

# CENTRAL RETAIL



**RESILIENCE REIMAGINED**

SUSTAINABILITY REPORT 2021



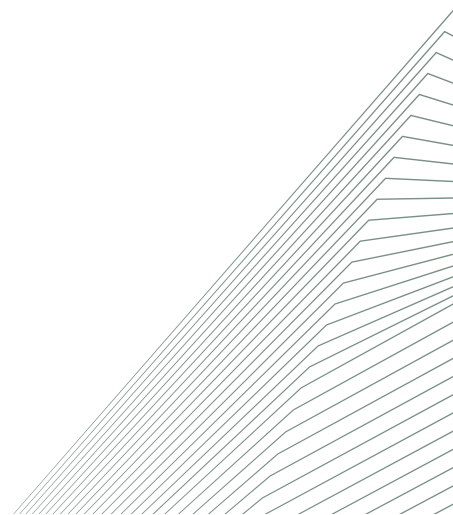
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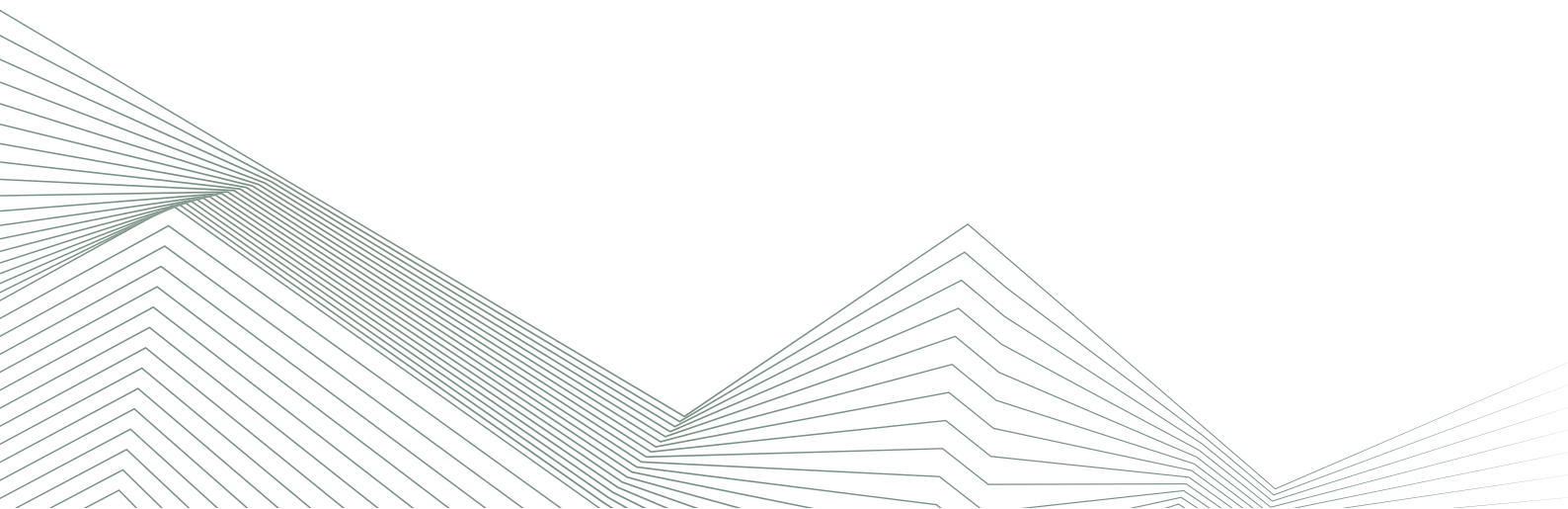
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# Message from the Chairman



## Dear Shareholders,

Central Retail Corporation has long been conducting its retail business in parallel with social responsibility, clear corporate goals and steps towards becoming a model organization for sustainable development and the future of retail business. Our mission is to operate a business that realizes not only the short-term solution but also the long-term impact, focusing on quality over quantity, and committed to quality growth in the eyes of all stakeholders, including customers, employees, business partners, communities and society. The Company emphasizes Creating Shared Values (CSV) based on the principles of organizational development through a business concept under sustainability, which is consistent with the ESG concept, namely Environment, Social and Governance.

We place significant importance on waste management under the principle of the Circular Economy that consists of Reuse, Reduce and Recycle, including the use of environmentally friendly packaging, elimination of single-use plastic bags and promoting reuse. One exemplary project is “Journey to Zero” which creates cooperation among all business groups, with an aim to reduce solid waste and promote carbon reduction through the development of the value chain and effective management, whether to reduce the use of single-use plastic and food wastage, and to modify compostable packaging, for example. The project also includes collaboration with the Scholars of Sustenance Foundation (SOS) to donate excess food from daily sales to vulnerable groups of people in the community, and to reduce food waste generation through a more efficient system management development.

We understand that for the organization to develop further, it requires personnel with potential. We pay great attention to the occupational health and working environment for the good life quality of all employees. We are always ready to enhance employees’ potential in all levels of the organization and create job opportunities for all groups of people, including employees with disabilities. We ensure their sustainable career path and their independence. We also comply to the principle of human rights respect, with some examples of important projects such as the Contact Center for People with Disabilities, in collaboration

- Prasam Trairatvorakul -  
(Dr. Prasam Trairatvorakul)  
Chairman of the Board of Director





with the Redemptorist Foundation. The Company is committed to reducing inequality in society, supporting careers to help people with disabilities to have a regular income and the ability to live sustainably on their own.

We attach great importance to business ethics, which is the foundation of good corporate governance implementation in a company. We are committed to conducting business with transparency, accountability and anti-corruption, as well as creating credibility and trust among all groups of stakeholders, promoting innovation as a tool to develop further service potential to meet the needs of customers, along with managing risks that may arise from various factors while focusing on customer database protection as well.

Throughout 2021, although the COVID-19 epidemic continued to directly and indirectly affect our society, Central Retail Corporation was able to effectively utilize its strengths in retail business to support public health and help consumers in various areas. For example, we made use of areas in our shopping centers across the country as vaccination centers for people to facilitate vaccination and reduce congestion within the hospital. We also supplied medical equipment, food and essentials, as well as took great care of our employees' wellbeing by establishing a "Community Isolation Center by Central Tham". We also cooperated and strictly followed the measures of the Ministry of Public Health, complying with safety regulations and employees' and customers' hygiene standards at the heart of our operation.

