

# Selecting Hygienic Food with the Consumer Health at Heart

## KEY PERFORMANCE IN 2019



Sales volume of new products released with emphasis on nutrition, good health and well-being up

**3,372**

Million Baht



Products released with emphasis on nutrition, good health, and well-being up

**193** SKUs

### Supporting the SDGs



**SDG2 Zero Hunger**  
2.1 Universal access to sufficient amounts of safe and nutritious food



**SDG3 Good Health and Well-being**  
3.8 Access to quality, safe, and efficient healthcare



**SDG8 Decent Work and Economic Growth**  
8.1 Sustain economic growth that aligns with the varying conditions of each country



**SDG12 Responsible Consumption and Protection**  
12.4 Management of waste and chemicals to minimize impacts on human health and the environment.



## 2020 GOAL

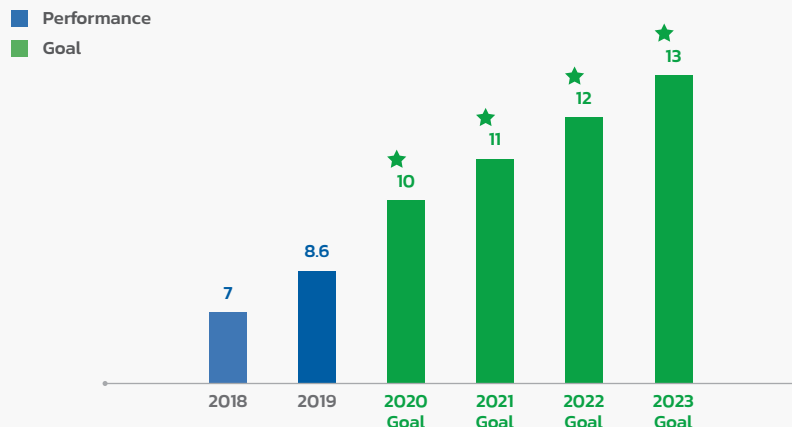


**10%**

increase in new products and services with emphasis on enhancing nutrition, good health and well-being for the people in society by 2020

## PERFORMANCE AGAINST GOAL

Number of New Products Developed with Emphasis on Nutrition, Good Health and Well-being (cumulative percentage)



## Challenges

The current healthy food trends continue to become increasingly popular. Consumers increasingly emphasize the importance of nutrition and the source of the food causing an influx of for-health foods into the market. Technology involved in manufacturing rapidly increased and developed, enabling the producers' ability to develop methods in producing food that possesses nutritional value and in forms that are more suitable for consumption for various age groups of the consumers. This is the background of the challenge that the Company had to tackle to resolve in ensuring the promotion of good health of the people through increasing potential and capacity to conduct research, and produce food aimed at increasing its nutritional value, in order to provide healthy options suitable to the different age groups for the consumers, and to increase the consumers' access to quality and safe food for consumption.

## Management Approach

The Company aims to provide good opportunities for its consumers, increasing potential and capacity to conduct research focused on enhancing nutritional value for different age groups, enhance the production processes whereby policies and approach on quality and nutrition will include that of products, accessibility of information and communication with the consumers, and promoting access to well-being, specifying criteria for products to fall under the category of health products, including specifying strategy, building an understanding with the customers of 7 Eleven's concepts surrounding vegetable and fresh fruit cultivation, etc. This will also include planning for good health, beauty, and well-being of the customers for the years 2019 – 2023, focused on improving the nutritional value of the group of for-health products, ready-to-eat foods, beverages, snacks, and bakery goods, as well as caring for the quality and safety of the products.

