

# CENTRALRETAIL

## Human Rights Due Diligence Manual

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Central Retail Corporation Public Company Limited

1 August 2023

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## DEFINITION

CRC	Central Retail Corporation Public Company Limited
Due Diligence	A comprehensive, proactive process to identify the actual and potential negative social, environmental, and economic impacts of an organization's decisions and activities over the entire life cycle of a project or organizational activity, with the aim of avoiding Human Rights violation and mitigating negative impacts
Value chain	A set of interlinked activities that create add value to the company, throughout its business process in which each stage is intertwined and adds value before the products or service being delivered to its customers
Potential risk	A risk that may occur in the future
Actual risk	A risk that occurs currently or have already occurred
Inherent risk	A risk generally happens in the business operation which impact or could have an impact to the business from internal and external uncertainty. It occurred before existing control (Pre-Control risk)
Mitigation	Actions to reduce the extent of an impact and/or likelihood to an acceptable level, consisting of Risk Avoidance, Risk Sharing, Risk Reduction, Risk Acceptance and Risk Diversification
Residual risk	A risk which is left over from the existing mitigation measures to control the inherent risk
Risk Control	The control taken to ensure that the company has managed the risk to an acceptable level, consisting of Preventive, Detective, Directive, and Corrective control
Acceptable Risk	A risk which is in an acceptable level after additional mitigation measures from the existing control/action

## INTRODUCTION

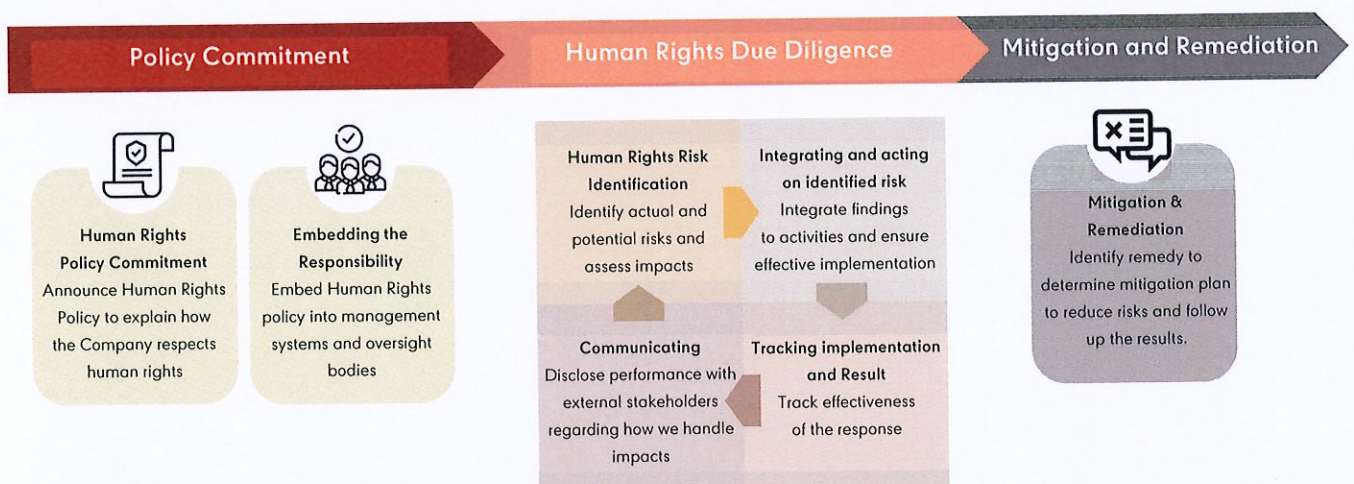
Central Retail Corporation Public Company Limited, Subsidiaries and Associates ("The Company") recognize that all human beings are valued and equal in dignity and rights. The Company respects human rights and implant the respects human amongst related parties throughout the company's value chain. The purpose of developing Human Rights Due Diligence (HRDD) Manual is to ensure that the company conducts with respects and responsibilities to protect all human rights. In addition, the Human Rights Due Diligence Manual will enhance the Company operations, products or services development to comply with the laws, rules, regulations, code of business ethics and good governance.

The Company develops and performs Human Rights Due Diligence to identify, prevent and mitigate the potential human rights impacts throughout business value chain covering all stakeholders such as suppliers, customers, local communities, and vulnerable groups (i.e., women, children, indigenous people, migrant Labour, and disabled people). This Human Rights Due Diligence (HRDD) Manual was developed based on

the United Nations Guiding Principles on Business and Human Rights (UNGPs) which serves as a guideline for business corporation regarding respect for human rights. The core frameworks under the UNGPs are State’s duty to protect, business corporation’s responsibility to respect, and access to remedy. The Human Rights Due Diligence process consists of policy commitment, risk, and impact identification, integrating and acting on identified risk, tracking performance, reporting, and grievance mechanisms and remediation.

The Company potentially could be exposed to number of human rights related risks, such as, discrimination, appalling working conditions, unfair labour practice, and environmental impact to the local community. These risks may cause a significant impact on the business, the reputation and lead to discontinued support from business partners and investors. It is crucial for the Company to develop a systematic approach for assessing and identifying human rights risks, mitigating impacts, and monitoring and reporting performance, resulting in the development of Human Rights Due Diligence process as shown below. The following Human Rights Due Diligence Framework will be applied to the Company’s all activities where actual or potential human rights impacts/risks exist including operational activities and activities within the value chain.

