploited wrongfully for persc or a related person's benefit.
3. Build good relationship and understanding with trade partners, exchange knowledge for the development and value addition of products and services in order to achieve mutual growth.
4. Adhere to trade agreements and provide accurate information. In case that non-fulfilment is imminent, negotiations shall be arranged with the trade partners immediately in order to reach a solution and prevent any damages.
5. Never solicit or accept any assets or other benefits outside the terms of trade agreements.



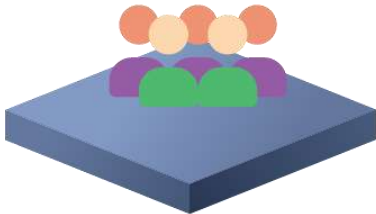
### 1. Suppliers Sourcing



### 2. Approve Vendor List



### 3. Suppliers Collaboration & Execution



### 4. Performance Evaluation



### 5. Suppliers Development



#### 1. Selection of Trade Partners

The Company adopts a system for selecting trade partners based on productivity that meets customer demand for products, quality literacy, production capacity, work standards, promptness of services and transportation, occupational safety and health, including trade partners' business operations in response to the society and environment. Questionnaires are used as a preliminary assessment tool, results of which shall be monitored to ensure sufficient management capability and credibility.

#### 2. Creation of Trade Partner Register

The selected entities shall be registered as the Company's trade partners.

#### 3. Grouping of Major Customers

**3.1 Major Trade Partners** are trade partners making high trading volume with the Company, usually those associated with hard-to-replace products and essential raw materials or packaging. The group carries extremely high or high risks and has great business significance that might severely affect the customers.

#### 3.2 Business Dealing with Trade Partners

The Company sets guidelines on business dealing with trade partners in the form of "Purchase Agreement," covering particular details such as trading conditions, merchandise delivery and return of products, for use as standard procedures.

#### 3.3 Risk Assessment

The Company reviews trade partners whose transaction value is high or production factor is crucial with possible effect on delivery schedule. The Company has assessed trade partners' risks covering economic, social and environmental areas to confirm alignment with sustainable business direction, and also devised a action plan to ensure that the risks can be managed to an acceptable level without prejudicing the customers/business.

**3.4 Risk Assessment by Trade Partners** Trade partners must conduct a self-assessment of business risks in the areas of high likelihood and seek counter-measures to prevent adverse impact on the business relationship.

#### 4. Performance Monitoring

The Company conducts a quarterly assessment of trade partners' performance in terms of quality system and business ethics, provide them with assessment feedback together with strengths and issues for amendment, and collaboratively carries out performance improvement project.

For major and high-potential trade partners, the Company shall also schedule regular assessment of the partners' quality system and business ethical practices.

#### 5. Trade Partner Development

The Company implements a project to develop its trade partners consistent with their different potentials as assessed, in areas such as:

- 5.1 Business ethics, in order to develop the trade partners for co-manufacturing of products for international customers;
- 5.2 Corporate governance, anti-corruption;
- 5.3 Green packaging, etc.



## Trade Partner Development

### 1. Cooperation in Anti-Corruption Action

Following the declaration of intention to operate under transparency and corporate governance principles, the Company organized a seminar for its major trade partners in order to “enlarge the coalition (trade partners) of anti-corruption action toward sustainable development.” A total of 56 trade partners signed up for anti-corruption practices.

### THE 4 pillars of a SMETA



Labour Standards

Health & Safety

Business Ethics

The Environment

### 2 . Dissemination of Knowledge on Code of Conduct and Business Ethics

The Company assists trade partners by giving them knowledge and advice on successful application for certification of SEDEX: SMETA standards and Thai Labor Standards, so that the certified trade partners can work with the Company in international trade.

### 3.Cooperation on Green Packaging

The Company has been cooperating with trade partners to develop eco-friendly Green Packaging since 2017.



#### Performance in 2020

##### 1.Shift to Green Packaging

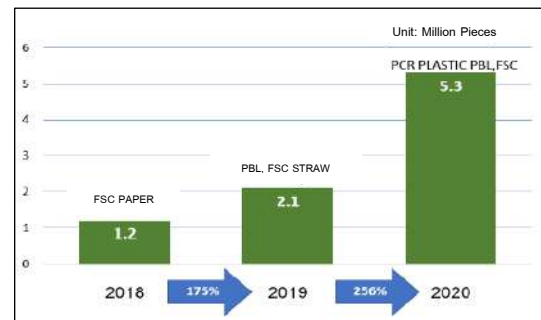
- PET PCR BOTTLE
- PBL PCR TUBE
- PE PCR JAR BOTTLE
- ALUMINIUM BOTTLE

##### 2.Use print-on-packaging method

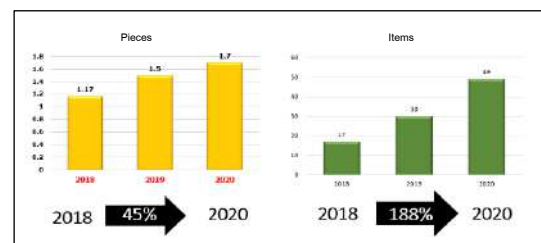
##### 3.Replace solvent ink with place of soy ink

##### 4.Use paper material that is FSC certified

#### Utilization of Green Packaging



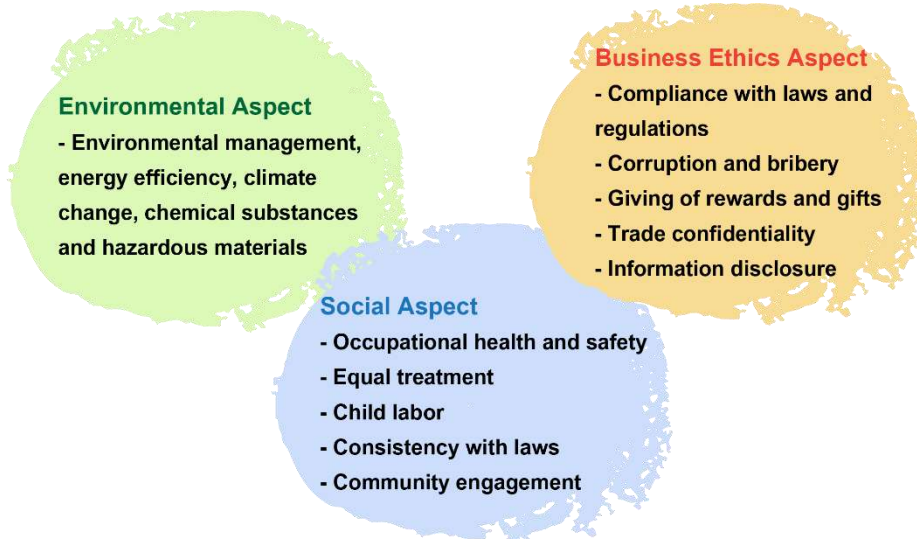
#### Amount of Soy-Ink Printed Cartons



## SUPPLIER CODE OF CONDUCT AND GUIDELINE

The Company has announced the implementation of Supplier Code of Conduct and Guidelines with the aim of helping the suppliers, who are business partners, to understand various operational risks that arise from legal and regulatory as well as social and environmental issues in order to prevent business interruption which may affect business image, as follows:





The Supplier Code of Conduct and Guidelines were announced for suppliers' acknowledgement and action since June 1, 2019. For more details, please go to [www.snjinter.com](http://www.snjinter.com)

### Guidelines for Supply Chain Management During COVID 19

- Inform suppliers of the Company's practices during the pandemic
- Examine suppliers affected by the outbreak, most of them are China-based suppliers in both the epidemic and non-epidemic areas
- Closely monitor the situation and discuss the assessment of risks in delivery with the suppliers
- Extend the period of purchase orders for a longer timeframe to minimize the risks in the suppliers' production and transportation
- Keep track of shipments to check whether the purchased materials are arrived as scheduled, and formulate a contingency plan
- Make a dashboard for every order in order to check the number of affected and non-affected orders, and follow up delivery status every day until the affected orders resume normal status
- Procure from alternative sources domestically or diversify risks by dealing with multiple suppliers
- Discuss with customers to set production priority
- Impose measures for preventing contamination in the course of raw materials and packaging receipt, as well as preventing the outbreak throughout the operating processes, for example locating the unloading section in a well-ventilated area and separate from other operating areas
- Review safety stock and volume of purchase orders so as to resolve uncertainties of demand and purchasing lead time



### Measures for receipt of raw materials and packaging from overseas during COVID-19





# Customer Relationship Management

A process of building customer relationships is a key strategy for sustainable business success.