### PROGRESS IN 2019



Expand the results from the model stores under the "Eat Well, Live Well, Stay Happy" program



Meal for Care Project



Eat Well Project



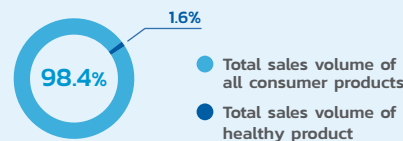
Youth Development Program on professional agricultural management

## HEALTH AND WELL-BEING DASHBOARD

Products that Strive for Good Nutrition, Health, and Well-being (items: SKUs)



Percentage of Total Sales Volume of Products Developed with Emphasis on Nutrition, Good Health and Well-being



Products that Strive for Good Nutrition, Health, and Well-being in 2019 by Category



**322 Products**  
Awarded Healthier Choice  
Sales volume by 20,281 million baht



**25 Products**  
Lowered in sodium, sugars, saturated fats and trans fats  
Sales volume by 20,281 million baht



**5 Products**  
Increased nutritious ingredients  
Sales volume by 20,281 million baht

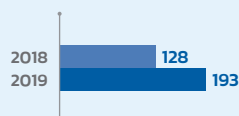


**5 Products**  
Renovated / Reformulated  
Sales volume by 20,281 million baht

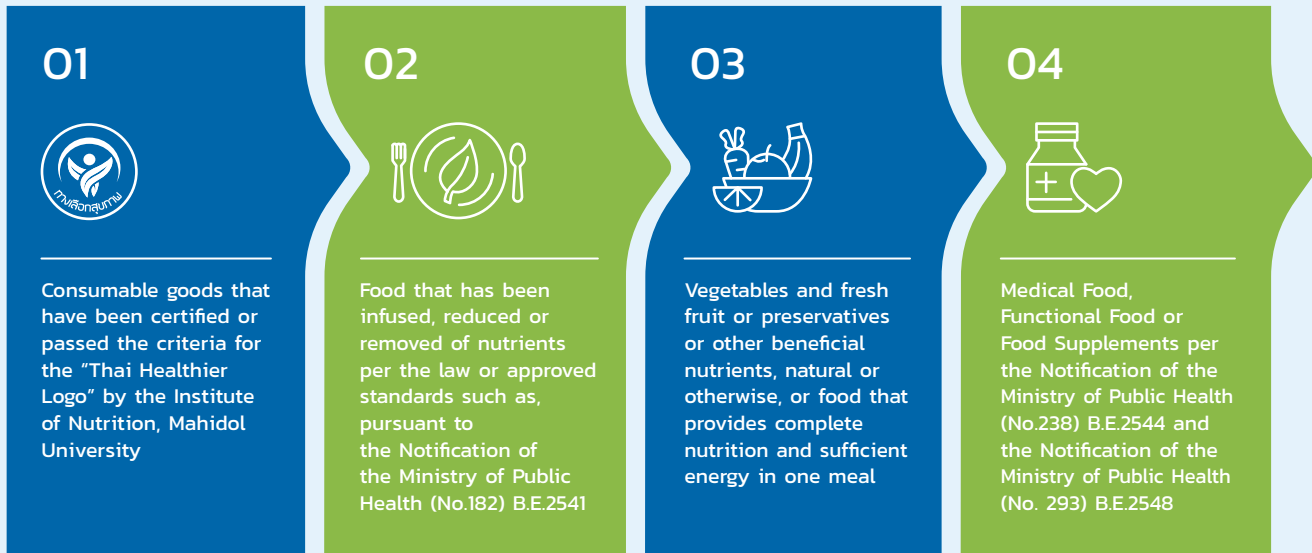
Products that Strive for Good Nutrition, Health, and Well-being (Existing) (items: SKUs)



Products that Strive for Good Nutrition, Health, and Well-being (New) (items: SKUs)



## Criteria for Health Products



## Products with Nutritional Value

The Company focusing on research and development of products to control amount of nutrients for the consumers of different age groups and reduced other types such as sodium. In addition, the nutritional value has been shown in product labels so as to be of assistance in deciding on purchases.