### Human Rights Due Diligence Framework



### OBJECTIVES

The Human Rights Due Diligence process aims to achieve the following objectives:

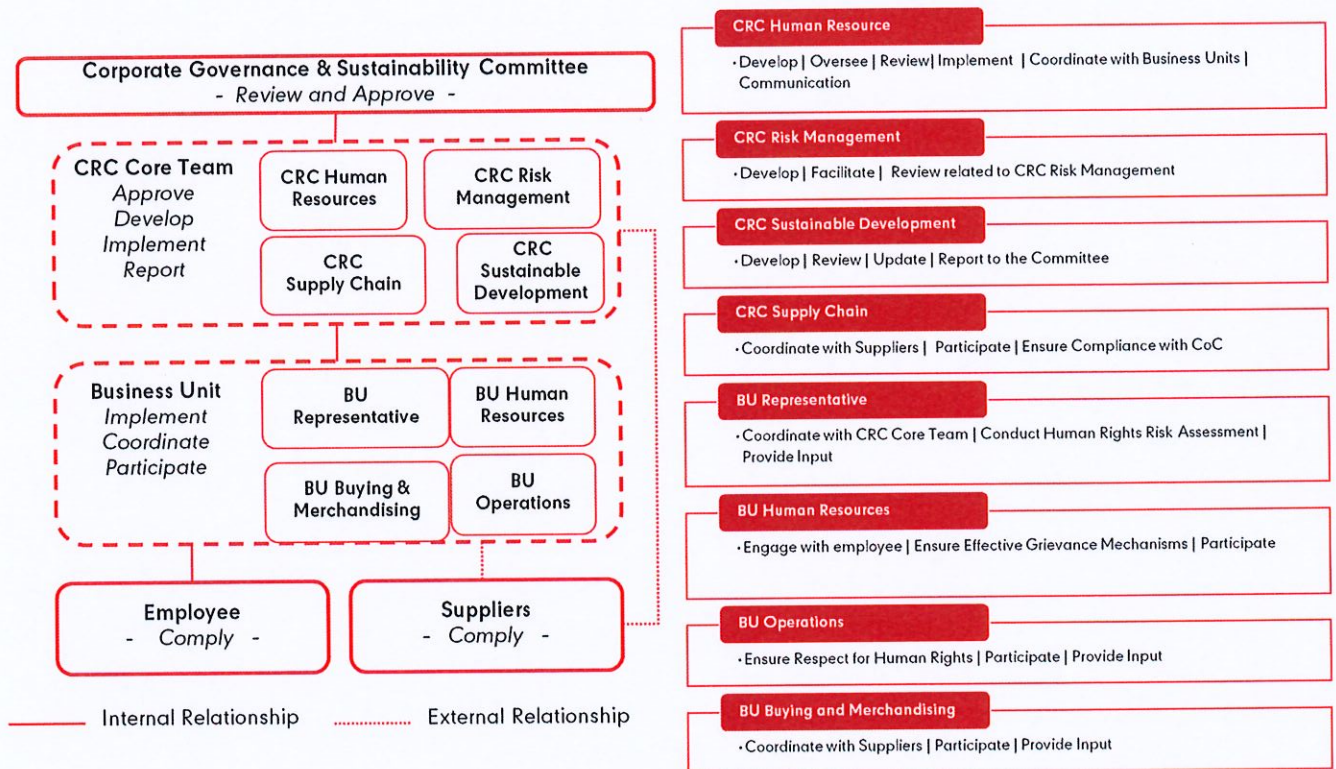
- To provide guidance in conducting the Human Rights Due Diligence.
- To identify and prioritize The Company’s human rights risks with or without existing action plan.
- To plan and address salient human rights risks in the Company’s operations and supply chain through existing and additional mitigation measures.
- To communicate with stakeholders on how the Company respects the human rights.
- To gain and maintain trust and reputation with all stakeholders who increasingly expect the Company to respect for human rights.

## SCOPE

This Human Rights Due Diligence process applies to all operations which is directly linked to the Company as well as those affiliated companies and joint ventures under the Company's management. All partners and entities in the supply chain including tenants and customers, contractors, sub-contractors, and relevant external stakeholders (e.g., community) that are impacted by the Company operation activities will be monitored through this process as well.

## ROLE AND RESPONSIBILITY

CRC's Human Rights Due Diligence Framework is implemented by a collaborative effort from CRC's core team, business unit representative team, expert, and CRC Employees. The teams work together to implement CRC's Human Rights Due Diligence Framework and ensure respect for human rights throughout CRC's operation and supply chain. The diagram of the team structure is as below:



The role and responsibility of each team are as follows:

### 1. Corporate Governance & Sustainability Committee:

- Oversee the CRC Human Rights Due Diligence from corporate level, including provide vision and set the direction regarding human rights framework.
- Review, approve, and consider the Human Rights Policy, and human rights related documents.
- Provide recommendation for human rights performance.

2. **Core Team:** Core Team composes of CRC Human Resources Team, CRC Risk Team, CRC Sustainable Development Team, and CRC Supply Chain Team. The key responsibility of the Core Team is to implement Human Rights Due Diligence framework and ensure the effectiveness throughout business operations and value chain and participating to review the human rights due diligence issue and mitigation action regularly.

### **2.1 CRC Human Resources Team**

- Work with the Core Team members to develop strategy, target, and plan of action regarding human rights framework. This includes providing input and suggestion in CRC Human Rights Policy review.
- Oversee the implementation of Human Rights Policy, Human Rights Risk Assessment , and mitigation and remediation plan concerning human rights risks.
- Review and ensure that human rights framework is up-to-date and aligned with international standards and global circumstance.
- Ensure that the human rights risk assessment is conducted annually and facilitate the human rights risk assessment exercise for each business unit.
- Reviewing Human Rights Risk Assessment, with the consultation with other member in the core team to consolidate the Human Rights Risk Register at the CRC group level.
- Communicate about human rights issues and ensure that human rights respected throughout business operation and supply chain, including provide information, communicate policy regulations, training, engage with suppliers.
- Updates periodically on key sustainability risks and tracking progress with CRC core team.
- Ensure that human rights topic is integrated in the development and training for employee.

### **2.2 CRC Risk Management Team**

- Work with the Core Team members to develop strategy, target, and plan of action regarding human rights framework. This includes providing input and suggestion in CRC Human Rights Policy review.
- Develop and improve human rights risk assessment tools to be in line with the CRC's context for appropriate implementation (register criteria, heatmap and template).
- Work with the Core Team members to support/facilitate the human rights risk assessment exercise for each business unit.
- Review on Human Rights Due Diligence Manual (Human Rights Risk Assessments section).