Central Retail Corporation has always emphasized on sustainable business growth, and with this strong commitment, we were included by S&P Global as a listed organization on 2022 Sustainability Yearbook Member (DJSI) in the retailing industry. This recognition reflects the commitment to drive our business to the global level. Moreover, we were selected as "Sustainable Stocks" Thailand Sustainability Investment (THSI) for 2021 from the Stock Exchange of Thailand since our first year of assessment participation. This could be regarded as confidence building for investors, and a reflection on Central Retail's ability to establish guidelines and bring organizational potential to support social and environmental problems solving, as well as pushing forward strategies for sustainable development as an essential part of business management, in alignment with the United Nations Sustainable Development Goals (SDGs). It also showcases that the Company has a comprehensive risk management process and is equipped and always ready to adapt to new business competition opportunities, especially during the challenging time of COVID-19.

In 2022, we realized that business growth must go hand in hand with social responsibility and sustainable development. Hence, Central Retail Corporation is committed to developing and growing together with all sectors by placing importance on corporate governance excellence, focusing on the rights and benefits of all stakeholders and the effect on the Company's operations and business sustainability, including environmental and anti-corruption issues. The implementation of the plan is as follows:

- 1) Compiling principles of good corporate governance in various aspects into one handbook to define roles, duties and responsibilities. This handbook also serves as a guideline for the Company's personnel to follow. The handbook will be announced and effective in early 2022.
- 2) Preparation of work plans for risks prevention and internal controls for Check & Balance between various activities and to generate long-term competitiveness. The Company has declared of intend against corruption through Thailand's private sector Collective Action Coalition Against Corruption (CAC) project in March 2021. Currently, the Company is in the process of submitting documents to apply for membership in 2022.
- 3) Preparation of work plan to obtain "5-star" or "excellent" rating of good corporate governance assessment results from the Thai Institute of Directors Association in 2 consecutive years.

All of these are our intentions and goals which we have been working on continuously. We remain committed to adapting, adjusting our strategy and managing the organization based on good governance principles. We also attach great importance to sustainable business operations abroad in both Vietnam and Italy. We aim for the business sector to be a part of creating quality long-term positive results, uplift people's lives, society, and the world to a better place. This is what we consider the creation of values along with sustainability in business to grow together.



# Message from the CEO



## Dear Shareholders,

The year of 2021 was still a challenging year for the operations of the Company due to the COVID-19 outbreak that has persisted around the world for over 2 years. Throughout the past year, the Company emphasized and considered the health and safety of customers, employees, partners, and communities as its first priority, and had implemented stringent hygiene measures in all establishments and offices. The Company has cooperated with the government and strictly complied with official disease control measures. As a result, non-food stores and certain stores of the food segment in Thailand and Vietnam were temporarily closed in the second quarter through to the third quarter, and in Italy at the beginning of the year, which inevitably affected business performance.

Nevertheless, the Company had learned to deal with and adapt to the COVID-19 crisis and reinvent our operational strategy, focusing on creating proactive approaches in combination with reactive ones to turn the crisis into opportunity. The Company has applied the concept of “Resilience Reimagined” to flexibly adapt and create new opportunities and a new corporate culture while also instilling the concept of Digital First. We have armed over 50,000 digitally savvy employees and scaled their workflows to be omni-centric in every dimension and continue to invest in the development of the Central Retail Ecosystem and full-fledged omnichannel platforms that seamlessly connect offline and online experiences. At the same time, the Company has strategically adjusted its business model and portfolio to a business that is sustainable and growing at a fast pace in line with shifting market trends and consumer demands in every business segment. This started from the fashion segment, which gathers world-class premium brands, where the network of Central Retail Europe was leveraged to magnify product varieties and truly meet the needs of high-end lifestyle customers, through to hardline and food segments by focusing more on the mass market. We expanded our branches in Thailand and Vietnam, having Thai Watsadu as our flagship business for hardline products and launched a model store of daily home convenience to respond to service needs of all customers anytime, anywhere called go! WOW. Moreover, we introduced Thailand’s successful

Yol Phokasub  
(Mr. Yol Phokasub)  
Chief Executive Officer



Tops market in Vietnam and continued to thrive with M&A strategy as we successfully acquired COL, the leading office supplies, book, entertainment media, lifestyle product, and No. 1 e-Book provider under trademarks OfficeMate, B2S, and MEB.

As for the operating results in 2021, the Company achieved a total revenue of 195,654 million baht, an increase of 1% and a normalized net profit of 407 million baht, an increase of 166% compared to that of 2020. Overall, the Company's performance turned out to be significantly improved in Q4, as we were able to deliver sales and profits close to the figures achieved in the same quarter of 2019 before the COVID-19 outbreak began, despite the persisting negative factors of cross-country travel that had not yet recovered.

The results of our dedication to running our business under challenging circumstances are reflected in the awards and pride we received in 2021. For example, the Asian Excellence Awards for CSR, Investor Relations, and Best Corporate Communications in Asia by Corporate Governance Asia, Hong Kong's leading economic magazine; Asia's Best Employer Brand Award granted by the Employer Branding Institute, a leading human resource institute of India, for being the best (No. 1) company that provides quality care for employees within the organization among various companies in more than 38 countries throughout Asia; Top 10 Reputable Retail Companies Award for Central Retail Vietnam, as being named the Best Retailer of 2021 by Vietnam Report Joint Stock Company based on our financial management capabilities, good reputation, and also consumer and stakeholder surveys; and, Global CSR Awards for Best Program Community from Jing Jai Farmers' Market Program at the 13<sup>th</sup> Annual Global CSR Summit & Awards hosted by the Pinnacle Group International, Singapore. All awards and honors received in recognition of being a leading retailer are a result of the success that the Company aims to carry on and further develop to upgrade the overall performance.

In addition to the continuous business development in 2021, the Company has elevated the organization to meet international standards at the global level in the context of environmental, social sustainability, and governance through a number of projects. These projects include Journey to Zero, which aims to reduce the amount of solid waste at source, promote waste sorting in the right way, switch to renewable energy, and increase green areas; careers for the disabled where the Company has cooperated with public, private sectors and local municipalities to drive equal opportunities for people with disabilities, unlocking career opportunities, enhancing potentials of the handicapped, and minimizing inequality in the society; provision of assistance to society and medical personnel during the COVID-19 situation; and adoption and adaptation of the Good Corporate Governance Principles (CG Code) of the Securities and Exchange Commission (SEC) to suit the contexts of the business while reviewing Company's governance policies to ensure they are in line with the principles of good corporate governance, and upgrading the operating standards to be in line with international principles. The above actions resulted in the Company being selected as a Thailand Sustainability Investment Stock (THSI) in 2021 from the Stock Exchange of Thailand and was chosen as a member of Sustainability Yearbook 2022 in the Retail Industry at its first year participating in the S&P Global Sustainability Assessment (DJSI).

The year of 2021 has been a challenging year and a test for Central Retail. However, we were indeed able to adjust our business even more promptly and firmly than before. It has already been proved that the rapid adaptation of the organization and personnel could enable Central Retail to overcome many obstacles in an "Antifragile", or strong but flexible, way. After all, I would like to take this opportunity to express our appreciation to all customers, partners, and employees for being part of this crucial driving force that helps Central Retail continually enhance the business and be ready for sustainable growth, as well as becoming a leader in the global retail and service arena with full pride.