## “Eat Well, Live Well, Stay Happy” Program

To help the consumers improve their health, the “Eat Well, Live Well, Stay Happy” project was commenced to support the delivery of good health, beauty and well-being to the customers, by adding continually adding a variety of products in each of the categories, and organizing the categories in a way the health products would be noticeable and stand out. Furthermore, different public relations work were carried out in relation to the benefits of the goods, nutritional value, to create an increased awareness with the customers and the society. In addition to the continual development and new product releases to meet the needs of the different groups of customers, more products were added to the online channels and systems involving payments were improved for convenience, where, in October 2018, the Company tested the same with one of the 7-Eleven store at the Pracha-Utit 7 (Yodthong) branch where the sales volume of for-health foods resulted in 26.98% of total revenue. In 2019, the Company created a model store to implement Eat Well, Live Well, Stay

Happy Program at a 7-Eleven branch in Bangkok Hospital, where studies and behavioral analysis were conducted on the customers’ purchases, on information regarding the store’s top-selling items, including places surrounding the hospital which were residential buildings, condominiums, serviced apartments hotels, dormitories, which aligned with the for-health products of the project which perfectly serviced the customers. For instance, seasoned food, ready-to-eat food, healthy beverages, etc. In addition, improvements were made to the image of the stores, and the alignment of the goods with the concept of health, to create a comprehensive awareness with the customers of the healthy corner that contains many different choices and available services. Additionally, the Company has expanded branches to potential locations, such as the 7-Eleven branch in Prasanmit, an educational location, and also office locations, among others, providing convenience and delivering healthy products to student and officer employee groups.

Due to the positive response from the customers, the Company had expanded the project to 13 branches, resulting in operational results where the sales volume of for-health foods increased by 7,250 Baht per branch, and the average growth rate increase by 16% of the store branches that were included in the project. In 2020, the Company plans to expand the project to more than 1,000 branches in order to deliver goods and services for good health, beauty and well-being to more covering to the customers.

(7-Eleven store Bangkok Hospital Branch)



(7-Eleven store Prasanmit branch)



**The Company Conducted Analysis of the Value Received from Implementing the Aforementioned Project, as Follows:**



Sales volume of health products was valued at **23,192,131,488** baht with a **15.8%** growth



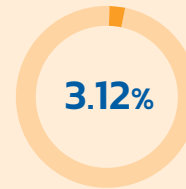
Consumers in the youth and minors groups have an increased awareness of good and health



**13** Million peoples have sufficient access to food that is nutritious and safe based

**Percentage of Total Sales Volume of Own Brand Products that are Improved Consumers' Health and Well-being in 2019**

Lowered in added sugars, sodium, saturated fats and trans fats



Renovated / Reformulated



In addition to this, other projects under the Eat Well, Live Well, Stay Happy Program that support nutritional enhancement were implemented, as follows.



**Project Meal for Care**

To increase the choices of for-health foods for the consumers, the Company worked on the type of goods and the formula of the goods in general to increase the nutritional value, levels of energy, sodium, fat, and sugar to be suitable for meals in the category of health products for jointly developed products and other new types of general goods as follows.

- 1 Refer to the criteria laid out in Notification of the Ministry of Public Health No. 183 on nutritional labels concerning the criteria to reduce sodium, sugar, energy, etc.
- 2 The "Healthier Choice" Criteria from Mahidol University concerning the control of nutrients to stay within a suitable criteria, namely, sodium, energy, sugar, fat, salt, fiber, iron, for a suitable meal for consumption
- 3 Improved goods so that the levels of sodium does not exceed 33% of the body's daily needs in one meal tray
- 4 Developed goods to have less amounts of sodium per meal tray and stayed within the range acceptable to the customers, since such products contained high levels of sodium due to the base raw-materials or foundational foods, where the sodium content was reduced to the minimum that still allows the customers to accept the flavor
- 5 Reference to health claims refers to the display of pictures, inventions, artificial marks, trademarks mark, or any other contents on labels related to food, components of food, or nutrients related to health, directly or otherwise, can be classified into 3 types, as follows.
  1. Nutrient Function claims
  2. Other function claims
  3. Reduction of disease risk claims, developed products that supplement nutrients beneficial to health, and displayed contents of the health claims of the respective food on labels, with the approval of the Food and Drug Administration, pursuant to Section 6 (10), Section 40, Section 41 of the Food Act B.E. 2522