### **2.3 CRC Sustainable Development Team**

- Work with the Core Team members to develop strategy, targets, and action plans regarding human rights. This includes providing inputs and suggestions in CRC Human Rights Policy review.
- Review and ensure that human rights frameworks is up-to-date and aligned with international standards and global circumstances. Taking human rights risks into development and strategic

planning as well as presenting the progress to the Corporate Governance and Sustainability Committee for review and approval.

- Updates periodically on CRC overview of sustainability risks and tracking progress with the Corporate Governance and Sustainability Committee.
- Work with the CRC Core Team members to gather information regarding human rights performance.

#### **2.4 CRC Supply Chain Team**

- Communicate about human rights issues and ensure that human rights respected throughout the supply chain, including provide information, communicate policy regulations, training, engage with suppliers.
- Participate in human rights risks assessment exercise.
- Provide input for CRC Core Team on human rights strategy, target, and plan of action, including identify the challenges.
- Engage with supplier regarding human rights risks assessment questionnaire.
- Ensure the compliance with CRC Supply Chain Code of Conduct and identify the supplier with high-risk for human rights violation.

3. **Business Units:** This includes all business under CRC Group. BU Representative Team consist of Human Resources (HR), Operations Team (OPT), and Buying and Merchandising Team (BM). The key responsibility at this level is to implement human rights framework from the CRC group in the business unit level and provide feedback and challenges to the CRC Core Team.

#### **3.1 BU-Human Resources**

- Coordinate between CRC Core Team and other department in business unit on the implementation of human rights framework.
- Conduct human rights risk assessment exercise periodically and report the result to the CRC Core team.
- Provide input for CRC Core Team on human rights strategy, target, and plan of action, including identify the challenges.
- Engage with employees to ensure compliance with human rights policy and framework.
- Ensure that Company's Remediation and Grievance mechanism is effective, including provide remedy, safeguard to a person who make a complaint.
- Participate in human rights risks assessment exercise.

#### **3.2 BU-Operations**

- Ensure that human rights are respected throughout the operation, including engage with stakeholders.
- Participate in human rights risks assessment exercise.

- Provide input for CRC Core Team on human rights strategy, target, and plan of action, including identify the challenges.

### 3.3 BU-Buying and Merchandising

- Communicate about human rights issues and ensure that human rights respected throughout the supply chain, including provide information, communicate policy regulations, training, engage with suppliers.
  - Participate in human rights risks assessment exercise.
  - Provide input for CRC Core Team on human rights strategy, target, and plan of action, including identify the challenges.
  - Engage with supplier regarding human rights risks assessment questionnaire.
4. **Manager and Employee:** This means every CRC staff or person to operate in CRC's business unit.
- Comply with human rights policy and plan of action.
  - Respect for human rights of others in day-to-day work.
  - Raise issue/concern when facing human rights violation. This could be done through grievance mechanism and other communication channels.
  - Engage in the human rights training and other activities.
5. **Suppliers:** This covers all suppliers who are in the CRC supply chain.
- Adhere with CRC Supplier Code of Conduct.
  - Respect for human rights in the business operation and supply chain.
  - Participate in human rights risk assessment questionnaire or other methods
  - Cooperate with CRC regarding implementation of human rights framework.

## REFERENCE

This Human Rights Due Diligence Manual contains the United Nations Guiding Principles on Business and Human Rights (UNGPs) and is adapted with the Human Rights Policy and Enterprise Risk Management principles by Central Retail Corporation Public Company Limited.

## HUMAN RIGHTS DUE DILIGENCE FRAMEWORK

Human Rights Due Diligence Framework can be described in mainly 3 key parts as described below. For overall view of these processes, please refer to Appendix I: Diagram of Human Rights Due Diligence Workflow.

### 1. Embedding the Responsibility

The UNGPs encourage the Company to respect human rights by developing the Human Rights Policy to commit that the Company will embed and respect human rights throughout the Company's supply chain. The



Company have implemented Human Rights Policy since 2021 to show commitment to respect the rights of stakeholders and preventing human trafficking, forced labour, child labour, freedom of association, equal remuneration and discrimination. This policy upholds and respect human rights as reflected in international framework such as UNGPs, it also helps to guide the Company’s operations to all stakeholder groups within the value chain or supply chain and helps to monitor and mitigate the Company’s human rights impacts and risks over time by understanding the current situation on human rights across business operations and those with whom the enterprise works. Moreover, always be aligned with the current Code of Conduct or Business Principles.

The Human Rights Policy is applicable to all activities of the Company, and all employees are committed to respect and promote human rights by the context of the Policy. Also, encourages business partners and entities in value chain to follow the Policy.

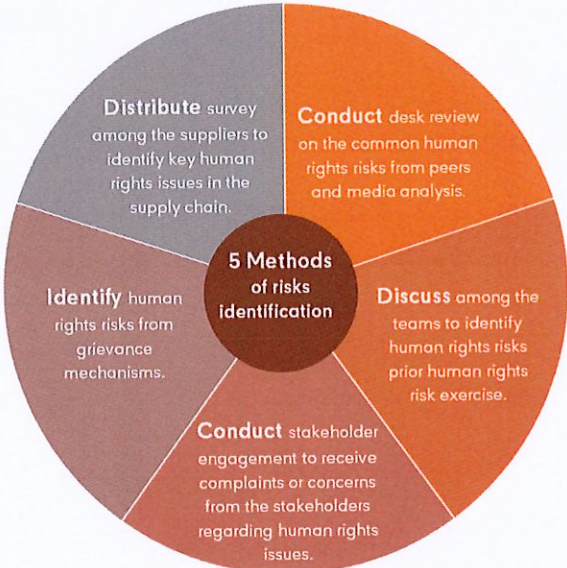
The Company embeds Human Rights Policy into management systems and oversight bodies. The existing policy and processes need to be consistently reviewed to ensure coherence between the Company’s responsibility to respect human rights and the different policies that direct its operations.