The Company adopts guidelines for strengthening relationships with customers as follows:

- Initiate innovation-driven development of products that are responsive to consumer needs
- One Stop Service
- Conduct informative surveys for customers in various aspects, especially customer behavior
- Offer information and news update services and consistently organize activities for customers
- Provide customers with needed assistance to boost sales efficiency

## Process of Seeking New Customer



**Sourcing agent**



**Visiting Program (Online)**

## Strategies for Reaching New Customers During COVID-19 Pandemic

In the time of COVID-19 outbreak, interactions with customers, particularly new ones, become more challenging as exhibitions have been suspended and commuting difficult. Sending emails or making introductions are however too common and not enough to make customers feel special. Hence, S & J distinguishes its communication approach by presenting the products through Passion Box in the belief that, apart from its renowned quality, an extra impressive detail added will draw more interest of customers in the Company.





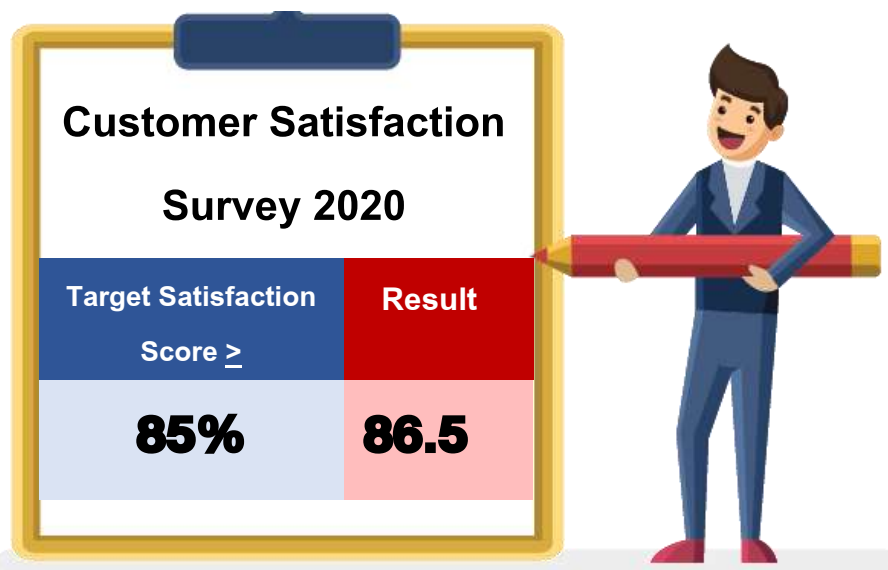
# Customer Satisfaction Assessment



The Company puts in place a systematic assessment of customer satisfaction in order to identify customers' expectations in various aspects that are beneficial to business operations. Information derived shall be used in improving and developing overall work systems.

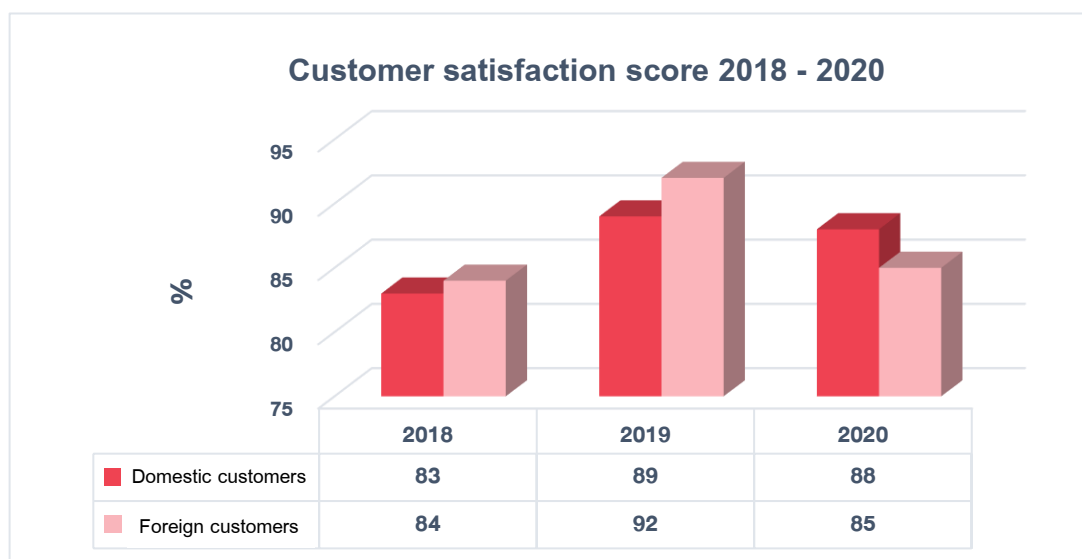
## Topics for Assessment

- Research & Development
- Product Delivery
- Product Quality
- Quality Management System
- Supply Chain Management
- Innovation
- CSR & Sustainability



**Target : Customer satisfaction > 85%**

Result	Year 2018	Year 2019	Year 2020
Domestic customers	83%	89%	<b>88%</b>
International customers	84%	92%	<b>85%</b>





## Building of Trust and Confidence in Products

### 1. International Quality Management Systems

The Company implements a plan to apply for certification and accreditation of international quality standards in order to build trust in other products beside cosmetics, namely:

ISO13485 (Medical Devices Quality Management Systems);

ISO14971 (Application of Risk Management to Medical Devices);

USFDA (Current Good Manufacturing Practice: cGMP USA).

In this regard, preparatory trainings have been organized as follows:



#### Course: Medical Device Quality Management Systems-Requirements

Date: 10-11 June 2020



#### Course: ISO 14971: 2019 Risk Management for Medical Devices

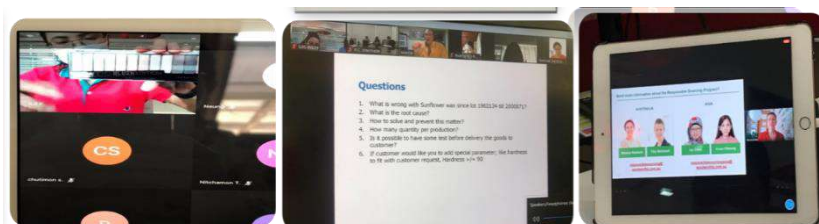
Date: 17 June 2020



### 2. Quality Systems Innovation

Quality Assurance Division has developed an operating system in response to the need of overseas customers for product quality inspection during COVID-19 situation where international travels are restricted. The system includes factory audit, production monitoring, pre-export quality inspection, using Zoom as an online communication tool for virtual visiting, remote auditing, virtual inspection, etc. By means of this, products can be manufactured and delivered according to the quality and time determined by the customers. The Company have a 100% success rate delivering new products, a total of 107,712 items, to the customers.

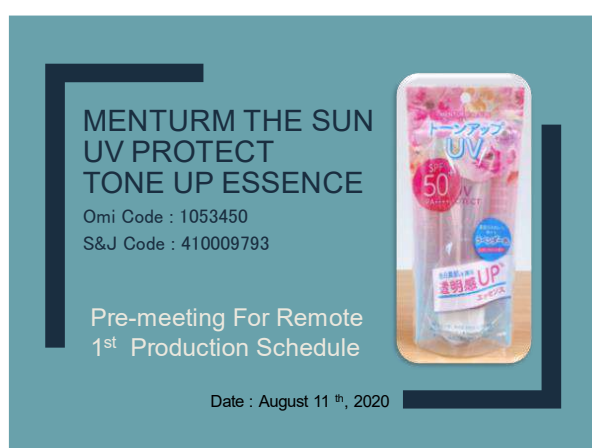
**“We work differently (together with Customer & Supplier)”**





## Virtual factory Tour (Remote produCtion) Concept in Place of Onsite Production

In the time of COVID-19 crisis, S & J has adopted the remote production approach to use Zoom technology coupled with live broadcast in the course of manufacturing new products. Accordingly, customers in Japan are able to make real-time decisions and control every step of the manufacturing process just like being really supervising the work at the site, thus making them confident in the quality of these new products which can be delivered and launched according to the marketing plan.