## Meal for Care Project Performance

Health products launched in 2019, these health products has developed together with CP FOODLAB, CP ALL, Institute of Nutrition of Mahidol University and CPRAM Co., Ltd., considered criteria 5 of clause 1, the Nutrient Food Claims, as follows :

### Sticky Brown Rice Burger with Spicy Chicken



#### ★ Production Information

- High levels of vitamin B6 and B12 supplements
- Sufficient amount of vitamins added for the daily needs of the consumer

#### ♥ Health benefits

Vitamin B6 helps the normal functions of the nervous system  
Vitamin B12 helps the normal functions of the nervous system

#### 📍 Release Date

12 November 2019



#### Number of branches for distribution

All branches nationwide

Additionally, the following for-health products were released in 2019:

### Pork Krapao by EZYGO



#### ★ Production Information

- Pork Krapao with 100% jasmine rice from the North-Eastern region. When cooked, the rice is soft and textured.
- Pork meat uses beta agonist-free and antibiotic-free pork with less than 5% fat. Pork Krapao is awarded with Healthier Choice.
- Wild holy basil, which is more aromatic and spicier than ordinary holy basil is used.
- In the production process, a special frying technique is applied, which makes Pork Krapao fused with aromatic smell of holy basil and seasonings, while maintaining spicy taste and fresh-coloured holy basil.

#### ♥ Health Benefits

- Awarded Healthier Choice.
- Can be claimed as a protein source
- Can be claimed as nutritious with “proteins that are essential for growth and repair of body cells”.
- 10% increase of Pork Krapao portion from original recipe.

#### 📍 Release Date

20 August 2019



#### Number of Branches for Distribution

All branches nationwide

**Hot Americano with Honey**  
**Iced Americano with Honey 16 oz.**  
**Iced Americano with Honey 22 oz.**



★ **Production Information**

Intense coffee aroma mixed with honey for better health. Sweetness from honey replaces sugar.

♥ **Health Benefits**

- Honey contains protein and small amount of fat in forms of amino acids and fatty acids that can be immediately absorbed by the body.
- Awarded Healthier Choice brand. Sugar and fat amount passed the health criteria (total sugar less than 6 g./100 mL.; fat less than 6 g./100 mL.)

📍 **Release Date**  
9 May 2019

🏪 **Number of Branches for Distribution**  
6,300 branches

**Nescafe Americano**  
**200 ml.**



★ **Production Information**

Quality black coffee from Arabica blend. Aromatic, strong coffee, with little added sugar. Awarded Healthier Choice brand

♥ **Health Benefits**

- Awarded Healthier Choice
- Contains low sugar

📍 **Release Date**  
28 March 2019

🏪 **Number of Branches for Distribution**  
All branches nationwide

**Examples of Health & Nutrition for lowered**

**Crab Fried Rice**



★ **Production Information**

1. Decrease in saturated fat from 35% to 18%
2. Fried rice uses jasmine rice
3. Crab meat uses lump crab meat

♥ **Health Benefits**

**Vitamin B2** helps growth process and improves eyesight

**Vitamin A** develops respiratory infection immunity and improves eyesight

**Iron** helps produce red blood cells, prevents anemia and improve muscle strengths

📍 **Release Date**  
4 July 2019

🏪 **Number of Branches for Distribution**  
All branches nationwide

**Yen Yen Herbal Cooling Tea**  
400 ml.



★ **Production Information**

Contains low sugar

♥ **Health Benefits**

Herbal drink with 12 types of cooling herbs: chrysanthemum, sweet tea vine, Solomon’s seal plants, grass jelly, mulberry, monk fruit, lotus root, river spiderwort, honeysuckle flower, safflower, licorice and quince. Refreshing and suppress internal body heat

📍 **Release Date**

7 February 2013

🏪 **Number of Branches for Distribution**

All branches nationwide

**Examples of Health & Nutrition products for improved nutritional value**

**Beauti Drink Collaskin (Pink)**



★ **Production Information**

Contains 2000 mg collagen, Snow muchroom extract, Vitamin C, Vitamin E, and low in calories