**2. Human Rights Due Diligence**

The Company identifies and assesses actual and potential adverse human rights risks and impacts in which the Company may involve either through own activities or as a result of business relationships. This process includes:

**2.1 Human Rights Risk Identification**

There are number of methods which the Company can identify human rights risks in own operations, value chain activities, and new business relations. The followings are the methods which the Company could use to identify human rights risk:



Then, the Company will identify actual and potential human rights risks to affected groups, including own employees, those who are associated with our business activities, the value chain, new business relations including mergers, acquisitions, and joint ventures, stakeholders and vulnerable groups, i.e., women, children,

indigenous people, religious groups, migrant workers, third-party employees, local communities, elderly, people with disabilities, pregnant women, LGBTQI+, and then map with relevant stakeholders. The examples of the master list of human rights risks are in the following table and the examples of the human rights risks are in the Appendix II.

Business Segment	Potential Human Rights Risks
Hardline	Forced Labour, Child Labour, Working Condition, Labour Practice, Freedom of
Food	Association and Collective Bargaining, Freedom of Expression, Vulnerable Group,
Fashion	Environmental and Community Rights, Access to Remedy, Supply Chain and Data
Property	Privacy
Health & Wellness	

## 2.2 Integration and Action on Identified Risks

The human rights risk assessment assesses risks from the perspective of the affected stakeholders which shows the severity of those actual and potential impacts. Since the Company cannot address all identified risks at the same time, the impact identification and risk prioritization process can help to ensure that the efforts and resources are appropriately allocated among those prioritized risks. There are two types of risks being assessed:

- **The Inherent Risk:** determines the significance of the human rights impact based on the nature of the context when there are no CRC's existing mitigation measures in place.
- **The Residual Risk:** the level of risk when considering the CRC's mitigation measures and controls identified.

The Company will assess risks by impact and likelihood. Thus, the CRC's impact assessment should be considered based on the following characters:

- **Scale:** Refers to the severity of impact. *[Question of how serious the harm is]*
- **Scope:** Refers to the number of stakeholders that are or will be affected. *[Question of how widespread the harm is]*
- **Irremediable:** Refers to limitations on the ability to restore those affected to a situation at least the same as, or equivalent to, their situation before the impact. *[Question of if the harm occurs, can it be put right]*

**Impact Criteria**

Level	Scale							Scope	Irremediable
	Health and Safety	Reputation	Operation Continuity	Customers / Shareholders	Environmental	Law Enforcement	System availability		
4 (Significant)	Disability / Death	Company is listed as prohibited company/ Stakeholders lost confident/ negative Corporate's image in good governance.	Business interruption more than 3 days or unable to deliver/ handover work to relevant parties	Company is sued by shareholders or customers	Environmental impact notable but expect to restore to its original condition more than 5 years	Business License would be cancelled, or Company's directors could be jailed	Customer touchpoint systems cannot be resolved or recover within timeframe	Impact over 3 groups of stakeholders with more than 3% of total population of each group or all groups	Take more than 5 years to restore the impact
3 (High)	Admitted to hospitalized (IPD)	Negative news wide coverage in public medias (national and international) both of online and offline platforms or taken more than 48 hours to regain reputation	Business interruption 1-3 days or unable to deliver/ handover work to relevant parties within the time frame.	Company needs to settle the conflict with shareholders or customers before any legal action.	Environmental impact notable but expect to restore to its original within 3-5 years	Company is examined by regulator and pointed out the guilty and/or penalized	Back-office systems cannot be resolved or recover within the timeframe	Impact over 3 groups of stakeholders and/or impacted person is between 2% - 3 % of each group	Take within 3-5 years to restore the impact

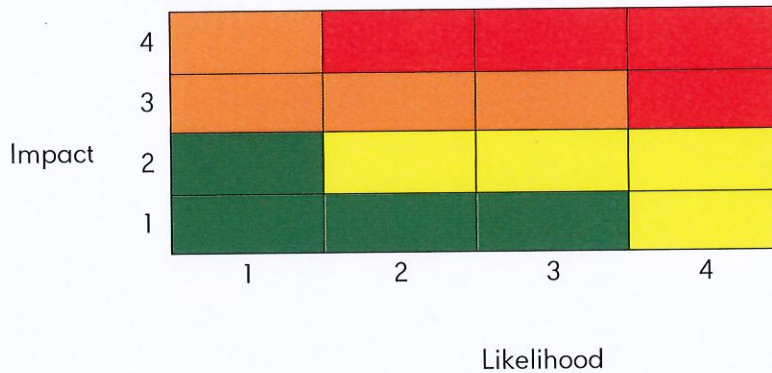
Level	Scale							Scope	Irremediable
	Health and Safety	Reputation	Operation Continuity	Customers / Shareholders	Environmental	Law Enforcement	System availability		
2 (Medium)	Medical treatment injury or hospitalized (OPD)	Negative news wide coverage in public medias (national and international) both of online and offline platforms or there is corruption topic or taken less than 48 hours to regain reputation	Business interruption within 24 hours or affect working processes	The Board of Directors and executives of the Company have to clarify and explain the facts	Environmental impact notable but expect to restore to its original condition within 1 -2 years	Company might be warned, or has to submit evidence for clarification to the regulator	Systems down or error and cannot be resolved within timeframe	Impact to 1 – 2 groups of stakeholders and/or impacted person is less than or equivalent to 1% of each group	Take within 1-2 years to restore the impact
1 (Low)	First aid treatment	Does not affect the reputation of the Company/ does not receive complaints from stakeholders	Business interruption within 12 hours and does not affect working processes	Shareholders and customers concern and ask business information	Take less than 1 year to restore to its original condition	No issue with the law enforcement, but it might be unethical.	Systems down or error but can be resolved within timeframe	No Impact	Take less than 1 year to restore the impact

**Likelihood Criteria**

Level	Possibility	Frequency
4 (Likely)	Highly probable event or will normally happen in business operations (More than 70%)	> 10 times/year
3 (Possible)	Probable event or will happen in business operations (More than 30% to 70%)	6-10 times/year
2 (Rarely)	Occasionally event or will happen sometimes in business operations (Between 10% and 30%)	2-5 times/year
1 (Unlikely)	Unlikely event or slight chance to happen in business operations (Less than 10%)	1 time/year

By considering 2 dimensions (impact and likelihood), the human rights risks shall be plotted in the matrix to prioritize risks that require further actions to mitigate the risks.