From now until 2022, we shall keep adhering to our brand purpose of being "Central to Life" alongside achieving stable growth by expanding the business through upgraded omnichannel platforms, deploying new technologies and digital to accelerate growth of core business groups, both domestically and internationally, as well as collaborating with international partners and creating new businesses that resonate with the global trends and consumer demands while also expanding the business under the concept of Inclusive Growth to accomplish inclusive success with partners for sustainable growth.





# Sustainability Performance 2021

The Company drives sustainable development throughout the organization in the economic, social, and environmental dimensions. The Company also operates under the sustainability framework consisting of 1) Well-Being of People, 2) Sustainable Economic Growth, 3) Environmental Quality, and 4) Peace, Arts, Culture and Cooperation. The Company has also set strategic directions and operational goals to align with the 17 United Nations Sustainable Development Goals (SDGs). This drives capacity of the organization, promoting well-being of the community and society, along with caring for the environment. Outstanding progress and highlight projects in 2021 are as follows.



# Environmental Quality

Under the principles of “Circular Economy”, the Company establishes sustainable raw material sourcing throughout the supply chain to maximize efficient use of resources. The Company also implements the Journey to Zero project as efforts to achieving zero food waste, Energy Conservation projects, and Love the Earth Campaign to mitigate the negative impacts of climate change.

## Highlight Projects

- Solar Rooftop Systems Installation
- Electric Vehicle (EV) Charging Station Installation
- Forest Restoration Project to promote Sustainable Farming and Food Safety.
- Organic Waste Management through Circular Economy
- Eco-friendly Production and Local Raw Material Sourcing
- Food Surplus Management Project



Amount of Greenhouse Gas Reduction within 10 Years.

**72,131**

Tons Carbon Dioxide

Increase green areas and forest restoration.

**2,154** Rai



Forest Restoration generated Social Return on Investments

**360** Million Baht



Composting of

**17,000** Liters

of Organic Wastes.

Reduced

**160** Million

single - use plastic bags.

Use

**35.17** Tons

of degradable eating utensils throughout operations.



# Well-Being of People

For the people's well-being, the Company sells products that meet quality standards, have nutritional value and promoting products that are healthy and safe for consumers. The Company also aims to develop skills and competencies of the organization's employees and communities.

## Highlight Projects

- Healthiful Program
- Animal Welfare Program
- Employee Competency Development Program
- Employee Joint Investment Program: EJIP
- Employee Health and Well-Being
- Human Rights Due Diligence Action Plan and Human Rights Training
- Basic Life Support and Automatic Defibrillator Training
- Dual Vocational Education Scholarship
- Jing Jai Farmers' Market Program
- Mae Tha Organic Farming and Sustainable Living Project
- Na Muen Si Community Handicraft Textile Learning Center Project



**37** Million Baht

of financial support in scholarships and welfare benefit through Dual Vocational Education Scholarship Project from 2012 to 2021.

**150** Million Baht

investment in employee training.

**220** Million Baht

income generation for communities and farmers through Jing Jai Farmers' Market Project.

**438**

Jobs creation for people with disabilities.

**0**

Fatality for employees and contractors.





# Sustainable Economic Growth

Under the Business Code of Conduct, the Company develops innovations, cybersecurity systems and customers' privacy data protection systems for the purpose of adapting business operations, building public confidence in the Company, and responding to expectations of stakeholders.

## Highlight Projects

- C-Coin
- Facial Recognition and Temperature Checking Technology
- Omnichannel Marketing Strategy
- Central App
- Hiring Cybersecurity Experts
- Delivery Slot Booking System



▶ **98%**

of employees completed codes of conduct training and passed assessment.



▶ **10%**

of total sales are completed through the Company's Omnichannel platforms as of 31 December 2021.

Establishment of

## Central Tech Retail Lab



# Awards and Recognitions

## ISO 45001



The Company's Distribution Center was certified with the ISO 45001 Occupational Health and Safety standard.

## Thailand Sustainability Investment (THSI)



The Company was awarded with "Thailand Sustainability Investment (THSI) 2021" from the Stock Exchange of Thailand.

## Asian Excellence Awards 2021



The Company received five Asian Excellence Awards 2021 from the Corporate Governance Asia, which is a leading economics and business management magazine in Hong Kong. These awards demonstrated the Company's leadership in retailing business and good corporate governance at the international standards. The awards consisted of "Asia's Best CEO," "Asia's Best CFO," "Asia's Best CSR," "Best Investor Relations Company," and "Best Corporate Communications Team."



## S&P Global Sustainability Yearbook Member



The Company was selected to as a member of S&P Global Sustainability Yearbook (DJSI) 2022.

## IDC Future Enterprise Awards 2021



The Company was selected as an innovative organization in the “Best in Future of Work” category of The Future Enterprise Award from IDC, a world’s leading consulting and market research company based in Singapore. The reason for giving it to the Company is from the C-Coin application for e-wallet and digital currency that employees can use instead of actual cash to pay for products or services offered by companies under Central Retail. The application helps to promote employee engagement and employee willing to voluntarily commit to the Company.





### Institutional Investor's 2021 All-Asia Executive Team



The Company was selected to be an organization with an outstanding Chief Executive Officer, Chief Financial Officer and Investor Relations team from Institutional Investor, USA.

### Asia's Best Employer Brand Awards 2021



The Company was selected as the Asia's Best Employer from Employer Brand Institute, a leading institute on human resources in India.



## People with Disabilities Promotion 2021 Award



The Company was given the People with Disabilities Promotion 2021 Award for the second consecutive year from Department of Empowerment of Persons with Disabilities under the Ministry of Social Development and Human Security. The award is meant to recognize the Company's efforts to reduce inequalities experienced by people with disabilities through employment opportunities. This will help people with disabilities have improved quality of life and help drive sustainable development for Thailand. The Company has supported employment for people with disabilities through education and career development. For example, customer service centers for Thai Watsadu and Power Buy are serviced by more than 50 people with disabilities.