♥ **Health Benefits**

Collagen keeps skin firm and tight

Vitamin C keeps skin glowing and clear and assists in collagen absorption

Vitamin E is an antioxidant and prevents inflammation

📍 **Release Date**

19 March 2010

🏪 **Number of Branches for Distribution**

All branches nationwide

**Ready Pink**  
**Collagen + Vitamin C**



★ **Production Information**

Energy drink with 50 mg. caffeine extract, mixed with collagen and Vitamin C. Reduced sugar (40%)

♥ **Health Benefits**

Collagen keeps skin firm and tight

High in Vitamin C which keeps skin glowing and clear, and assists in collagen absorption

📍 **Release Date**

20 July 2017

🏪 **Number of Branches for Distribution**

All branches nationwide



Additionally, the following for-health products were released in 2019:

Example of health products by Bellinee's Bake&Brew "Healthier Choice Coffee"

**Sugar-free Caramel Macchiato**



- ★ **Product Information**  
0% Sugar and 0% Fat
- 📍 **Release Date**  
At Bellinee's in 2019

- ♥ **Health Benefits**  
Reduces risk of diabetes
- 🏪 **Number of Branches for Distribution**  
40 branches

**Iced Americano**



- ★ **Product Information**  
low sugar
- 📍 **Release Date**  
At Bellinee's in 2019

- ♥ **Health Benefits**  
Reduces risk of diabetes
- 🏪 **Number of Branches for Distribution**  
40 branches

**Hot Americano**



- ★ **Product Information**  
0% Sugar and 0% Fat
- 📍 **Release Date**  
At Bellinee's in 2019

- ♥ **Health Benefits**  
Reduces risk of diabetes
- 🏪 **Number of Branches for Distribution**  
40 branches

Examples of Healthy Products Sold at Kudsan "Healthier Choice Coffee"

**Sugar-free Caramel Macchiato**



- ★ **Product Information**  
Low sugar (11 g) and 0% Fat
- 📍 **Release Date**  
At Kudsan's in 2019

- ♥ **Health Benefits**  
Reduced amounts of sugar (11g) and 0% Fat, low levels of energy, 90 kilocalories, reduces risk of diabetes
- 🏪 **Number of Branches for Distribution**  
700 branches

**Iced Americano**



- ★ **Product Information**  
Reduced amounts of sugar
- 📍 **Release Date**  
At Kudsan's in 2019

- ♥ **Health benefits**  
Reduces risk of diabetes
- 🏪 **Number of branches for distribution**  
700 branches

### Hot Espresso and Hot Americano



★ **Product Information**  
0% Sugar and 0% Fat

♥ **Health benefits**  
Reduces risk of diabetes

📍 **Release Date**  
At Kudsan's in 2019

🏪 **Number of Branches for Distribution**  
700 branches

### Examples of CP Food Lab's Healthy Products

#### Pork Porridge for the Elderly



★ **Production Information**  
Reduced saltiness, chewed easily, easily absorbed

♥ **Health Benefits**  
Possesses nutritional value needed for the elderly

📍 **Release Date**  
10 January 2019

🏪 **Number of branches for distribution**  
50 branches located in hospitals

### Examples of Retailing Co., Ltd.'s Healthy Products

#### Mixed Vegetables Salad



★ **Production Information**  
Delicious and beneficial homemade salad dressing

♥ **Health Benefits**  
Possesses nutritional value suitable for weight loss

📍 **Release Date**  
At Caffe Muanchon's in 2018

🏪 **Number of branches for distribution**  
200 branches of Caffe Muanchon Shops

#### Chicken Breast Salad



★ **Production Information**  
Delicious and beneficial homemade salad dressing

♥ **Health Benefits**  
Possesses nutritional value suitable for those needing

📍 **Release Date**  
At Caffe Muanchon's in 2018

🏪 **Number of Branches for Distribution**  
200 branches of Caffe Muanchon Shops

#### Spicy Tuna Salad



★ **Production Information**  
Delicious and beneficial homemade salad dressing

♥ **Health Benefits**  
Possesses nutritional value suitable for weight loss

📍 **Release Date**  
At Caffe Muanchon's in 2018

🏪 **Number of Branches for Distribution**  
200 branches of Caffe Muanchon Shops



## Eat Well Project

The Company wishes to increase convenience for consumers in accessing nutritious food menus that are suitable for every meal, everyday. It has hence developed the Eat Well project, wherein food within it provides caloric information and claims based on the Ministry of Public Health announcements on the product labels.