**Heat Map**



Color	Details
Red	Critical Risk. It would immediately require measure to mitigate such risk to an acceptable level.
Orange	The risk is unacceptable. It would require measure to mitigate such risk to acceptable level.
Yellow	The risk is acceptable but needs close attention. The plan needs to be implemented strictly.
Green	The risk is acceptable. There is a measure to address such risk.

Table below is the examples when current controls are applied to the Inherent Risk, resulting in the level of Current Risk.

Inherent risk	Current control	Level		Current risk
		Impact	Likelihood	
Risk #1	Current control #1	1	2	Green
Risk #2	Current control #2	2	3	Yellow
Risk #3	Current control #3	3	3	Orange
Risk #4	Current control #4	4	4	Red

When the level of actual risk is still high or above (Orange or Red color), the Company needs to determine the risk response to decrease the impact and/or likelihood to be within the acceptable level (Yellow or Green color). The risk response should be provided by responsible department or business units related to risk activities to establish the mitigation action or corrective measurement.

Main Category of the Risk	Human Rights Risks Category		Affected Group	Inherent risk					Current Control	Residual Risk					Additional Control/Action								
	No. of risk item	Risk Item		Description of Human Rights Risks = Issues (What/When/Where/Why/How)	Likelihood	Impact				Likelihood	Scale	Scope	Irremediable	Impact level	Risk Level	Control (Mitigation)	Due Date	Person in charge					
						Scale	Scope	Irremediable											Impact level	Scale	Scope	Irremediable	Impact level
						Fill up level (1-4). Please refer to likelihood criteria.	Fill up level (1-4). Please refer to impact criteria.	Fill up level (1-4). Please refer to impact criteria.											Fill up level (1-4). Please refer to impact criteria.	Impact x Likelihood. Please refer to Heat Map	Inherent risk level with color code	Fill up level (1-4). Please refer to impact and likelihood criteria.	Fill up level (1-4). Please refer to impact criteria.

### 2.3 Tracking implementation and results

To make sure the adverse human rights impacts are being effectively addressed by the measures taken, the Company will track the effectiveness of risk response within the timeframe developed by considering the following approaches:

- a) Be based on appropriate qualitative and quantitative indicators.
- b) Draw on feedback from both internal and external sources affected stakeholders.
- c) Integration of monitoring in the relevant internal and external evaluation processes (e.g., staff surveys, audits, supplier site visits or self-assessment).

### 2.4 Communicate how impacts are addressed

Besides tracking performance, the Company prepares to communicate internally and externally to account for the approach and action taken for identified human rights risks. Conduct engagement with internal and external stakeholders such as employees, supplier, local communities and societies, civil society organizations and governmental agencies to communicate the Company's human rights performance. The action it takes and the efforts it makes to respect human rights will be perceived and more dialogue with stakeholders will be worthwhile. Human rights performance disclosure in a part of the sustainability development, the annual report (56-I One Report and/or Sustainability Report) and the Company's website or other appropriate channels are general approaches.

### 3. Provide for remediation and grievance mechanisms

Remediation and grievance mechanisms is a process of identifying remedy to developed action plans that could proactively prevent and mitigate potential risks and impacts identified and resolving concerns from affected and relevant stakeholders. Also well set a systematic process to mitigate the risk and remediate the affected stakeholders. The process is clearly assigned risks accountable functions to plan, and action on each risk issue to reduce the likelihood and impact level. If any risk is unavoidable, the remediation process will be in place to manage the affected stakeholder effectively. Furthermore, the Company established whistleblowing policies to assist the Company in monitoring human rights violations and provides several channels for internal and external stakeholders to raise concerns and provide opportunity to provide feedback about human rights impacts that the Company's activities may cause. Moreover, the Company has the Grievance Mechanism Manual which provides the process and procedure to handle the complaint. This manual also assigns the role and responsibility of the person in charge in the process. Further information regarding the process, please refer to the **"The Guidelines for Handling Complaints Related to Wrongdoing"**.

#### **Guideline for Mitigation and Remediation:**

The remediation measure is subjected to the impact of human rights risks. The process of investigation and disciplinary measures is under CRC's related rules and regulations such as Work Regulation, Guidelines for Handling Complaints Related to Wrongdoing, and Regulation on Human Rights for Labour.

#### **Mitigation and Remediation Mechanism**

After assessing the risks, the Company has taken steps to mitigate and remedy the impact details as follow.

1

#### **Identify risks and determine the plan to reduce the likelihood of risks and mitigate impact.**

- Integrate risk assessment results obtained from all operational areas into decision-making process from Core Team.
- Report the identified risks to the company's risk committee (ARMC) and integrate them into the corporate enterprise risk register.
- Identify the responsible function that will be responsible for the next steps to mitigate risks.
- The responsible function then, make human rights risk mitigation plans that place the emphasis on reducing the risks' likelihood and impacts. Define actions plan to mitigate risks, procedures, and remedies for each risk issue.

2

#### **Implement human rights risk mitigation plans**

- Follow the steps specified in the established work plan. Amend and add intermediate processes where necessary to maximize the effectiveness of risk mitigation.
- Report on the progress of mitigation and remediation to stakeholders or those who are at risk of being affected by human rights risks.
- Monitor and follow up the implementation of risk mitigation plans from relevant business units through designated communication channels.

- Progress reports including, red flag, the company impact from actual risks to Sustainable Development Team and Corporate Governance & Sustainability Committee to report incidents and give advice to responsible business units to take further steps to mitigate risks.