## Best Community Programme Award (Gold) The Global CSR Awards 2021

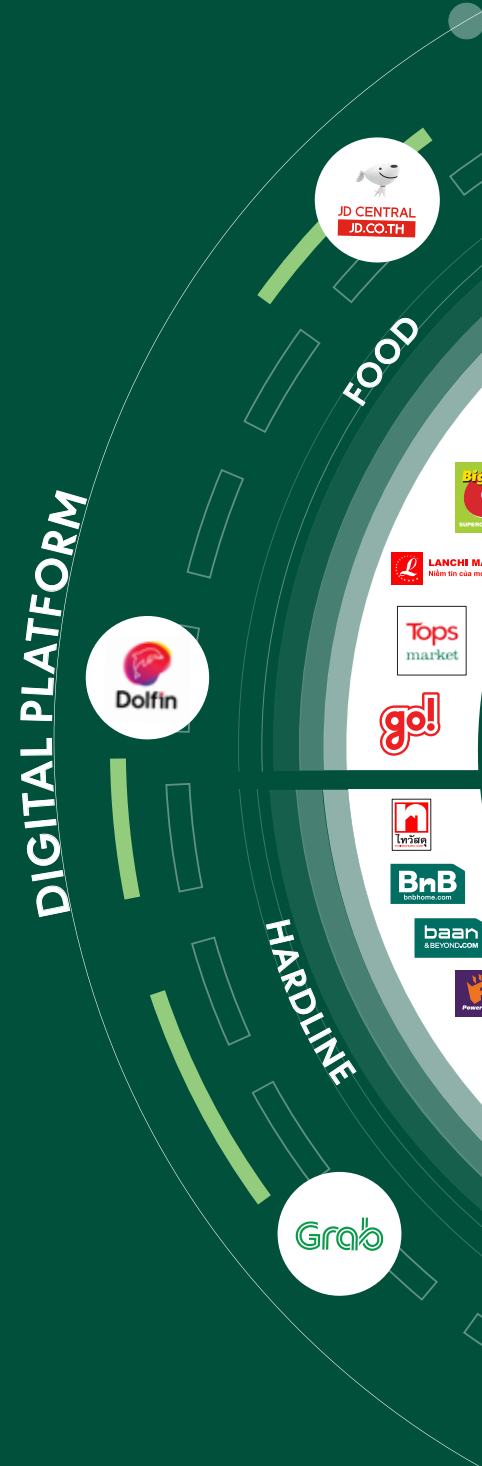


The Company was awarded the Best Community Programme Award (Gold) – The Global CSR Awards 2021 by The Pinnacle Group International, Singapore, for carrying out the Jing Jai Farmer's Market. The Company was selected from companies with market capitalization of USD 500 million to 1 billion.



# About Central Retail Corporation

The Company, a leader in the retail business that aims for excellence in creating satisfaction and the best experience for customers, comprises the Food Segment, Fashion Segment, Hardline Segment, and Property Segment. All 4 business groups are interlinked to form the Company's ecosystem whereby business operations are located in 3 countries: Thailand (Headquarters in Bangkok), Vietnam and Italy. In 2021, the Company's strategic focus includes commercial expansion through various distribution channel development through the Omnichannel platform to satisfy the needs of customers of all demographic groups.

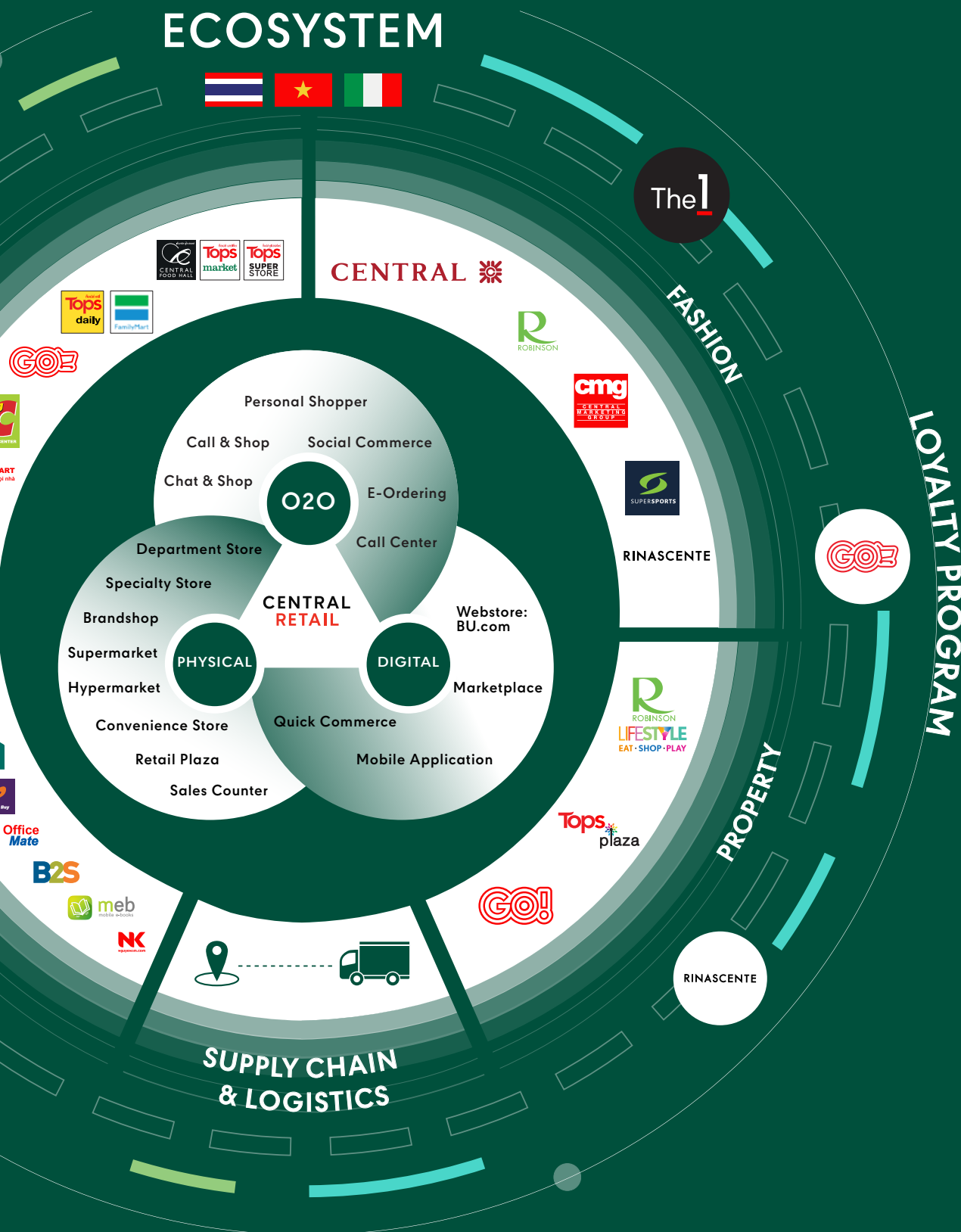






# CENTRAL RETAIL ECOSYSTEM

GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-6,  
GRI 102-9, GRI 102-10, GRI 201-1





