

## **Innovation Development Policy**

### **Principle**

The Company prioritizes and encourages the development of innovations that bring value to both the business and its customers and stakeholders. Additionally, the Company upholds social and environmental responsibilities, fostering a corporate culture that promotes innovation which shall be integrated into strategy assessments, operational improvement planning, and performance evaluation.

The Company is dedicated to fostering innovations that add value to its business in response to ever-evolving circumstances. This encompasses innovations in products, production, processes, and new business models. The commitment extends to collaborations with supply chain partners, agencies, and institutions external to the Company to ensure a continual stream of innovations that deliver value to customers and stakeholders.

### **Scope**

This policy and guideline apply to the business operations of Royal Plus Public Company Limited and shall be forwarded to business partners for application to their business operations, promoting the participation of those involved in the supply chain identified as participating in the innovation development process.

### **Definitions**

- ☐ **Company** refers to Royal Plus Public Company Limited.
- ☐ **Employee** refers to executives and personnel at all levels of the Company.
- ☐ **Business partner** refers to an organization or group of key persons who agree to work with the Company to achieve common goals or to improve performance and cooperate in a formal manner for a specific aim or purpose, e.g. to achieve strategic objectives or to deliver specific products that have been identified by the Company as a priority.
- ☐ **Innovation** refers to the process of changing ideas from inventions, including copyrights/patents/petty patents, into products or services that produce commercial value and bring about improvements in production processes or better work processes that add value to the enterprise/business.
- ☐ **Intellectual property** refers to the products of human invention, concoction, or creation, resulting from intelligence and expertise, regardless of the form of creation or the method of its expression in a tangible form. This includes various forms such as copyrights, patents, and petty patents, among others.
- ☐ **Copyright** refers to rights in literary, artistic, and inventive works conceived by the Company and protected by law.
- ☐ **Patent** refers to a certificate issued by the government to protect the invention or design of a product that has characteristics specified by law, granting a special right for the inventor or designer of the product to solely produce and sell the product during a specific period.
- ☐ **Petty patent** refers to a certificate issued by a government designed to safeguard an invention which shares similarities with a full-fledged invention but typically involves a less advanced level of technological development or offers only marginal improvements in utility.



- ☐ **Invention** refers to a creation involving component characteristics, product structures or mechanisms, as well as methods aimed at maintaining or enhancing product quality or developing new products distinct from the existing ones.
- ☐ **Close innovation** refers to the internal research and development process within the Company for developing products, improving production processes, work processes, and inventing new business models.
- ☐ **Open innovation** refers to a research and development process that leverages ideas and knowledge from both internal and external sources, as well as the collaboration among departments within and outside the Company to drive advancements in product improvement or the creation of new products.

### **Innovation Implementation Guidelines**

The Company places a strong emphasis on product research and development, focusing on the creation of innovative products derived from local natural raw materials. This process involves integrating knowledge and experience with the rich tapestry of Thai culture to craft unique products for PLUS, delivering value and addressing the diverse needs of consumers worldwide.

Royal Plus Public Company Limited boasts a dedicated product research and development team committed to systematic innovation for organizational growth. This team enables the Company to consistently generate innovations spanning product innovation, production, processes, and new business models, extending beyond the confines of the food or beverage business group.

#### **1. Product Innovation**

Inside-Out is the internal product research and development process of the Company, dedicated to crafting new innovative products and refining them to achieve optimal products and production processes for release in both domestic and international markets.

Outside-In is a product research and development process that draws on ideas and knowledge from both external and internal sources, including government agencies, universities, private entities, and customers to create innovative products and refine them to achieve optimal products for release in both domestic and international markets.

#### **2. Innovation Process**

The Company places great importance on internationally recognized modern production processes, producing products with the highest quality and nutritional value by continuously developing cutting-edge technology and machinery, which the Company created by using innovations and production processes that are unique to the Company. These production processes enable production capacity expansion, meeting market demand while fostering opportunities for research and development of various new products

#### **3. Business Partnership**

**Business Partnership** refers to the collaboration with potential partners to collectively strengthen and expand the business for sustainable growth. This collaboration is open and extends beyond the food or beverage business group. We seek partners across all business sectors, including upstream, midstream, and downstream businesses, sourcing raw materials and products from local communities to generate employment, promote careers, and increase income for farmers. This ensures a stable supply of quality raw materials, contributing to the sustainability of the business.