### 3 Take mitigation and remedial steps (In the occurrence from Human Rights Risks and there are affecting group)

- Take remedial action for stakeholders and affecting vulnerable groups according to company's guideline.
- Notify responsible function and function executives, stakeholders and affecting vulnerable groups about the progress of mitigating and remedial action.
- Follow up on the results of mitigation actions and remedies.
- Adjust mitigating and remedial processes (if necessary).
- Implement ongoing mitigation and discuss the results of action with stakeholders and affected people periodically until process end and return to normal conditions before human rights risks impacted.

#### The Company's Remediation Measures



#### Grievance Channel

Internal Stakeholders		External Stakeholders	
<p><b><u>For other complaints</u></b></p> <p>Email: Head of Internal Audit  <a href="mailto:CRCWhistleblower@central.co.th">CRCWhistleblower@central.co.th</a>            Post: Head of Internal Audit Department            Central Retail Corporation PCL,            22 Soi Somkid, Ploenchit Road,            Lumpini Sub-district, Pathumwan District,            Bangkok 10330</p>		<p><b><u>For complaints against the Chief Executive Officer</u></b></p> <p>Email: The Chairman of the Audit Committee  <a href="mailto:AuditChairman@central.co.th">AuditChairman@central.co.th</a>            Post: AuditChairman@central.co.th            Central Retail Corporation PCL,            22 Soi Somkid, Ploenchit Road, Lumpini Sub-district,            Pathumwan District, Bangkok 10330</p>	
<p><b><u>Company's Portal</u></b>  <a href="http://www.centralgroup.sharepoint.co">www.centralgroup.sharepoint.co</a></p>		<p><b><u>Company's Website</u></b>  <a href="http://www.centralretail.com.co">www.centralretail.com.co</a></p>	



## PERIOD OF HUMAN RIGHTS RISK ASSESSMENT AND REVISION OF HUMAN RIGHTS DUE DILIGENCE MANUAL

The implementation of Human Rights Risk Assessment is to identify and assess actual and potential adverse human rights risks and impacts the Company may involve in either through its own activities or as a result of business relationships. This includes the assessment with CRC's supplier. It is planned to be conducted every two years to ensure that all human rights risks and its impact is integrated and addressed.

In addition, this manual is expected to be reviewed every two years along with the Company's Human Rights Policy review period.

## HUMAN RIGHTS RISK ASSESSMENT BY SUPPLIER

The Company works with suppliers to ensure respect for human rights in the supply chain. This would be done by conducting Human Rights Risk Assessment for suppliers to identify human rights risk in the supply chain and assessing suppliers with high risk for human rights violation. The Company could also provide recommendations for suppliers to mitigate human rights risks and ensure that the impacted person is remediated appropriately.

### Criteria of Assessment

The Human Rights Risk Assessment assesses the human rights risks identified by suppliers. CRC commits to conduct human rights risk assessment throughout its supply chain. The human rights risks identified covers the wide range of human rights topics namely, Forced Labour, Child Labour, Working Condition, Labour Practice, Freedom of Association and Collective Bargaining, Freedom of Expression, Vulnerable Group, Environmental and Community Rights, Access to Remedy, Supply Chain and Data Privacy.

### Human Rights Risks Assessment

The Human Rights Risk Assessment for suppliers are conducted through the Human Rights Risk Assessment Questionnaire and/or other appropriate methods in composition with the Human Rights Risk Assessment such as interview, onsite visit etc. The assessment done by the self-assessment questionnaire from CRC's representative and must reply within the timeframe.

The questionnaire has 2 major parts:

**Part 1** Assesses the supplier's human rights operations which include the questions regarding Human Rights Policy, Human Rights Due Diligence Process, human resource to ensure respect for human rights.

**Part 2** Assesses human rights risk identified by suppliers. The list of human rights risks in the questionnaire are identified by CRC covering all business segments in the operation. The result of the questionnaire will be taken into consideration in the CRC's Human Rights Risk Assessment.

### Consolidation of Human Rights Risks

The human rights risk identified in the questionnaire will be considered for CRC's Human Rights Risk Assessment. The result from all participated suppliers will be consolidated, the most prevalent human rights

risk will be considered and further assessed on the impact by CRC. The result will contribute to the direction of CRC to mitigate the human rights impact in the supply chain.

Prioritization of the Human Rights Risk

After the consolidation of the survey result from all suppliers, CRC will prioritize the human rights issues by these 2 steps:

1. Ranking by the frequency of the survey result: After the consolidation, each risk items will be ranked by the frequency of responses from suppliers from highest frequency to the lowest frequency.
2. Ranking by the risk level: After ranking by the frequency, each risk item will be assessed the level of severity by considering the violation of the law and standards and the impact to the CRC. Then rank the risk by the level of severity and the frequency of the response. The human rights risk with the highest risk and highest frequency will be ranked to the top of the list. The criteria for the assessment are described in the table below.

Level	Criteria
<b>Significant</b>	<ul style="list-style-type: none"> <li>- Risk that violates the law/international standards.</li> <li>- Risk that impacts significantly to the Company.</li> </ul>
<b>High</b>	<ul style="list-style-type: none"> <li>- Risk that does not violate the law, but it is likely to be unethical practice.</li> <li>- Risk that needs additional measure to mitigate the impact.</li> </ul>
<b>Medium</b>	<ul style="list-style-type: none"> <li>- Risk that legal and ethical but indirectly links to the Company.</li> <li>- Risk that mildly impact to the Company.</li> </ul>
<b>Low</b>	<ul style="list-style-type: none"> <li>- Risk with the minor/negligible impact.</li> <li>- No stakeholder is impacted from the risk.</li> </ul>