# Multi Market

Information as of 31 December 2021



## Italy



**8** Cities

## Thailand

**57** Provinces

## Vietnam

**40** Provinces



**9** Stores

**2,051** Stores

**120** Stores



Total Net Selling Space  
**61,036** Sq.m

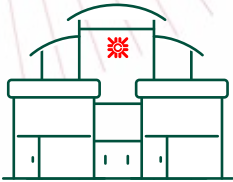
Total Net Selling Space  
**2,865,197** Sq.m

Total Net Selling Space  
**329,562** Sq.m

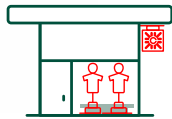


# Multi Format

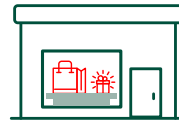
## PHYSICAL PLATFORM (Offline)



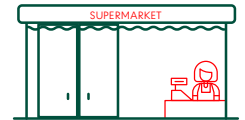
Department Store



Specialty Store



Brandshop



Supermarket



Hypermarket



Convenience Store

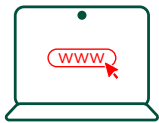


Retail Plaza



Sales Counter

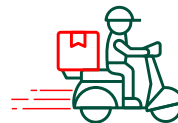
## DIGITAL PLATFORM (Omnichannel)



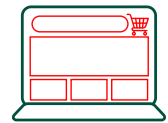
Webstore



Mobile Application



Quick Commerce



Marketplace

## OFFLINE TO ONLINE (O2O)



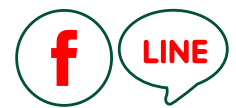
Personal Shopper



Call &amp; Shop



Chat &amp; Shop



Social Commerce



e-Ordering

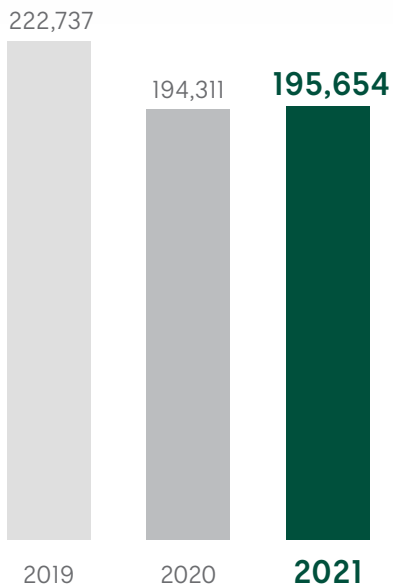


Call Center

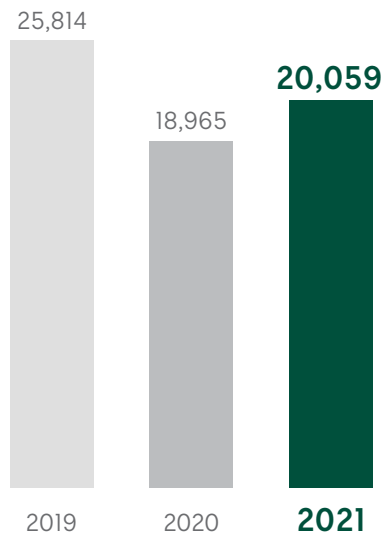


# Financial Highlights

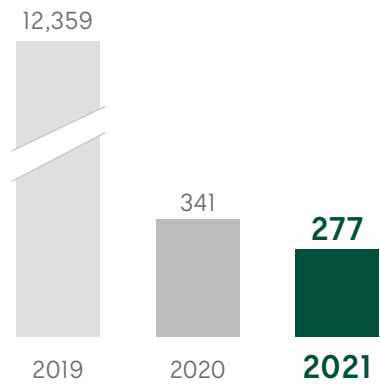
## 1. Total Revenue (Million Baht)



## 2. EBITDA (Million Baht)



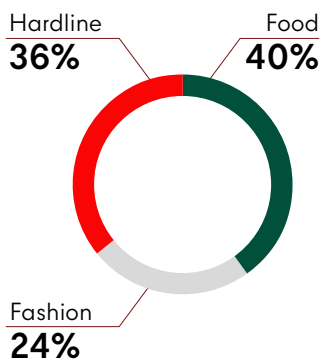
## 3. Net Profit (Million Baht)



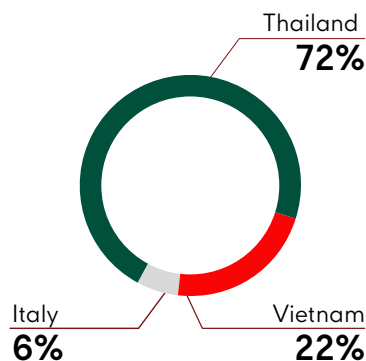
Note: EBITDA reported on normalized basis and excluded Thai Financial Reporting Standards ("TFRS") 9 and 16;