Able to deliver new products to customers as scheduled 100% of 107,712 pieces



# Responsibility to Consumers



Consumers are S & J top-priority stakeholders. The Company has therefore constantly conducted research and development of knowledge as well as inventing new innovations to serve consumer needs in effort to maintain the products' quality and safety for the consumers.

## Development of Knowledge for Innovation Invention

**2017**

Set standards for product development, comprising the following steps:

- Create and select master formula
- Check regulations and customer requirements
- Check key claim on label
- Stability testing
- Safety and efficacy testing (on customer demand)
- User trials (on customer demand)

**2018**

Develop efficacy testing of herbal extracts

- Anti-aging effects
- Whitening effects
- Free radical scavenging effects

Set standards for product development, oriented to consumer safety

- Various safety tests by international standards, namely:  
Vitre eye irritation test  
Non-comedogenic test

**2019**

- Develop anti-pollution skincare products with skin protection and cleansing properties
- Develop method for testing skin protection efficacy by Scalar Video Loupe microscope to secure consumer confidence in the product

**2020**

Develop cosmetic products with longwearing property without staining face masks

- Janus® Skin Analysis device to compare longwearing property of the products at different times throughout the test
- Blue light protection efficacy to fulfil consumer need, which has been assured by trustworthy and internationally-recognized testing institutes abroad



# Years 2020

Due to COVID-19 situation, consumers need to wear face mask all the time. S & J has then developed cosmetic products with longwearing property that leave no smudge on the mask and also developed product efficacy testing as follows:



- Develop method of efficacy testing to affirm product quality, by using images from Janus® Skin Analysis device to compare longwearing property of the products throughout the test and using a digital camera to take pictures of face masks after the testing session
- Develop products in the blue light protection line to meet consumer need, and have the products tested by internationally-recognized and trustworthy testing institutes abroad

## Development of Eco-friendly and Safe Products for Consumers

The Company emphasizes research and development of eco-friendly products to reduce environmental impacts throughout the product life cycle, by inventing products that contain natural raw materials, utilize minimum chemical substances, and cause no after-use effects on the environment. The following practices have been continuously employed:

1. Invention of products with natural substance ingredients
2. Minimizing the use of chemical substances in cosmetic products
3. Invention of natural extracts
4. Utilization of RSPO-certified palm oil as raw material

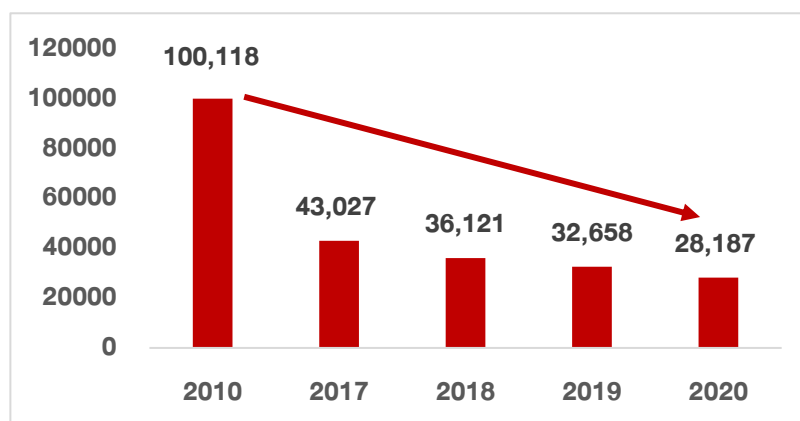
### 1. Reduce the use of hazardous chemical

Being social and environmental responsible, the Company uses more natural economic crops as substitute raw materials in response to the policy on research and development of products which are safe for consumers. The scheme has been initiated since 2010 to now, **and can reduce the use of hazardous chemical substances = 216,338 kg.**

Description	2010	2015	2016	2017	2018	2019	2020
Amount of hazardous substance used	100,118	65,872	47,048	43,027	36,121	32,658	28,187
Decreased amount (kg) against 2010		34,246	53,070	57,091	63,997	3,464	4,470
Decreased amount (%) against 2010		34.21	53.01	57.02	63.92	67.38	71.85



### Graph showing lower use of chemical substances



### 2. Reduce the use of irritative substances

The Company has used lower amount of irritative substances in Lyril perfume. In 2020, the Company has developed a substitute formula, without using L perfume.

Year	Amount	Use Natural Substitute Substances
2018	194 items	34 items
2019	194 items	99 items
2020	194 items	194 items (100% )

### 3. Reduce the use of plastic beads

Total amount of polyethylene microbeads used for cleansing products in 2020 = 0 kg

### 4. Use palm oil from sustainable plantation under Roundtable

In 2020, the Company was granted the CERTIFIED SUSTAINABLE PALM OIL to reflect corporate commitment to business operations with environmental concern by using palm oil from sustainable plantation process.





# GREEN INITIATIVE



## GO GREEN INITIATIVE



**Green  
Cosmetic**

**Green  
Packaging**

**Green  
Factory**

**Green  
Project**

### Green Initiative Policy

The Company recognizes the importance of business undertaking in tandem with environmental conservation, especially efficient use of natural resources which is a crucial element in driving the sustainable economic and social development. Hence, S & J has laid down policy and guidelines for operations along the value chain, starting from formula design and development process, raw material procurement, manufacturing, and eco-friendly delivery, so as to use resources most efficiently for maximum benefits.



# Green Cosmetic

## Roundtable on Sustainable Palm Oil: RSPO



Worldwide industrial growth, including cosmetic manufacturing industry, spurs higher demand for palm oil. Accordingly, oil palm plantations are expanding, resulting in deforestation, destruction of wildlife and the environment, disruption of community life, and global warming. According to its sustainable business policy, the Company seeks to reduce environmental impacts by applying for Roundtable on Sustainable Palm Oil (RSPO) certification standard in Module C: Mass Balance in order to advocate sustainable oil palm production with concern for the balance of nature and the watershed forests.

**Amount of RSPO raw materials  
used since 2017-2020**



Year	Amount of RM
2017	54 items
2018	81 items
2019	108 items
2020	92 items

To be in line with RSPO certification standard, the Company has divided the raw materials according to the types of palm oil used in 2020, as follows:

No.	Type of Raw Material	No. of Items
1	Origin from Palm	395
2	Palm Oil	156
3	Palm Kernel Oil	128
4	Certified Sustainable Palm Oil (CSPO)	188
5	RSPO Model MB	30

## Promotion of Total Understanding of RSPO Standards

The Company arranged a training on Requirements and Internal Audit RSPO Supply Chain Certification Version 2020 for all parties concerned on 7 and 9 July 2020 to create a corporate - wide understanding of SPO Supply Chain Certification Standard Year 2020 for use in acquisition of RSPO standard certification.





# Green Packaging



With business direction toward Green Initiative, the Company supports the design of cosmetic products to include the use of “Green Packaging” or natural-based packaging that is eco-friendly, recyclable, non-hazardous to human and animal health, and harmless to the environment.