**Remediations and Grievance Mechanisms**

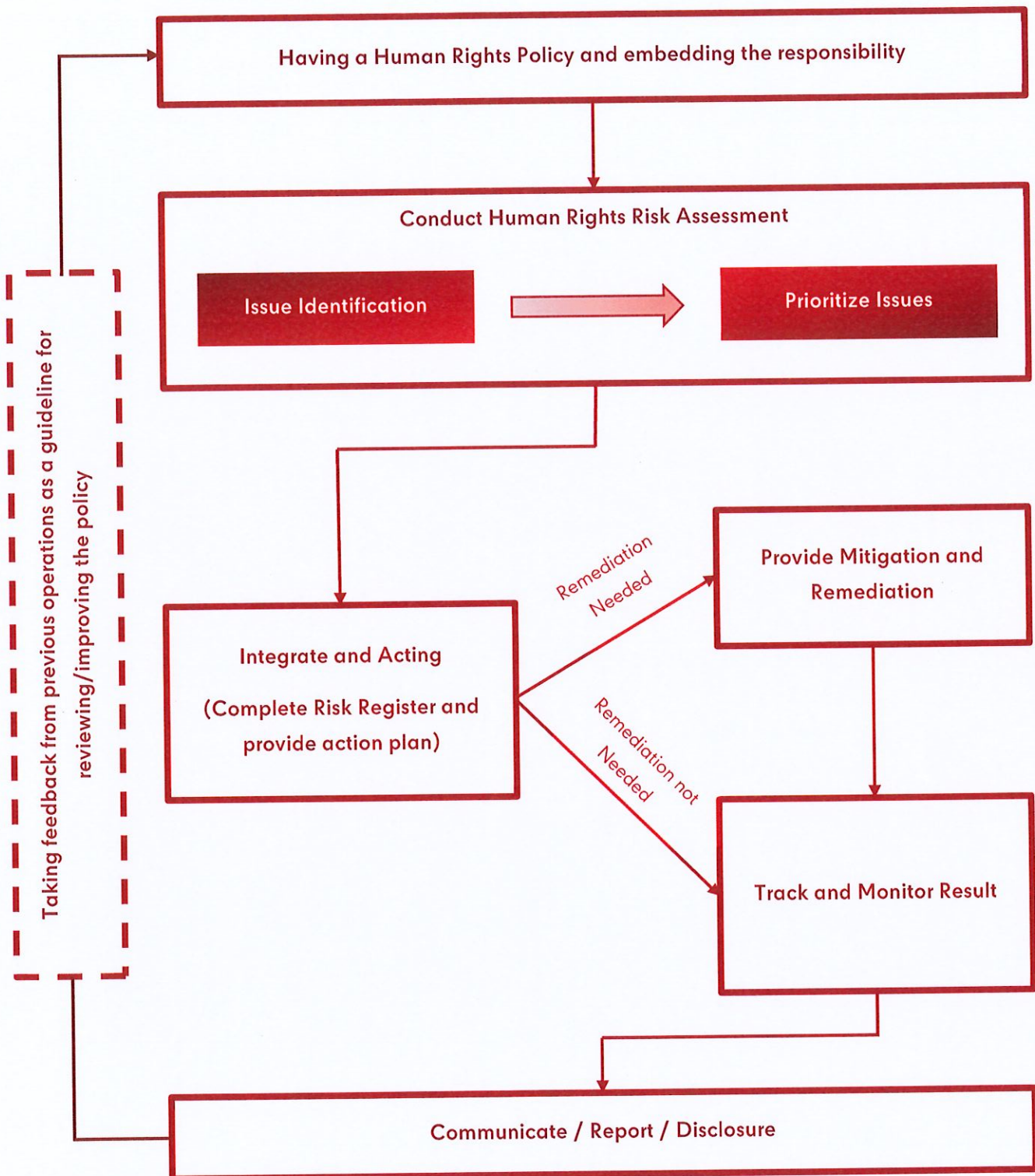
All suppliers are expected to have grievance mechanisms in place and provide effective remedy to those who are affected by human rights risks in the supply chain. The primary responsibility to remediate human rights impacts in the supply chain is for those suppliers associated with the human rights risk. In the case where those who are affected are not remediated, they can inquire or provide leads to CRC’s Whistleblowing channel .

The manual is effective from 1 August 2023 onwards.



Panchalee Weeratammawat  
 Chief People Officer  
 Central Retail Corporation Public Company Limited

Appendix I: Diagram of Human Rights Due Diligence Workflow



Appendix II: Human Rights Topics and Risks

Human Rights Topic	Description of the human rights issues/risk	Affected Group(s)				
		Employee	Community/Soci	Customer	Business Partner	Vulnerable
Working Conditions and Labour Practice	- <b>Forced Labour:</b> Compulsory or exploitation of migrant labour in working conditions such as long working hour than prescribed by law/international standards, involuntary working overtime, wages are less than legal minimum wage.					x
	- <b>Forced Labour:</b> Worker (migrant workers unparticular) are requested to pay deposit or fee in exchange for employment.					x
	- <b>Forced Labour:</b> Worker's personal document (i.e., passport, ID card, work permit, visa) is confiscated by employer/supervisor, or their freedom of movement is restricted.					x
	- <b>Forced Labour/Human Trafficking:</b> Company involves directly/indirectly with forced labour/human trafficking network, or practices forced labour/human trafficking itself.	x				x
	- <b>Forced Labour/Human Trafficking:</b> Worker's freedom of movement is restricted unreasonably.	x				
	- <b>Child Labour:</b> Children are employed in the operation (including part-time, short contract, or seasonal work).					x
	- <b>Child Labour:</b> Children under 18 years old are employed to working a hazardous working condition.					x
	- <b>Child Labour:</b> Company associate with supplier/business partner who use child labour.					x
	- <b>Child Labour:</b> Company does not have child labour policy in place or does not respect minimum age standard in its recruitment practice.					x
	- <b>Working Conditions:</b> Worker/Employee works in appalling conditions and/or hazardous working environment. This includes impact on both physically and mentally.	x				x
	- <b>Working Conditions:</b> Working condition is different from what have been mentioned in the employment contract.	x				x
	- <b>Working Conditions:</b> Worker/Employee does not have ability to access in the area such as canteen or toilet without any restriction.	x				