## Sales Contribution in 2021

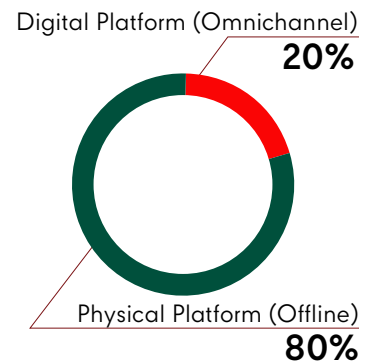
### Sales Contribution by Segment



### Sales Contribution by Country



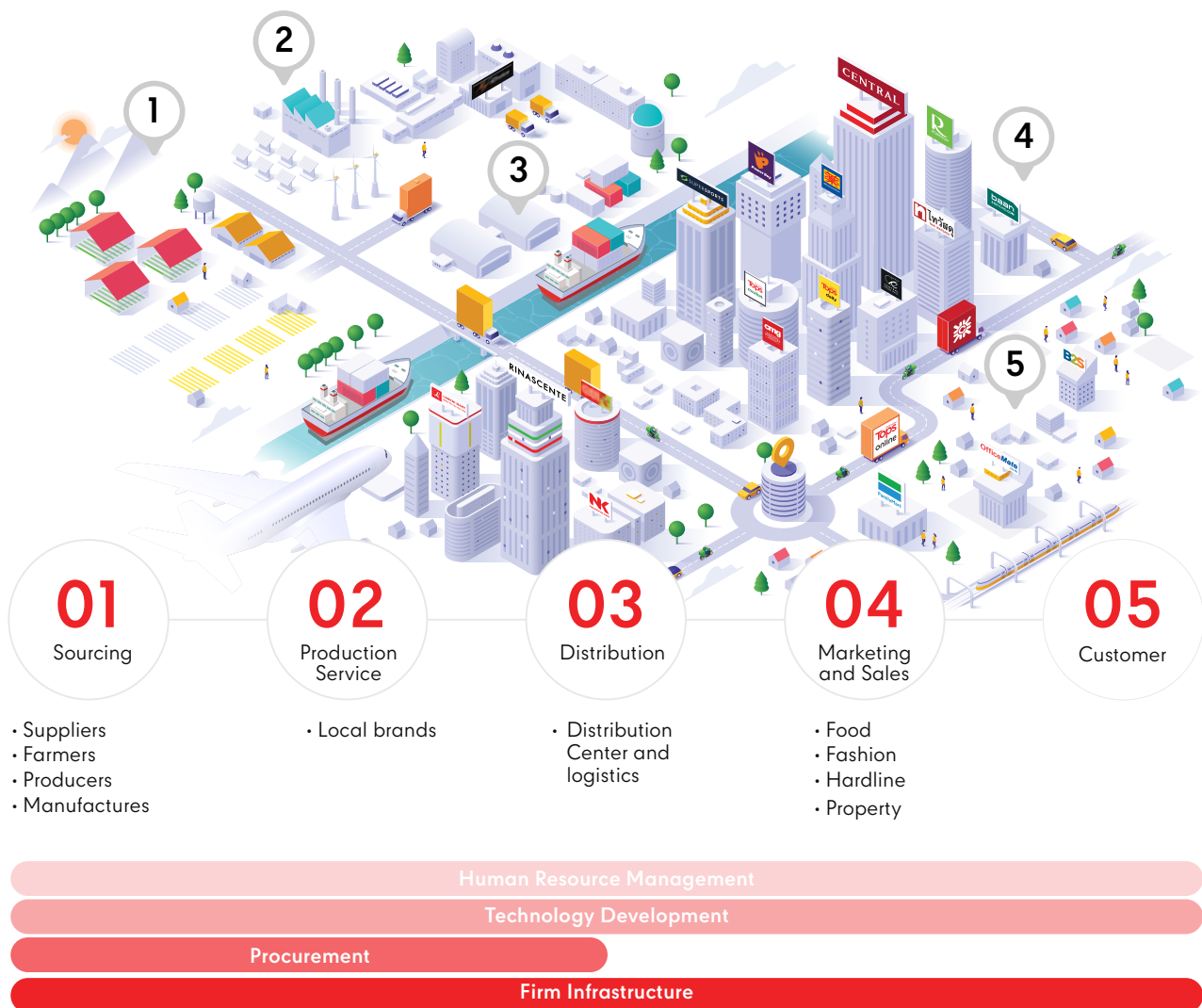
### Sales Contribution by Format





# Central Retail Value Chain

The Company's value chain consists of five sequential components, namely raw material procurement, production and service, outbound transport, marketing and sales, and customers. In all 5 sequential components, the Company only operates with business partners emphasizing fair worker treatment and compliance towards human rights among respective workforce. In addition, the Company manages human resources as efficiently as possible and conducts continuous research and development in order to deliver the best value to stakeholders along the value chain. Within the food business segment, the Company purchases agricultural products directly from farmers in addition to promoting distribution channels for farmers under the Jing Jai Farmers' Market Project.







# Vision and Mission

## Vision and Mission

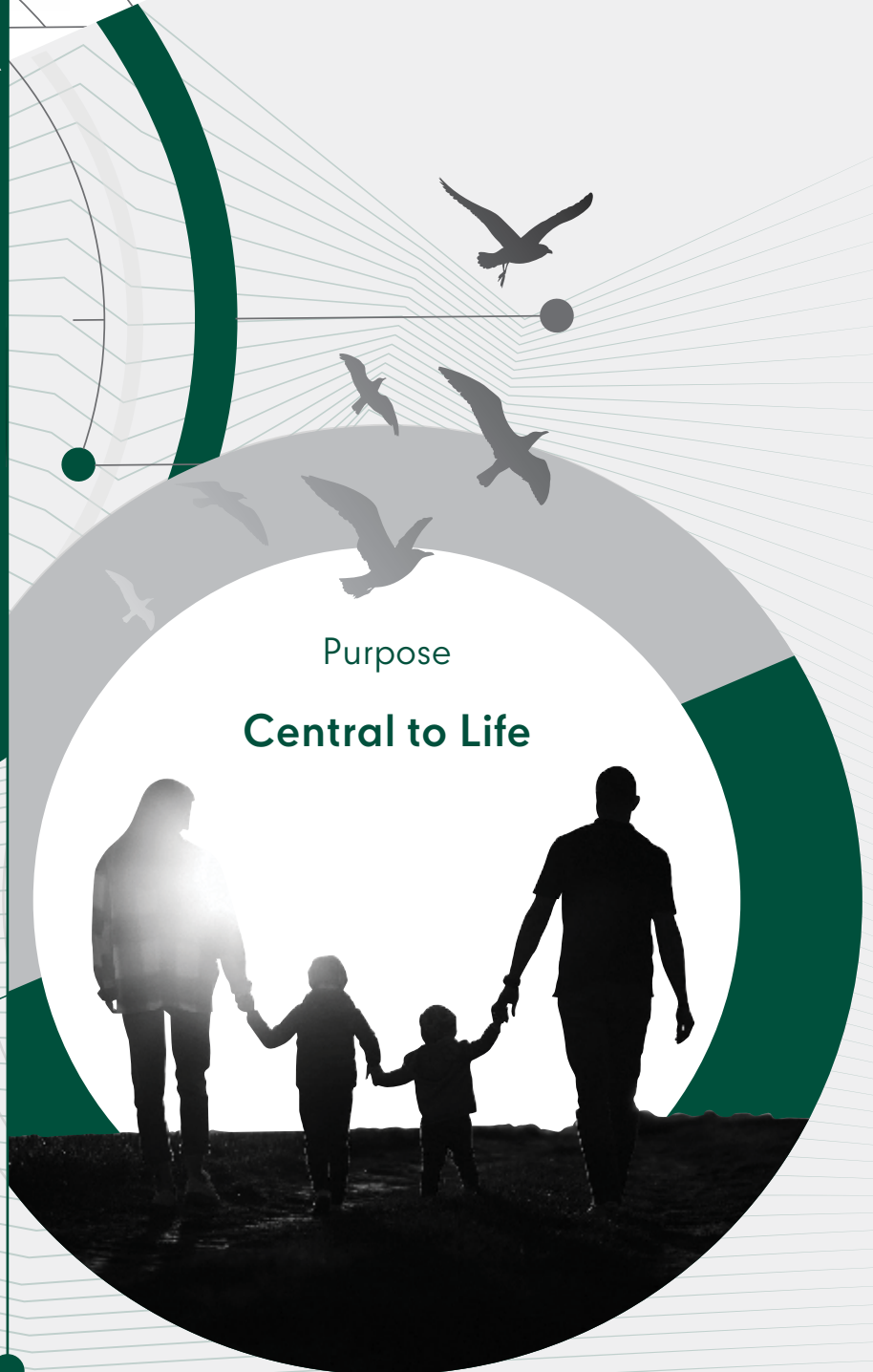
To be the best, sustainable and most admired customer-centric Omnichannel retailer wherever we operate.