## Road map of Green Packaging from 2018-2022

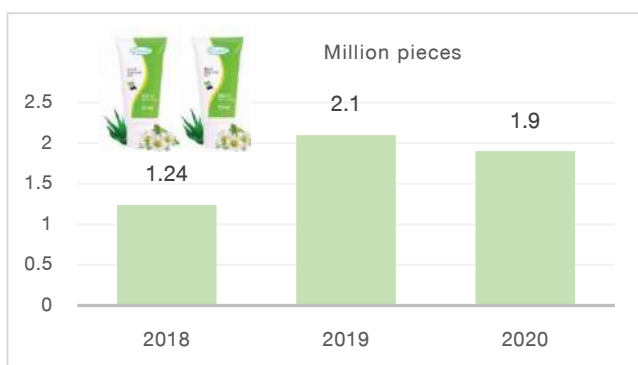
	2018	2019	2020	2021	2022
Type of used packaging	<ul style="list-style-type: none"> <li>- Communicate green packaging concept to suppliers</li> <li>- FSC</li> <li>- Soy ink</li> <li>- Paper palette</li> </ul>	<ul style="list-style-type: none"> <li>• PBL</li> <li>• PCR</li> <li>• Glass</li> </ul>	<ul style="list-style-type: none"> <li>• Biodegradable</li> </ul>		<ul style="list-style-type: none"> <li>• PCR &amp; Biodegradable</li> </ul>

## Green Packaging Product on 2020

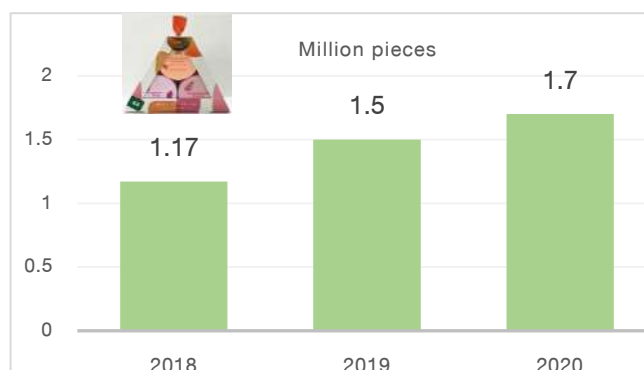


## Use of Green packaging in 2020

### Use PBL Tube in place of Extrude tube

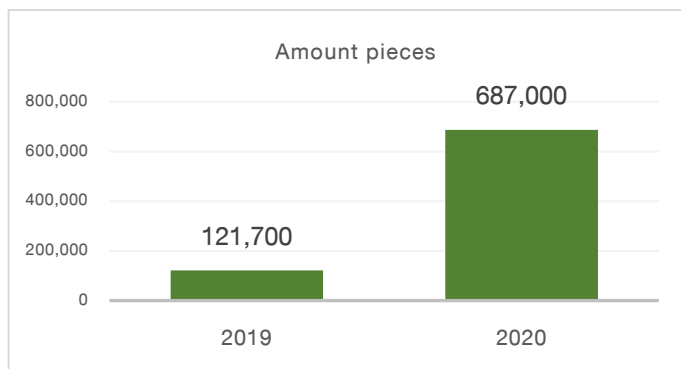


### Use soy-ink printed packaging





## Use FSC Paper



## Green packaging: Supplier lists

Packaging type		Materials			Number of supplier		
					2018	2019	2020
Bottle/Jar	PET				1	7	6
	PE				0	1	4
	Pineapple compound				0	2	0
	Biodegradable				0	2	0
Tube	Paper				0	1	1
	PCR				0	1	7
	PBL				1	3	0
Compact / Lip	Sugar cane				0	2	2
	Paper				0	1	0
	Pineapple compound				0	1	0
	PCR				0	2	3
Box	FSC Paper				2	5	5
	Soy Ink printing				1	2	6
	Recycle Paper				1	2	0
Total					6	32	34





# Green Factory



## Environmental Management

Well aware that efficient use of natural resources is a key driver of economic and social sustainability, the Company has set forth policy and guidelines to pursue business operations alongside environmental conservation by making the optimal use of resources for maximum benefits.





## Environmental Policy

S & J International Enterprise Public Company Limited focuses on manufacturing high quality products, taking into account the risks affecting the environment and resources derived from the sources of raw materials, manufacturing process, product storage and delivery. Practices on environmental conservation are therefore implemented as follows:

- Comply with, both existing and forthcoming, the laws, customer requirements, environmental treaties and standards
- Put management focus on prevention, reduction, reuse and recycling, including disposal of environmental pollutants
- Continuously improve and enhance environmental capability in support of environmental sustainability
- Promote life cycle development to maximize efficient use of resources
- Foster employees' awareness and engagement in preventing environmental problems.

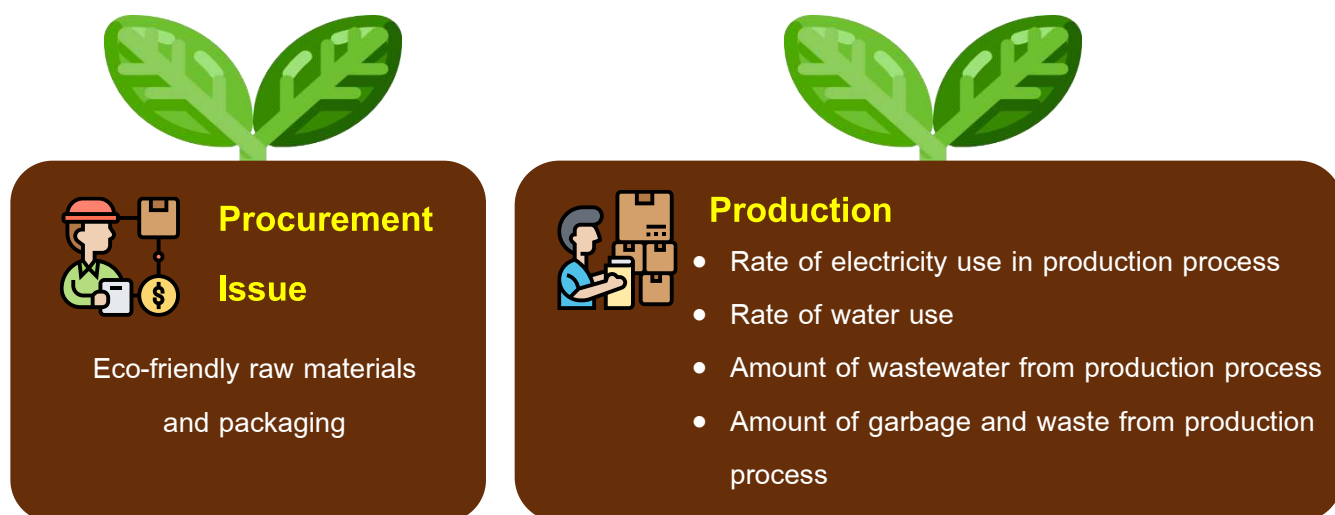


• Energy conservation project	Target	630	Result	647	Ton CO <sub>2</sub> /year
• Water conservation project	Target	40	Result	66	Ton CO <sub>2</sub> /year
• Steam conservation project	Target	140	Result	240	Ton CO <sub>2</sub> / year
• Green energy project	Target	85	Result	189	Ton CO <sub>2</sub> / year
• 3Rs project	Target	2,900	Result	1,967	Ton CO <sub>2</sub> / year
• Reduction of R22 use project	Target	30	Result	41	Ton CO <sub>2</sub> / year
• Green Procurement project	Target	175	Result	78	Ton CO <sub>2</sub> / year
• Reforestation project	Target	2,000	Result	2,135	Ton CO <sub>2</sub> / year



## Determination of Environmental Issues

The Company has reviewed and assessed the risks and corresponding environmental impacts arisen along the entire supply chain of operations in order to determine action plans and environmental projects. Management approaches and results of each issue are as follows:



## Results of Environmental Management

Procurement		
Issue	Management Approach	Result for 2020
<ul style="list-style-type: none"> <li>Eco-friendly raw materials and packaging</li> </ul>	<ul style="list-style-type: none"> <li>Eco-friendly raw materials and packaging</li> </ul>	<ul style="list-style-type: none"> <li>Number of items containing raw materials from palm oil</li> </ul>
		92 items = 126,617 Kg./year Amount used 3,612,000 units
	<ul style="list-style-type: none"> <li>Using eco-friendly packaging</li> </ul>	<ul style="list-style-type: none"> <li>PBL straw 1.2 mil. units</li> <li>Soy-ink printed carton 1.7 mil. units</li> </ul>
		<ul style="list-style-type: none"> <li>FSC carton 687,000 units</li> </ul>
		<ul style="list-style-type: none"> <li>Bag from garbage 25,000 units</li> </ul>