Human Rights Topic	Description of the human rights issues/risk	Affected Group(s)				
		Employee	Community/Soci	Customer	Business Partner	Vulnerable
	- <b>Working Conditions:</b> Worker/Employee does not received training on occupational health and safety.	x				
	- <b>Labour Practice:</b> The Company uses sub-agent for recruiting migrant workers without any control or due diligence.					x
	- <b>Labour Practice:</b> Staff/Employee who is responsible for recruitment does not have knowledge on ethical recruitment or have never received training regarding ethical recruitment.					x
	- <b>Labour Practice:</b> Worker/Employee is not provided with written employment contract.	x				x
	- <b>Labour Practice:</b> Worker/Employee does not understand terms and conditions of the employment contract, and the Company does not facilitate to have the understanding.	x				
	- <b>Labour Practice:</b> The employment contract does not provide the information regarding working hours, employment status, working condition and define fair compensation.	x				x
	- <b>Labour Practice:</b> Workers/employees of sub-contractor do not receive compensation, welfare, employment period, and criteria information before start working.	x				x
	- <b>Labour Practice:</b> Workers/Employees face with poor labour practice, for example high target, unreasonable KPIs, quick turnaround times.	x				
	- <b>Labour Practice:</b> Working hour and working period do not comply with the law/standards, including break time and period.	x				
	- <b>Labour Practice:</b> Overtime work is more that law/standards regulated	x				
	- <b>Labour Practice:</b> The compensation, such as wages, and overtime payment is lower than prescribed by law.	x				
	- <b>Labour Practice:</b> Leaves and holidays, such as, annual leave, sick leave, maternity leave does not comply with the law.	x				
	- <b>Labour Practice:</b> Unfair dismissal - This includes terminate employment contract without reasonable ground,	x				

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	not comply with the legal requirement regarding the dismissal.					
	- <b>Labour Practice:</b> Worker/Employee is forced to work overtime.	x				
	- <b>Labour Practice:</b> Illegal deduction - The Company deducted expense from employee/worker's wage more than legal rate.	x				
	- <b>Labour Practice:</b> Abusive behavior, both physically and mentally, by supervisor/employer.	x				
	- <b>Labour Practice:</b> The Company does not provide training regarding labour rights, human rights at any stage of employment.	x				
Freedom of Association and Collective Bargaining	- The Company does not support workers/employees to establish group/union.	x				
	- Worker/Employee who participate/represented the group/union is targeted or treated poorly.	x				
	- Welfare Committee, or any similar collective bargaining group/union is not efficient.	x				
	- The Company does not have Welfare Committee or similar union/group.	x				
Freedom of Expression	- Worker/Employee is targeted or punished due to expression of his/her opinion in good faith towards company operations.	x				
	- Worker/Employee is not allowed to wear a cloth according to their religious/cultural belief.	x				
Vulnerable group (i.e., women, children, people with disability,	- The Company does not provide facility for pregnant worker/employee, such as breast-feeding station/room, resting area for pregnant worker.					x
	- Pregnant worker/employee is dismissed/demoted.					x
	- Sexual harassment in workplace.	x				x
	- Discrimination against woman/LGBTQI+/disability/minority/migrant worker/employee, including promotion, payment, and other benefits.	x				x
	- Discrimination during the recruitment process/policy against vulnerable groups.	x				x
	- Migrant's workers face difficulties in accessing medical support/supply.					x

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indigenous, migrant)	- The Company does not provide work permit the migrant worker, including does not facilitate migrant worker in the document renewal process.					x
	- The Company does not have policy regarding migrant workers.					x
	- Heavily reliant in migrant and temporary workers, including irregular or undocumented migrants without social or legal protection.					x
	- The selection of workers by recruiters or recruitment companies, especially from the country of labor source, may have violated labor rights such as unfair deduction of recruitment fees, securing important identification documents and travel documents, labor wage deduction					x
	- The Company does not provide measure to facilitate employee/worker or customer with disability.					x
Environmental and Community Rights	- The Company operation caused pollution which affects the local community way of life, such as smoke, heat, dust, etc.		x			
	- Natural resources are impacted by business operations.		x			
	- The Company does not comply with the environmental law and regulations.		x			
	- The community was impacted by the supplier/business partner's operation which supply the product/services to the Company.		x			
	- The Company does not communicate environmental impact and performance with the community.		x			
	- The Company take legal action to community leader regarding the complaint on the business operation.		x			
	- The Company does not have in place the measure to address the leakage or manage the pollution from its operation.		x			
	- The discharged waste from business operation, such as, production, convenient store, etc., impact the community water resources.		x			
- The Company does not have channel for raising issue/complaint (grievance mechanisms) in place.	x	x	x			

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Access to remedy	- The grievance mechanisms of the company do not effective or slow to response the issue.	x	x	x		
	- The Company does not have policy regarding non-retaliation or safeguarding for person who raise an issue/make a complaint	x	x	x		
	- The worker/employee who raised the issue or made a complaint is targeted by employer/supervisor.	x				
	- The Company impedes or does not support impacted person to seek remedy.	x	x	x		x
	- The is not communication to stakeholders, especially the impacted stakeholders on how the issue has been addressed.	x	x	x	x	x
	- The Staff/Employee who is responsible for grievance does not have knowledge or has never been received training regarding how to address the issue/complaint.	x	x	x	x	x
	- The Company does not communicate, both internally and externally, to all stakeholders about the grievance mechanisms.	x	x	x	x	x
Others	- The Company has been associated with human rights violations. This includes omission to use its leverage to address salient human rights issue in its business relationship.				x	
	- Discrimination in providing product/service to customer due to their background such as, race, gender, language, religion, disability.		x	x		x
	- The personal information of worker/employee and/or customer is leaked to the Third Party.	x		x		
	- The Company collects personal information of workers/employees and/or customers without informed consent.	x		x		
	- The Company does not have process/procedure to handle personal data.	x	x	x	x	
	- The marketing and advertising strategy or campaign encourages, causes, or promotes discriminatory stereotype, such as lack of diversity or praise certain age/body type/skin tone.				x	x



Human Rights Topic	Description of the human rights issues/risk	Affected Group(s)				
		Employee	Community/Soci	Customer	Business Partner	Vulnerable
	- Right to privacy of worker/employee and/or customer is not respected.	x		x		
	- Health impact from using the product and product safety.		x	x	x	
	- The dual-use of the product to violate human rights.		x	x	x	