## Principles

**Honesty, Diligence,  
and Commitment  
to Customers.**



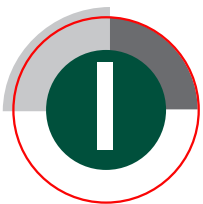
Purpose

**Central to Life**



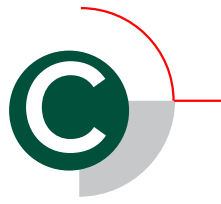
## Core Values

### Because we care.. I·CARE



#### Innovation

Creation of new products, welcome every opportunity and challenge to improve quality and produce more effective performance



#### Customer

Focus on customers, determined to provide excellent service with care and attention for internal and external customers



#### Alliance

Work as a team for the progress of the business group



#### Relationship

Common spirits with colleagues, business partners and society, for sustainable growth



#### Ethic

Respect of ethics in business operations



# Strategy and Guideline to Drive Business for Sustainability

The Corporate Governance and Sustainable Development Committee formulates sustainable development principle and framework with details as followed:

## Sustainability Framework



### Focus on long-term

results that respond to  
short-term results



### Focus on quality

over quantity



### Focus on public interest

over self-interest



### PEOPLE

The Well-Being  
Of People



### PROSPERITY

Sustainable  
Economic  
Growth



### PLANET

Environmental  
Quality



### PEACE & PARTNERSHIPS

Peace, Arts,  
Culture and  
Cooperation



## The Well-Being of People:

Improve people's well-being and develop human capital development

- Develop a product selection process and sell products that strengthens the health and safety for consumers.
- Develop employees' competence to enhance the competitiveness according to the changing world trends.
- Attentive and care for the well-being of employees.





## Sustainable Economic Growth:

Prioritize long-term organizational prosperity through highest standard of corporate governance.

- Develop a cybersecurity system for the company's information network.
- Protect customers' personal information from personal data breaches and unlawful and unethical use.
- Create cutting-edge innovations.
- Build good relationship with customers.
- Manage branding to create awareness of brand and product reputation to the public.



## Environmental Quality:

Ensure that the Company become stewards of the environment and the planet.

- Develop a response plan and provide guidelines for preventing and mitigating the potential impacts of climate change on business, society, and the environment.
- Energy conservation management to reduce greenhouse gas emissions into the atmosphere
- Manage the use of natural resources for maximum benefit by striving to follow the principles of circular economy



## Peace, Arts, Culture and Cooperation:

Strengthen engagement and partnership with community to create social value

- Expand community development projects to many provinces by cooperating between many sectors to strive for a strong economic system. Enhance careers for people in the community and upgrading community products to be products in department stores.
- Operate through a shared value creation between communities, where the Company commits to support important knowledge and necessities.



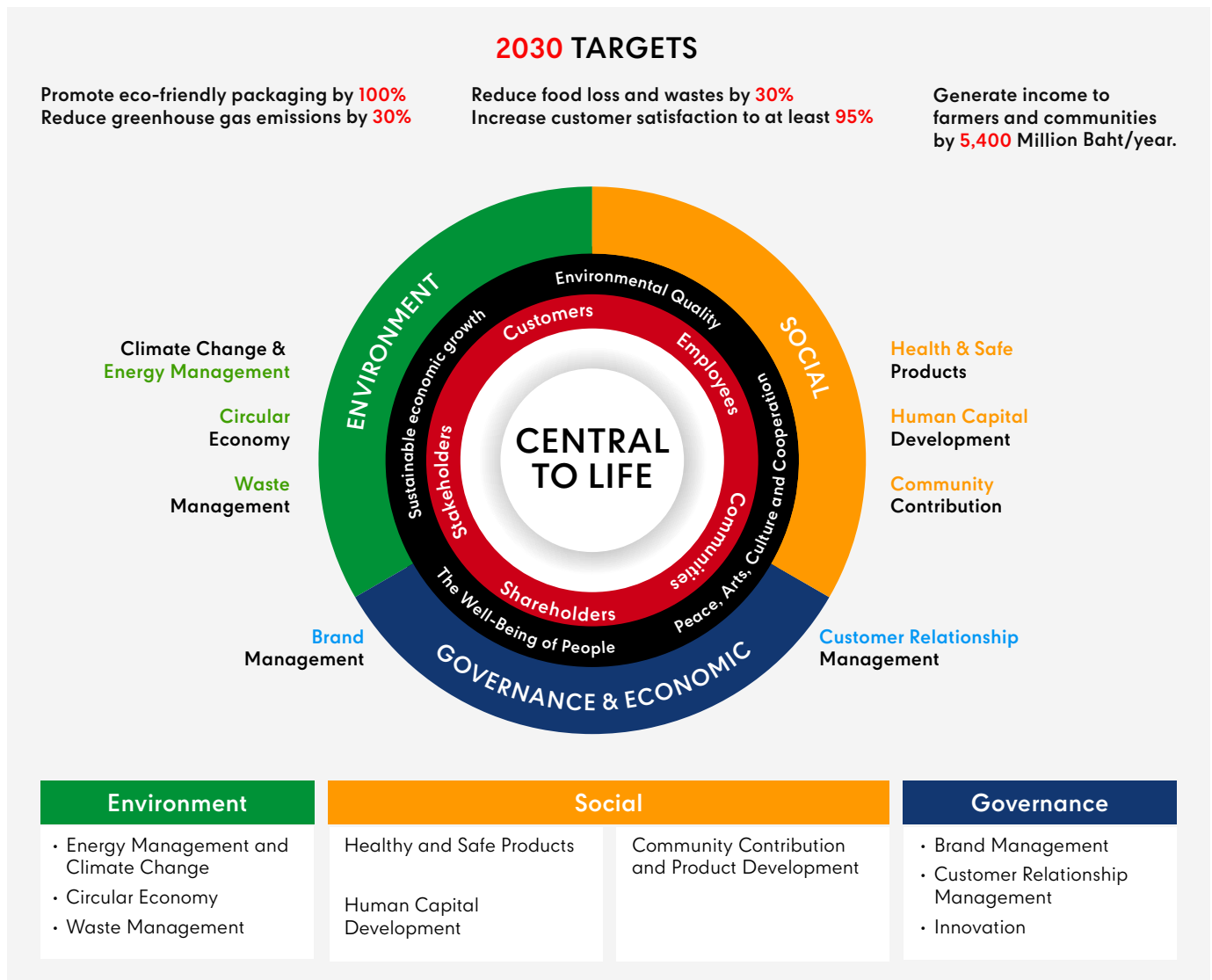


# Sustainability Goals 2030

The Company integrates business practices (4P; People, Prosperity, Planet, and Peace & Partnerships) in accordance with the stakeholders' needs and the ESG framework (Environment, Social and Governance). The purpose is to guide all business groups and units to aim for long-term sustainability.