Chicken Rice Berry & Seafood Sauce



Grilled Pork Vermicelli



Chicken Kaprao



Jasmine Rice Berry and Chicken Breast Yum

The Company supports suppliers in developing nutrition labels, displaying caloric information such as fat, sugar, and sodium per Guideline Daily Amounts (GDA) in order to provide helpful information to consumers. 53.66% of the information provided are above the Ministry of Public Health announcements in the ready-to-eat food product category, such as in the case of the coconut and black bean sago and pork satay sandwich.

## Product Quality and Safety

Since CP ALL Plc. maintains subsidiaries with different operational activities in the value chain, the company therefore needs vary its approach in performance in the areas concerning the quality and safety of products in order to manage its operations to obtain products with the highest quality and level of safety for consumers

### 1 Management Approach of Siam Makro PCL

The management approach of Makro, as a raw material supplier and a distributor, remains focused on safety, quality and value of food as the most important matters whereby the company works together with partners, primary producers, stakeholders, throughout the supply chain in selecting and developing Super Food, other products that have been certified for safe food manufacturing standards, such as, GMP, CODEX, HACCP, FSSC from internationally renowned agencies that provide certification, and premium quality products marked with the Quality Pro logo in order to provide assurance with

the customers that Makro products are fresh, clean, safe and healthy. In addition, each and every employee of Makro must pass training programs and examinations to advance their potential, knowledge, and expertise concerning quality and safety of foods, including the process of verification and evaluation of quality, safety and temperature controls, sorting, and delivery time to ensure maximum customer satisfaction. In 2019, the company planned to request certification for food safety management systems or ISO 22000 for certain pilot areas in order to remain leaders in food safety.

#### A 4-step Approach to Food Quality and Safety Throughout the Supply Chain



Super Food refers to foods that rich with various beneficial substances comprised of nutritional substances such as proteins, vitamins, minerals, and antioxidants, etc.

### 2 Management approach of CPRAM Co., Ltd.

CPRAM Co., Ltd. is both a raw material supplier and a producer within the value chain. The Company employs strict selection methods for its raw materials and products from other suppliers for its production, in order to build consumer confidence in food safety. In addition to complying with the relevant laws, CPRAM Co., Ltd. has developed a production system that is efficient and has been certified by HACCP and GMP standards, the specifications of which, also applies to relevant partners.

### 3 Management Approach of CP ALL Plc.

Since 7-Eleven stores are a marketplace for goods and services where consumers are able to directly interact with such products, it is necessary to maintain a department that inspects the quality standards of the products and the 7-Eleven stores, as follows:

The Quality Store System Inspection (QSSI) department is responsible for inspecting the management of 7 -Eleven stores, both in terms of the service and the management of product quality at the respective branches in order to provide customers with products as required by the standards. Each branch is inspected every month as part of the process of work of the aforementioned department

The Quality Assurance (QA) Department, which is under the Research and Quality assurance Department (RQD), is responsible for establishing standards for product quality improvement and development, quality management of the branches, whereby 7 Eleven stores are chosen at random to inspect standards of product quality, to consider factors being complained of, conduct random inspections of legal compliance, in order to improve the standards for related parties, and their continuous implementation.