Production		
Issue	Management Approach	Result for 2020
<ul style="list-style-type: none"> <li>• Rate of electricity use in production process</li> </ul>	<ul style="list-style-type: none"> <li>• Energy conservation project</li> </ul>	<b>Electricity use reduction</b> Target 754,992 kg CO <sub>2</sub> / year Result 1,357,808 kg CO <sub>2</sub> / year
	<ul style="list-style-type: none"> <li>• Renewable energy project</li> </ul>	<b>Solar roof, Solar cell projects</b> Target 235,926 kg CO <sub>2</sub> / year Result 308,089 kg CO <sub>2</sub> / year
<ul style="list-style-type: none"> <li>• Rate of water use and amount of wastewater from production process</li> </ul>	<ul style="list-style-type: none"> <li>• Water conservation project</li> </ul>	Water use within the organization Target Decrease by 5% Result Decrease by 4.7% Water use in 2020 = 202,051 m <sup>2</sup> Water use in 2019 = 192,569 m <sup>2</sup> <ul style="list-style-type: none"> <li>• Reuse of RO reject water</li> </ul> Target 15,000 m <sup>3</sup> Result 19,219 m <sup>3</sup> <ul style="list-style-type: none"> <li>• Reduce water use by decreasing water supply pressure</li> </ul> Target 7,500 m <sup>3</sup> Result 11,343 m <sup>3</sup>
	<ul style="list-style-type: none"> <li>• Wastewater control</li> </ul>	Analysis parameters of wastewater discharged from treatment pond conform to standards.
<ul style="list-style-type: none"> <li>• Garbage and waste from production process</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing amount of industrial waste from production process</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of industrial waste to landfill</li> </ul> Target 1% of total garbage Result = 8,134 kg. equal to 1 %

## 1. Energy Management

The Company complies with the Energy Conservation Promotion Act in developing measures and projects to enable efficient energy consumption and reduce emission of environmentally-destructive CO<sub>2</sub>, as follows



## 1.1 Energy conservation project

No.	Project	Cost Saving (Baht/Year)		CO2 (kg CO2/Year)	
		Target	Result	Target	Result
Sriracha Factory					
1	Reduce total electricity consumption in all work units	1,350,000	1,002,310	187,200	138,987
2	Install timer control for air-conditioning system (Stock Room, 3 <sup>rd</sup> floor, Building 10, WIP, LFN)	2,475	865,993	343	120,084
3	Shift to non-CFC refrigerant for air-conditioning units in use for over 10 years	450,000	145,976	62,400	20,242
4	Use on-off control for UT system for actual period in operation	810,000	802,114	112,320	111,227
5	Decease number of ventilation fans for Stock Room of Buildings 4 and 10	427,500	416,786	59,280	57,794
6	Carry out PM cleaning services for air conditioners: ERR > 11.0	450,000	602,018	62,400	83,480
7	Install Air Compressor 100 HP in place of existing one	270,000	740,993	37,440	102,751
8	Carry out PM cleaning services for Chiller	225,000	89,640	31,200	12,430
Pinthong Factory					
1	Reduce total electricity consumption in all work units	1,035,000	1,248,052	129,030	155,778
2	Reduce operating pressure of air compressor system from 7 bar to 6.6 bar	67,500	55,153	8,415	7,212
3	Reduce electricity consumption by cleaning hot coil unit of air chiller system	225,000	458,494	28,050	59,957
4	Install timer control to turn off water dispensers at nighttime and during holidays	12,600	40,935	1,571	5,353
5	Install timer control to turn off air chillers when not in use and during holidays	90,000	723,970	11,220	406,147
6	Install timer control to turn off AHU when not in use and during holidays	45,000	152,395	5,610	21,338
7	Install on-off timer control for lighting system around buildings	26,100	11,993	3,254	6,728
8	Change to LED lights around buildings (total 22 locations	32,400	141,313	4,039	17,617
9	Install cooling pad for air chiller 160 HP system	90,000	233,362	11,220	30,683
Total		5,608,575	7,731,497	754,992	1,357,808



## 1.2 Renewable Energy

No.	Project	Cost Saving (Baht/Year)		CO2 (kg CO2/Year)	
		Target	Result	Target	Result
Sriracha Factory					
1	Use cool drain water from jacket for cooling vacuum purr	310,959	220,263	43,120	30,543
2	Supply solar cell electricity for electrical devices	20,000	1,618	218	219
3	Install solar roof to supply electricity for MDB2: Building 9	900,000	1,010,880	124,800	140,175
4	Use drain water from dehumidifiers (Stock Room, Building 10) for filling chiller	41,400	130,527	5,741	18,100
Pinthong Factory					
1	Solar cell system for fence lightings	2,700	3,558	337	442
2	Supply solar cell electricity for electrical devices	495,000	842,544	61,710	118,610
Total		1,770,059	2,209,390	235,926	308,089

## 1.3 Green Energy Project

The Company initiates a project on Green Energy based on solar farm by installing solar cell panels on the rooftops. The project was launched at Pinthong Factory since 2017 and extended

Year	Sriracha Factory ( 0.624 Kg CO <sub>2</sub> / Kwh.)		Pinthong Factory (0.561 Kg CO <sub>2</sub> / Kwh.)	
	Kwh. / year	Kg.CO <sub>2</sub> / year	Kwh. / year	Kg.CO <sub>2</sub> / year
2017			94,836 (since Apr /17)	53,203
2018	57,158 (since Oct/18)	35,667	172,368	96,698
2019	262,080	163,538	168,066	94,285
2020	224,640	140,175	190,080	119,052
<b>Total</b>	<b>543,878</b>	<b>339,380</b>	<b>625,350</b>	<b>363,238</b>



### Energy Saving Total : 2017-2020



1,169,228 Kwh.



690,201 Kg.CO<sub>2</sub>

(690 Ton CO<sub>2</sub>)





## 1.4 Energy Consumption

### 1.4.1 Comparison of Energy Consumption

- Comparison of Energy Consumption for 2018-2020

Energy Consumption/Year	2018	2019	2020
Sriracha Factory (kwh)	9,431,725	10,107,305	9,444,705
Pinthong Factory (kwh)	3,204,281	3,066,840	3,354,400
<b>Total</b>	<b>12,636,005</b>	<b>13,174,145</b>	<b>12,799,105</b>

- Comparison of Energy Intensity for 2018-2020

Energy Intensity/Year	2018	2019	2020
Sriracha Factory (kwh/unit)	0.079	0.088	0.111
Pinthong Factory (kwh/unit)	0.133	0.127	0.117
<b>Average Energy Intensity (kwh/unit)</b>	<b>0.089</b>	<b>0.094</b>	<b>0.113</b>

## 2. Water Resource Management



Tap water is an essential factor in cosmetic production, both as a raw material and as a supportive part of production. The Company then runs a project on integrated management of water supply through improvement of water in manufacturing process

### 2.1 Comparison of Water Consumption

- Water Consumption in Production Process

Water Consumed in Production Process/Year	2018	2019	2020
Sriracha Factory (m <sup>3</sup> )	134,920	157,045	149,245
Pinthong Factory (m <sup>3</sup> )	60,820	45,006	43,324
<b>Total water consumption (m<sup>3</sup>)</b>	<b>195,740</b>	<b>202,051</b>	<b>192,569</b>

- Water Intensity of Production Process

Water Intensity / Year	2018	2019	2020
Sriracha Factory (m <sup>3</sup> )	0.0012	0.0014	0.0017
Pinthong Factory (m <sup>3</sup> )	0.0025	0.0019	0.0015
<b>Average Water Intensity (m<sup>3</sup>)</b>	<b>0.0014</b>	<b>0.0014</b>	<b>0.0017</b>





## 2.2 Water Conservation Project

No.	Project	Cost Saving	(Baht/Year)	CO <sub>2</sub> (kg CO <sub>2</sub> /Year)	
		Target	Result	Target	Result
Sriracha Factory					
1	Reuse RO reject water	1,500,000	2,736,949	27,000	34,595
2	Use cool drain water from jacket for cooling vacuum pump	79,200	210,375	5,940	4,208
3	Reduce water use by decreasing water supply pressure	180,000	272,243	13,500	20,418
4	Reuse last drain water from mixing tank as tap water	120,000	160,263	9,000	2,711
5	Use drain water from dehumidifier (Stock Room, Building 10) for filling chiller	38,880	124,668	792	2,493
Pinthong Factory					
6	Reuse RO reject water	414,000	411,245	8,280	7,844
7	Decrease the use of cool water supply to valve face of vacuum 15 HP system	520,000	496,231	9,360	9,301
8	Use backwash water for plants	225,000	294,244	4,500	5,535
9	Reduce use of soft water by feeding chlorine-measured water to raw water pond	90,000	42,284	1,800	791
10	Reduce use of tap water by feeding flow test line (fire pump) to raw water pond	90,000	61,123	1,800	5,001
11	Reduce use of tap water by filtering backwash water and feeding it to raw water pond	90,000	-	1,800	-
Total		3,347,080	4,809,625	83,772	92,897

