



Social Return on Investment (SROI)

Small entrepreneurs are the true heart of the Thai economy. They play a crucial role in driving the country's economic and social, facilitating income distribution to local areas, and promoting employment within the country. Therefore, supporting and promoting small entrepreneurs is a vital mission. CPF recognizes the importance of driving sustainable growth in the Thai economy. As a result, they have operated a 100% franchise food distribution business under the name "Five Star Business" for over 39 years. This initiative helps create jobs and income, enabling Thai people to grow sustainably in their business endeavors. The key strength of this business model lies in its "Lifetime Supporting" approach, which includes providing support in finding sales locations, a procurement system that eliminates the need for large stockpiles of raw materials, centralized marketing, business knowledge and understanding, and an easy-to-understand accounting management system.

In 2023, the Company adopted the framework of the SROI guidelines to evaluate the Five Star Business, covering three dimensions: economic, social, and environmental. This approach aims to manage the social outcomes of the Five Star Business operations by comparing them with investment opportunities in various areas to ensure efficient and effective resource allocation.

The evaluation collected data from five main stakeholder groups: (1) Small Entrepreneurs 4,202 individuals, (2) Five Star Business Operator or CPF Restaurant and Food Chain Co., Ltd., (3) Partners, divided into three subgroups: 3.1) Construction Companies 14 firms, 3.2) Equipment Suppliers 19 firms, and 3.3) Transportation Companies 13 firms, (4) Community, divided into three subgroups: 4.1) Employees 1,578 individuals, 4.2) Food Delivery Personnels 5,278 individuals, and 4.3) Customers 263,191 individuals, and (5) Government 1 entity. The assessment period covered one year, from January to December 2022, and the accuracy of the calculations was certified by LRQA (Thailand) Ltd.

Steps to becoming a Five Star Business Entrepreneur

1. **Expression of Interest:** Small entrepreneurs interested in owning a Five Star business submit their intent to the Company for qualification assessment and sales location analysis.
2. **Contract and Training:** Qualified small entrepreneurs sign a contract and undergo training to acquire business management knowledge from the Company.
3. **Business Ownership:** The small entrepreneurs become owners of a Five Star business and have their own store.



The evaluation results revealed that the small entrepreneurs in the Five Star business received a Social Return on Investment (SROI) of 1.32 times, with a total impact value of THB 8,069 million. This can be divided into three aspects as follows:

<p>SROI 1.32 times (THB 8,069 million)</p>	<p>Economic Aspect THB 7,947 million</p> <p>The top three returns identified from the evaluation are as follows:</p> <ul style="list-style-type: none"> ● Improved economic status from business income: Small entrepreneurs experienced an increase in economic status with a total income of THB 6,620 million from the Five Star business. ● Reduced expenses from new electric grills: Small entrepreneurs reduced their expenses by THB 5.3 million through the use of new electric grills. ● Enhanced economic status from business expansion: Small entrepreneurs have improved their economic status by diversifying their income from the Five Star business into additional ventures, totaling a value of THB 3.7 million.
	<p>Social Aspect THB 119 million</p> <p>The top three returns identified from the evaluation are as follows:</p> <ul style="list-style-type: none"> ● Opportunity to improve quality of life through access to education for children: Small entrepreneurs gained opportunities to enhance the quality of life by improving their children’s access to education, valued at THB 13.8 million. ● Business skills development: Small entrepreneurs have skills in business operation valued at THB 2.9 million. ● Knowledge transfer skills: Small entrepreneurs possess knowledge transfer skills valued at THB 1.6 million.
	<p>Environmental Aspect THB 3 million</p> <p>The top three returns identified from the evaluation are as follows:</p> <ul style="list-style-type: none"> ● Cost saving from selling used cooking oil: Small entrepreneurs saved THB 73 million by selling used cooking oil to private companies to produce aviation fuel.



	<ul style="list-style-type: none"> ● Greenhouse gas emission from electricity use: Small entrepreneurs incurred a cost of THB 21.7 million due to greenhouse gas emissions from electricity use within their stores. ● Greenhouse gas emission from food waste: Small entrepreneurs incurred a cost of THB 6.8 million due to greenhouse gas emissions from food waste generated from sales.
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Furthermore, small entrepreneurs in the Five Star Business also contribute to strengthening the country's economic system in additional ways:

<p>Empowering our partners:</p> <ul style="list-style-type: none"> ● Construction company (14 firms) with revenues of THB 239 million ● Transportation company (13 firms) with revenues of 92.6 million ● Equipment suppliers (19 firms) with revenues of 39.7 million 	<p>Empowering the community:</p> <ul style="list-style-type: none"> ● In-store employees (1,578 individuals) have an income of THB 209 million. ● Food delivery personnel (5,278 individuals) have an income of 16.5 million. ● Consumers (263,191 individuals) have experienced increased food security, estimated at a value of 7.2 million.
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