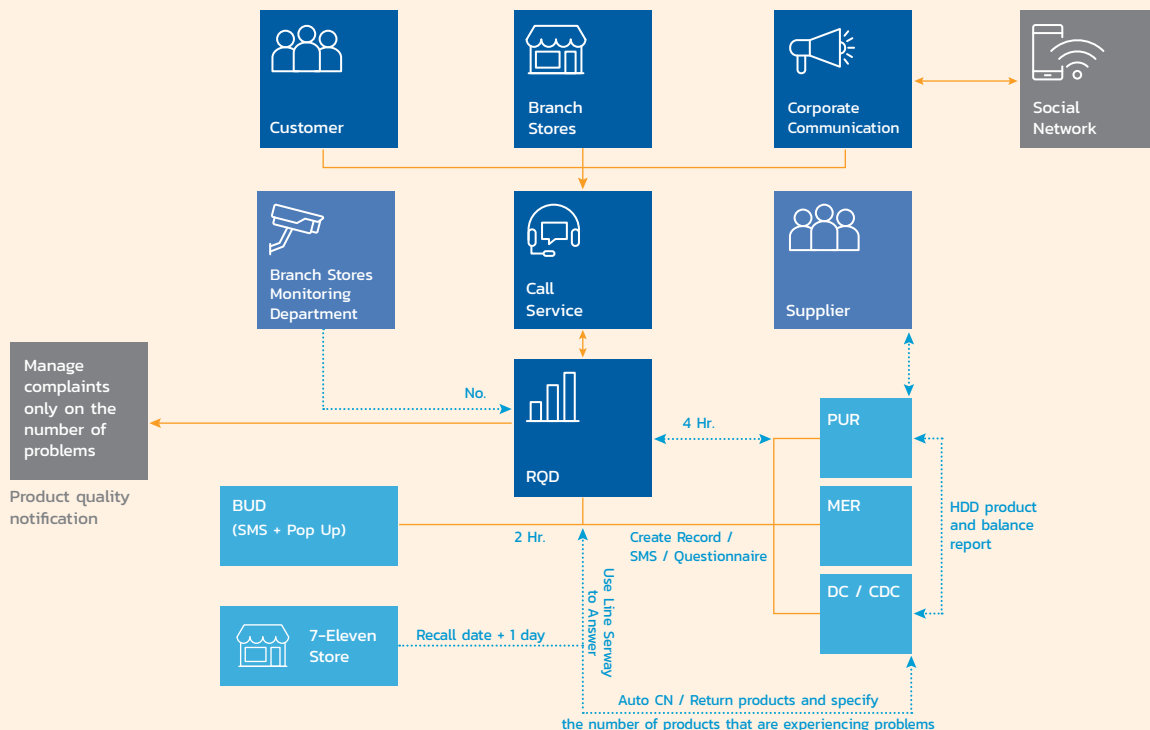
In addition, the Company improved the quality of its systems and procedures for product recalls arising out of complaints, in order to ensure that there are no poor products delivered to consumers. The RQD, which works with Call Service to look after and investigate complaints, upon receipt of the complaint, and after every branch has been notified and reported back to the RQD, the department also uses the complaints to conduct its investigations on other procurement bodies, per the type of the good and furthers its investigations to the partners.



In 2019, there was a total of **7,874** complaints on sub-standard products and services quality

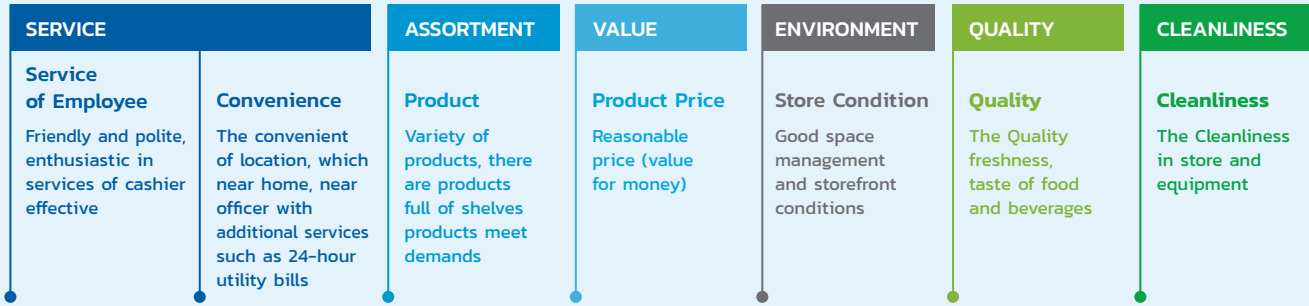
with **91** cases of product recall after investigation and **19** recall cases of sub-standard products without customer complaints.