## 2.3 Wastewater Management

### • Quantity of Wastewater into Treatment System

Wastewater Discharged / Year	2018	2019	2020
Sriracha Factory (m <sup>3</sup> )	84,740	66,797	67,750
Pinthong Factory (m <sup>3</sup> )	42,275	31,978	30,554
<b>Total Wastewater Discharged (m<sup>3</sup>)</b>	<b>127,015</b>	<b>98,775</b>	<b>98,304</b>





- **Results of Analysis of Wastewater Discharged from the Company**

Analysis Parameters (Unit: Milligram per Litre)	Legal Requirement	2018	2019	2020
Biochemical Oxygen Demand (BOD)	$\leq 20$	14.8	5.2	2
Chemical Oxygen Demand (COD)	$\leq 120$	86	58	63
Suspended Solids (SS)	$\leq 50$	21	25	5

### 3. Air Quality Management



#### 3.1 Reduction of CO<sub>2</sub> Emission Projects

The Company has plans to reduce CO<sub>2</sub> emission via the following projects:

Project	2020	
	Target: Ton CO <sub>2</sub> /Year	Result: Ton CO <sub>2</sub> /Year
1. Electric energy conservation project	630	647
2. Water conservation project	40	66
3. Steam conservation project	140	240
4. Green energy project	85	189
5. 3Rs project	2,900	1,967
6. R22 refrigerant reduction project	30	41
7. Green procurement project	175	78
8. Reforestation project	2,000	2,135
<b>Total</b>	<b>6,000</b>	<b>5,363</b>

#### 3.2 Carbon Neutralization

Carbon Type	2018	2019	2020
Carbon Emission (Ton CO <sub>2</sub> )	6,912	7,338	6,355
Carbon Removal (Ton CO <sub>2</sub> )	5,654	6,116	5,363



### 3.3 Carbon Emissions (All Scopes)

Carbon Type	2018	2019	2020
Carbon Emission Scope 1 (Ton CO <sub>2</sub> )	1,491	1,378	851
Carbon Emission Scope 2 (Ton CO <sub>2</sub> )	8,067	8,432	8,222
Carbon Emission Intensity (kg. CO <sub>2</sub> / Unit)	0.067	0.070	0.080

### 3.4 Carbon Emission Reduction via Reforestation

Reforestation is one of the main projects of the Company in its sustainable development mission. The project has been carried out continually with the aim of conserving natural resources, increasing CO<sub>2</sub> sinks, and preserving biodiversity.



### 3.5 Air Quality Management

The Company gives priority to the management of air quality, both within the premises and surrounding communities, by means of thermal energy derived from steam generated by natural gas. Measurement and monitoring of air quality have been conducted constantly in order to conform to applicable regulations and build stakeholders' confidence.

#### Sriracha Factory

Quantity of Gases and Dust Discharged	Legal Requirement	2018	2019	2020
PFN Work Unit (mg/m <sup>3</sup> )	<400	0.5	1.4	1.0
PMD Work Unit (mg/m <sup>3</sup> )	<400	1.0	0.6	1.7
PMX Work Unit (mg/m <sup>3</sup> )	<400	1.4	2.3	3.9

#### Pinthong Factory

Quantity of Gases and Dust Discharged	Legal Requirement	2018	2019	2020
Quantity of CO discharged (ppm)	<690	1.4	27.8	0.3
Quantity of NO <sub>x</sub> discharged (ppm)	<200	26.4	14.1	38.0
Quantity of SO <sub>x</sub> discharged (ppm)	<60	<1.3	<1.3	<1.3
Quantity of Dust (mg/m <sup>3</sup> )	<320	1.9	24.8	1.0



## 4. Industrial Waste Management

The Company performs waste management in order to optimize resource utilization throughout the value chain and also minimize waste generation by devising 3Rs principle, i.e. Reduce (reduce the use or use only as necessary), Reuse (repeat the use) and Recycle (convert for new use). The Company puts in place a system for managing waste separation, storage, transportation and disposal in order to monitor and prevent impacts on communities, society and the environment. In addition, it focuses on efficient use of resources with least waste generation to decrease the burden of waste disposal



### 4.1 Industrial Waste

- Comparison of Industrial Waste Quantity

Year	2018	2019	2020
(Ton/Year)	630	758	748

- Types of Industrial Waste Disposal

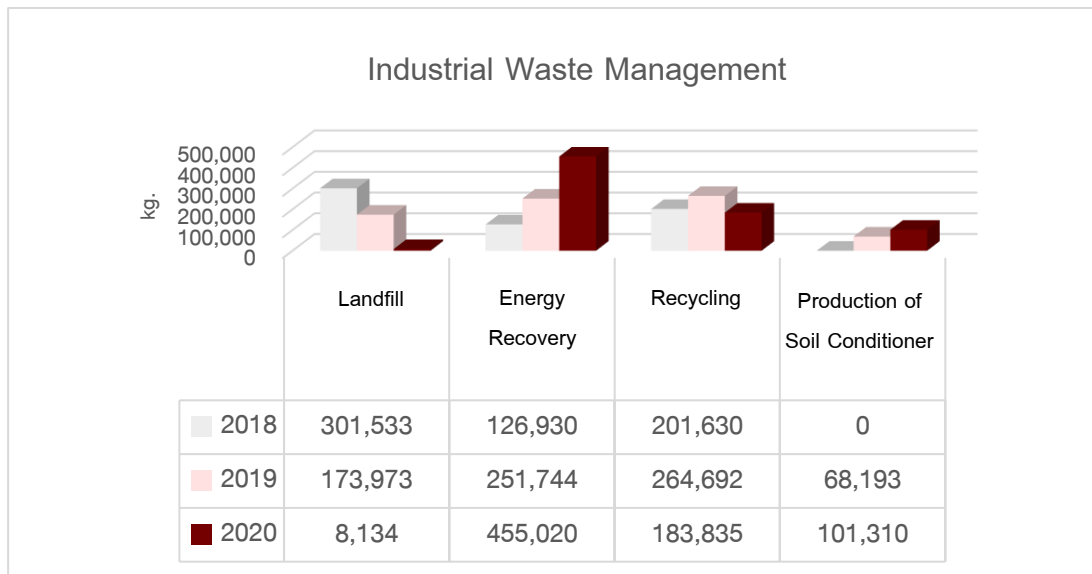
Year	Landfill		Energy Recovery		Recycling		Production of Soil Conditioner		Total
	(kg)	%	(kg)	%	(kg)		(kg)	%	(kg)
2018	301,533	48%	126,930	20%	201,630	2018	301,533	48%	126,930
2019	173,973	23%	251,744	33%	264,692	2019	173,973	23%	251,744
2020	8,134	1%	455,020	60%	183,835	2020	8,134	1%	455,020

Notes: Project to convert waste into soil conditioner was initiated in 2019.





## 4.2 Industrial Waste Management



### Implementation in 2020

Target : Quantity of industrial waste to landfill must not exceed 1 %

Quantity of industrial waste to landfill in 2020 = 8,134 kg. equal to 1 % of total waste

### 1. Use of sludge as soil conditioner

The Company has used sludge from the water treatment system as one of raw materials in soil conditioner production. In 2020, the Company obtained 1,000 kilograms of soil conditioner for use in its landscape improvements.