#### Product Recall Process



**Customer’s Engagement based on the SAVEQC Principle**

As the Company aims to retain service and product satisfaction of current customers, the Company has created customer satisfaction under the Service, Assortment, Value, Environment, Quality, Cleanliness (SAVEQC) principle. Such principle has been passed on to various units, including its subsidiaries related to its branch stores for application.



**Management Approach in relation to Genetically Modified Organisms (GMOs) Products**

Due to consumer concerns about products related to genetically modified organisms, and because the company needs to promote the quality and safety of food, the Company is therefore determined to look for, select and develop innovative products that create good value for each of the stages of life, as well as selecting quality raw materials from sources with responsible management, that controls quality throughout the entire process, from raw material to the end product with international standards, including considering the use of raw materials from biotechnology as an alternative based on scientific research and safety assessment for consumers by the relevant governmental agencies.

The Company therefore has clear policies in strictly respecting and complying with all laws and regulations concerning GMOs in the countries where the Company has business operations or investments. This includes, including customer requirements that are not contrary to laws and regulations on GMOs, whereby the partners are required to complete questionnaires on the procurement of raw materials containing GMOs and attach proof previous certification in cases where claims that the partners’ products are free of GMOs are made in accordance to legal risk groups, in order to enable the Company to deliver quality products that are safe for consumption and traceable to its customers and consumers.

**Cooperation with the Public Sector, Private Sector in Promoting Access to Well-Being**

In addition to the projects following the main operational approach, the Company had also cooperated with the public sector, private sector in Thailand in emphasizing the importance of health to the consumers through the following projects.

**Healthy Community Project**

eXta Plus Pharmacy implemented the Healthy Community Project together with staff from various hospitals, and organized basic health examination sessions, such as blood pressure monitoring, measuring blood sugar, body mass index, providing know-how on correct exercises, pharmacist consultations on drug use, and a collection kiosk for surplus drugs that have been donated for donation. In 2019, the Company has expanded the results of such activities at pharmacies in 18 communities in order to support everyone in the communities to be healthy and happy.

**Results and Benefits**



**2,390**  
community members gained access



**100%**  
of participating vulnerable groups and those with health-risk symptoms have improved health



**98%**  
of participation has satisfaction





**CPRAM Junior Chef**

CPRAM Co., Ltd. implemented activities to promote knowledge concerning food safety, nutritional value, and aesthetics in consumption for youth, for 10 continuous years. Youth participating the activities would get useful cooking experiences, creative cake decoration practices, including planting vegetables for later consumption, combined with creativity, encouraging the youth to think and express themselves whilst incorporating information on food safety, nutritional value, and aesthetics in food consumption, with the confidence that cultivating knowledge about nutritious food intake from a young age will instill good consumption behavior, which can be applied to their daily life. In 2019, more than 333 youth participated in the aforementioned project.



**Research Project on Basil Extracts**

CP ALL Plc., CPRAM Co., Ltd., together with Thailand Institute of Scientific and Technological Research, Ministry of Higher Education, Science, Research and Innovation, carried out joint research and development efforts on preparing extracts from discarded basil parts (flowers, branches and stems) from factories that produce ready-to-eat food products, and double-blind studies on reducing fat, protecting liver cells, eliminating cancer cells, to continue CP ALL's commitment of "giving and sharing opportunities for all " to continuously and collectively improve the environment, communities and society.



**Project to develop the new generation to become professional agricultural planners**

The objective in furthering academic cooperation in education under the joint cooperation of PIM together with Phayao University in developing the new generation to become professional agricultural planners as it realizes the importance of the agricultural sector's ability to apply innovation, agricultural science and technology combined with local know-hows in agricultural practices that suit the geography, economy and society in the digital age, in increasing the nutritional value and productivity whilst enhancing levels of food safety by reducing chemicals that transfer to the consumers and farmers, including the efficient development of personnel by exchanging researched knowledge for mutual benefit.