### 2. Sale of recyclable materials

2.1 Wood pallets that are out of use or damaged:

sales value: = 34,000 baht

**Project benefits** : Reduce tree cutting, reduce garbage, increase usable space in the factories, and increase income

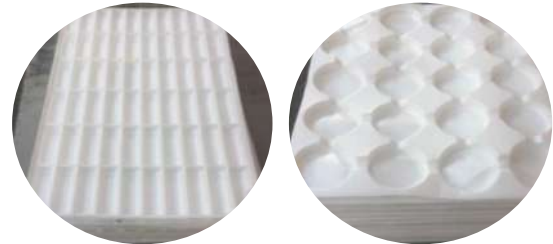
**Indirect benefits** : Reduce tree cutting for pallet production



2.2 Foam boards that lined packages of import goods:

sales value =16,544 baht

**Project benefits** : Reduce quantity of industrial waste to landfill and related expenses, and reduce environmental impacts





# Green Project



The Company has organized activities under “Environmental Conservation Project” to raise awareness among employees to take part in using resources most efficiently as well as using less of products that affect greenhouse gas emission (3Rs activities, upstream waste management, operations in adherence to corporate culture).

## Environmental Conservation Project

**First Prize** : Project to improve cleaning process of continuous batch mixer,

Work unit : PDC Personal care

Process Step	Clean & Sanitize	Mixing	Transferring	Mixing	Transferring	Clean
New process						
Waste						

**1<sup>st</sup> Runner-up** : Project to improve mixing process for eyeshadow products,

Work unit : PDC Personal Care

ผลการดำเนินงานโครงการอนุรักษ์สิ่งแวดล้อม (Environmental Conservation Project Results)

โครงการปรับปรุงกระบวนการผสมสี (Color Mixing Process Improvement Project)

ผลการดำเนินงาน (Project Results)

การลดการปล่อยก๊าซเรือนกระจก (Greenhouse Gas Emission Reduction)

ผลที่ได้ : ลดการปล่อยพลังงาน = 362.2 kgco<sub>2</sub>

Code	Description	Machine	Unit	Energy Consumption (kWh)	CO <sub>2</sub> Emission (kgco <sub>2</sub> )
000013	SKIN PEACH MELLOW CREAM M01	20 L	1	1.3	5.9
000014	SKIN PEACH MELLOW CREAM M01	20 L	1	1.3	5.9
000015	SKIN PEACH MELLOW CREAM M01	20 L	1	2.2	9.8
000016	SKIN PEACH MELLOW CREAM M01	20 L	1	1.3	5.9
000017	SKIN PEACH MELLOW CREAM M01	20 L	1	0.4	2.0
000018	SKIN PEACH MELLOW CREAM M01	20 L	1	2.7	12.3
000019	SKIN PEACH MELLOW CREAM M01	20 L	1	5.7	25.7
000020	SKIN PEACH MELLOW CREAM M01	20 L	1	5.4	24.4
000021	SKIN PEACH MELLOW CREAM M01	20 L	1	6.4	28.0
000022	SKIN PEACH MELLOW CREAM M01	20 L	1	10.8	48.7
000023	SKIN PEACH MELLOW CREAM M01	20 L	1	250.3	1026.6
000024	SKIN PEACH MELLOW CREAM M01	20 L	1	79.8	353.1

รวม (Total)

362.2 kgco<sub>2</sub>

1500 kWh

รวมการปล่อย CO<sub>2</sub> ทั้งหมด = 362.2 kgco<sub>2</sub>

Code	Description	Machine	Unit	Energy Consumption (kWh)	CO <sub>2</sub> Emission (kgco <sub>2</sub> )
000013	SKIN PEACH MELLOW CREAM M01	20 L	1	1.3	5.9
000014	SKIN PEACH MELLOW CREAM M01	20 L	1	1.3	5.9
000015	SKIN PEACH MELLOW CREAM M01	20 L	1	2.2	9.8
000016	SKIN PEACH MELLOW CREAM M01	20 L	1	1.3	5.9
000017	SKIN PEACH MELLOW CREAM M01	20 L	1	0.4	2.0
000018	SKIN PEACH MELLOW CREAM M01	20 L	1	2.7	12.3
000019	SKIN PEACH MELLOW CREAM M01	20 L	1	5.7	25.7
000020	SKIN PEACH MELLOW CREAM M01	20 L	1	5.4	24.4
000021	SKIN PEACH MELLOW CREAM M01	20 L	1	6.4	28.0
000022	SKIN PEACH MELLOW CREAM M01	20 L	1	10.8	48.7
000023	SKIN PEACH MELLOW CREAM M01	20 L	1	250.3	1026.6
000024	SKIN PEACH MELLOW CREAM M01	20 L	1	79.8	353.1
รวม (Total)				362.2 kgco <sub>2</sub>	1500 kWh



**1<sup>st</sup> Runner-up** : Project to improve sifting process for loose powder products,

Work unit : PDC Make Up



**2<sup>nd</sup> Runner-up** : Project to shift from use of paper documents to electronic documents,

Work unit: QA Process/QSA





# GOOD SOCIETY

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS







# GOOD SOCIETY



S & J remains resolute to be the best organization with 3 dimensions of organizational, social and environmental decencies. With regard to social dimension in particular, the Company has a policy on attaining business growth in parallel with developing communities and the society toward sustainability without damaging the environment.

## Sustainable Development Goals under UN's Principles of SDGs

The Company adopts the United Nations Sustainable Development Goals in its operations and puts the social responsibility concept into concrete practice, as follows:

Goal	Approach	The project is currently implemented
1. No Poverty	End poverty in all forms, all places	- Project on community market to factory staff
2. Zero Hunger	End hunger, achieve food security, promote sustainable agriculture	- <a href="#">Project to promote agricultural professions</a> - <a href="#">Project to plant food for elephants</a>
3. Good Health and well-being	Ensure good health and well-being of all people at all ages	- Project on mobile health unit - Project to campaign for safe driving awareness - Project on ergonomic exercise
4. Quality Education	Provide equitable and inclusive education, promote lifelong learning for all people	- Project on new-gen graduates - Project on scholarships for employee's children - Project on science on mobile - <a href="#">Project on knowledge for online consumers (S&amp;J Channel)</a>
5. Gender Equality	Achieve gender equality, better the role of women and girls	- Project to promote human rights and non-discrimination toward labor in the organization
6. Clean water and Sanitization	Ensure availability of water, sustainable water management and sanitation	- Project on water conservation - Project on wastewater treatment
7. Affordable and Clean Energy	Ensure access to clean, reliable, sustainable and modern energy for all people	- Project on cleaned energy / renewable energy - Project on energy conservation
8. Decent work and Economic Growth	Promote continual, inclusive and sustainable economic growth, and valuable employment	- Project to promote productivity in the organization (5Ss, suggestions, waste reduction)
9. Industry, Innovation and Infra structure	Build resilient infrastructure, promote inclusive and sustainable industrial development, and encourage innovation	- Project to promote innovation in the organization - Project on suggestions
10. Reduce Inequality	Reduce disparity and inequality within and between countries	- Project on modern slavery



Goal	Approach	The project is currently implemented
11. Sustainable cities and Community	Make cities and human settlements safe, inclusive, adaptable to changes and sustainable development	- Project on community development - Project on pollution management (air, water, waste)
12. Responsible Consumption and Production	Promote sustainable consumption and production	- Project on 3Rs - Production waste reduction - Project to reduce use of eco-hostile chemical substances and packaging
13. Climate Action	Take action against climate change and impacts	- <a href="#">Project on watershed reforestation</a>
14. Life Below Water	Conserve and utilize oceans and marine resources for sustainable development	- <a href="#">Project to install artificial coral reefs</a> - Project on eco-friendly sunscreen
15. Life on Land	Utilize land ecosystems, including protect, restore and promote sustainable utilization of land ecosystems	- Project on elephants/elephant life-saving/animal mobile clinic - <a href="#">Project on green packaging</a>
16. Peace and Justice Strong Institutions	Promote peaceful, fair and non-discriminatory society for sustainable development	- Project on anti-corruption action - Project to promote human rights and non-discrimination
17. Partnerships for the Goals	Collaborate for sustainable development, empower the universal partnership to sustainable development, international cooperation projects	- Project on young scientist innovation (international level)

**Notes:** Black alphabets refer to continually ongoing projects, [blue alphabets refer to additional projects in 2021](#).

## Policy on Participation in Community Development

S& J gives emphasis to building harmony among members of the society, i.e. internal society comprising employees and external society comprising general people or those in both nearby and distant communities. The Company thus devises a policy to raise awareness of local people toward the context of sustainability, self-reliance and mutual support in order to establish collaboration in problem-solving and steady community development.

## S & J: Expectations and Impacts on Communities

According to dialogues organized to survey impacts of the Company's operations on communities, it was found that people in surrounding communities were satisfied with various community development projects continually conducted by the Company, with an average satisfaction score of 96%. Nonetheless, the Company shall continue to run community and social care projects in a concrete manner, and thus formulates project strategies based on 5 aspects namely elephants and other animals, children and youth, religious merit, community development and mental rehabilitation, and environmental concern.



**Satisfaction Assessment 2020**

**Target > 85%**

**Result = 96%**



# Social and Environmental Projects in Consonance with UN's 17 Goals



## Children and Youth



The Company has been resolutely developing and elevating science education for children and youth since 2015 to date in order to provide inspiration for the youth to pursue science studies in higher education.



### Year 2014-2015 Science Model Classroom Project



It gives the youth motivation for science learning via up-to-standard science classroom in order to generate maximum benefits for the students.

**\*\*Build science model classrooms for 2 schools in the communities**



### Year 2016 - Present Science on Mobile Project



The effort of the Science Model Classroom Project has been extended into the Science on Mobile Project to serve the need of schools in Eastern region for science learning.

**Participating schools >25 schools (year 2016-Present), Participating students > 4,200 persons**



### Year 2017-2018 The Smart Science Teacher Project



This Project has been built on the Science on Mobile Project to address the shortage of science teachers with active learning skills and techniques.

**\*\*The Project can produce as high as 70 competent science teachers per year.**



### Year 2019 Young Scientist Innovation Competition Project



The Project serves as a follow-up assessment of the science teachers from active learning training program to ensure development and extension into empirical results in terms of the ability to transfer knowledge to students.

**\*\*The youth has achieved 12 innovative inventions.**



## Communities and Underprivileged



### Mobile Health Unit Project

Attaching much significance to health care of people in communities, S & J has cooperated with Laemchabang City Municipality to provide mobile health services which include health checkup, dental treatment, and pet vaccination. The Company also hosted a lunch, and volunteer staff conducted enjoyable recreational activities for the community people. (In 2020, the Project was carried out during January – February in 3 communities only due to COVID-19 outbreak.)



### Community Market Project: Healthiness from Staff and Communities to Factory People

The Company provides an opportunity for the staff and local people to sell high-quality agricultural produce and chemical-free processed foods to the employees, which is a way of income generation and sustainable self-reliance.



## Elephants and Other Animals



### Elephant Conservation Project

For over 10 years, the Company remains dedicated to unceasingly take care of elephants and other animals **under the slogan “Hungry Elephant, Sick Elephant, Assistant is S & J.”** In 2020, the Company moved the 3 elephants under its care from the Elephant's World Foundation in Kanchanaburi to the Elephant Study Center in Surin. In 2020, Aomsup, a female elephant, died of old age. A soul-sending ceremony was held for her death, and she was buried at Wat Pa Ajiang Elephant Cemetery, Surin.



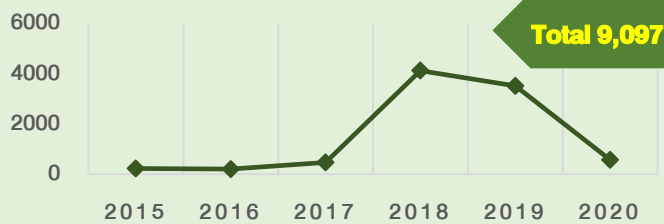


## Animal Mobile Clinic Project

Apart from large animals like elephants, the Company also takes care of other animals by providing vaccination, sterilization as well as preliminary treatment for pets in communities in Sukhothai, Kanchanaburi and Chonburi. In 2020, the clinic served 9,097 pets in total.



GRAPH SHOWING NUMBER OF ANIMALS  
TRESTED SINCE 2015-2020



Description	Target/Year	Result
Fowl	3,000	1,500
Mammal	200	276
Elephant/Cow/Buffalo	100	62
<b>Total</b>	<b>3,300</b>	<b>1,838</b>

## Religious Merit

Buddhist activities are the Company's top priority. It gives employees opportunities to make merits by praying, listening to Dharma sermons, practicing, meditating, and restraining one's body, speech and mind according to the Four Foundations of Mindfulness.

### Good Start – Good Life Project



### Mind-cleansing Dharma Project



### Kathin Robe Offering Project



### Merit-making on Buddhist Lent



## Communication Channels

The Company discloses its social responsibility information via the following channels:

- Sustainability Report
- Website : [www.snjinter.com](http://www.snjinter.com)
- Page facebook : CSR S&J International Enterprise Co., Ltd.



# Social Support Activities During COVID-19 Outbreak

As a result of COVID-19 outbreak, the Company has adjusted the implementation of its social support activities to correspond to current situation, by helping children, the youth, the underprivileged, medical personnel, hospitals, and animals in need of food and medicine.



## 1. Help Hospitals and Government Agencies

1.1 Donate funds for buying medical devices and expanding COVID-19 treatment rooms to 18 hospitals in the amount of 991,952 baht

No	Hospital	Province	Amount	No	Hospital	Province	Amount
1	Kut Khaopun Hospital	Ubonratchathani	100,000	1	Kut Khaopun Hospital	Ubonratchathani	100,000
2	Lamplaimat Hospital	Buriram	48,900	2	Lamplaimat Hospital	Buriram	48,900
3	Saphan Sai Hospital	Buriram	40,000	3	Saphan Sai Hospital	Buriram	40,000
4	Chamni Hospital	Buriram	43,640	4	Chamni Hospital	Buriram	43,640
5	Khao Chakan Hospital	Sa Kaeo	35,000	5	Khao Chakan Hospital	Sa Kaeo	35,000
6	Wang Nam Yen Hospital	Sa Kaeo	40,531.60	6	Wang Nam Yen Hospital	Sa Kaeo	40,531.60
7	Lom Kao Crown Prince Hospital	Phetchabun	100,000	7	Lom Kao Crown Prince Hospital	Phetchabun	100,000
8	Mae Chaem Hospital	Chiang Mai	42,000	8	Mae Chaem Hospital	Chiang Mai	42,000
9	Wat Chan Hospital	Chiang Mai	65,750	9	Wat Chan Hospital	Chiang Mai	65,750

1.2 Donate funds for improving COVID-19 emergency room to Queen Savang Vadhana Memorial Hospital in the amount of 967,000 baht



1.3 Donate 4,040 bottles of hand sanitizer gels to 4 government



Queen Savang Vadhana  
Memorial Hospital



Lamchabang City  
Municipality,



Public Health Office,  
Sriracha, Chonburi



Industry Office,  
Chonburi





## 2. Help children and the youth

Donate money and soy milk for children at Father Ray Foundation, Bang Lamung, Chonburi



## 3. Help communities and the elderly

Donate 4,800 cartons of soy milk for communities



## 4. Help elephants

Donate funds for buying vegetables and fruits from farmers planting pineapples, grasses, bananas, watermelons, and papayas to feed over 140 elephants in 3 institutes in the Northern and Northeastern regions that face a problem of food shortage due to COVID-19 pandemic



Elephant Study Center,  
Tha Tum, Surin  
Amount: 77



Elephant Park, Mae Taeng,  
Chiang Mai  
Amount: 43



Boonrod Elephant Sanctuary,  
Si Satchanalai, Sukhothai  
Amount: 20



## GRI INDEX REPORT

Indicator	Descriptions	Page
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<b>Organizational Profile</b>		
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G4-4	Report the primary brands, products, and services	3
G4-5	Report the location of the organization's headquarters	3
G4-6	Report the number of countries where the organization operates	3
G4-7	Report the nature of ownership and legal form	5
G4-9	Report the scale of the organization	3
G4-10	Report types of employees and their classification (such as gender, permanent employee, region, substantial portion and significant variations)	16-17
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G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	A-B
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	8-9
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Indicator	Descriptions	Page
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indicator	Descriptions	Page
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# **“Going Forward Toward Sustainability”**



**SOCIETY**



**ENVIRONMENT**