Under each dimension of ESG, the Company set goals for key issues in achieving greenhouse gas emission reductions leading to future net zero greenhouse gas emissions. In the environmental dimension, the Company selects climate change and energy management, circular economy, and waste management as the three material topics. The Company has set a goal that by 2030, every of the Company's product packaging must be made from eco-friendly or biodegradable materials. In addition, the Company will reduce greenhouse gas emissions and food waste by 30% compared to the baseline year.

In the social dimension, the Company advocates great importance to product safety, employee development and enhancing the livelihoods of people in the community. The goal by 2030 is to generate income for the community and farmers amounting to 5,400 baht per year. Lastly, on the governance dimension, the Company develops brand and customer relationship management services with the goal of increasing customer satisfaction to 95% by 2030.





# About this Report

Central Retail Corporation Public Company Limited has prepared the second annual Sustainability Report for 2021 in order to communicate the sustainability practices and performance of the Company. This sustainability report contains no changes to the business merger and acquisition, information database and data collection procedures from the previous report. However, this year's material topics have changed from last year's to reflect reporting in accordance with ESG framework.

To affirm the transparency and quality of our sustainability performance, this report has been prepared in accordance with the Global Reporting Initiative Standards (GRI): Core Option, which is an internationally recognized sustainability reporting standard.

The coverage of this report covers the sustainability performance of the Company's business units from 1 January 2021 to 31 December 2021. The Company's top environmental indicators consist of energy consumption covering 86% of revenue, water consumption covering 86% of revenue, greenhouse gas emissions (scope 1 and 2) covering 71% of revenue, and others. The Company's top social indicators consist of labor practice indicators (i.e. workforce breakdown, gender pay indicators, and freedom of associations) covering 100% of revenue, human capital development indicators (i.e. Average hours of employee training & development inputs, average cost of training per employee, HCROI) covering 100% of revenue, turnover and voluntary turnover data covering 100% of revenue, and others. In addition, information on the shareholding structure of the group of companies can be obtained from the Annual Registration Statement | Annual Report 2021 (56-1 One Report) or the Company's website: [www.centralretail.com/en/investor-relations/home](http://www.centralretail.com/en/investor-relations/home).







GRI 102-1, GRI 102-5, GRI 102-45, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54



## For more information on this Sustainability Report, Please contact

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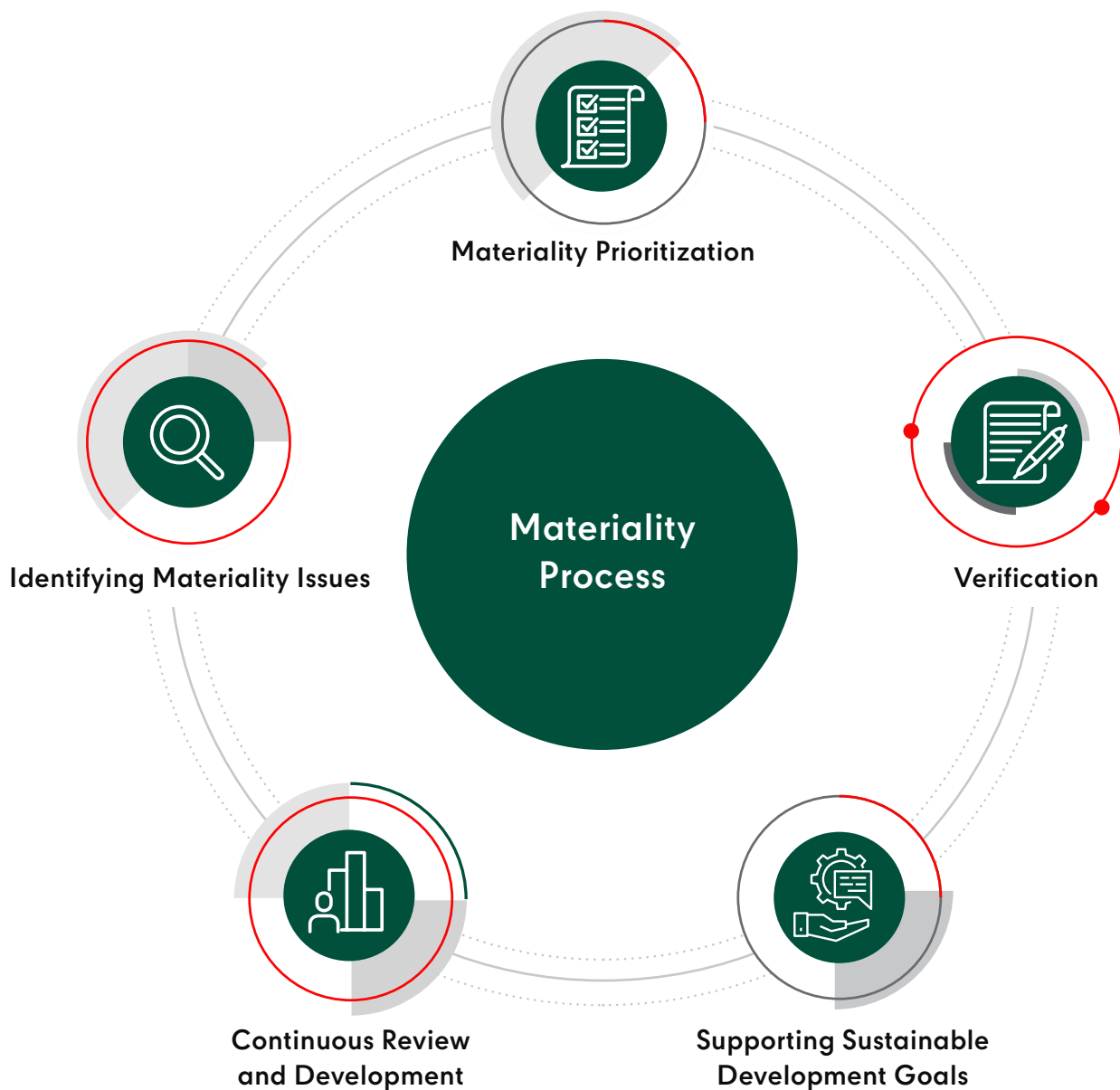
e-mail : [pr@central.co.th](mailto:pr@central.co.th)

Website : [www.centralretail.com](http://www.centralretail.com)



# Materiality Assessment

Sustainability issues relating to the Company's business and its operations encompass a wide range of issues. Notably, this sustainability report shall disclose sustainability issues of significant impacts to the Company, in the economic, social, and environmental dimension, facilitating stakeholders' decisions regarding the Company.





### Identifying Materiality Issues

The Company collects sustainability issues relating to its business groups and stakeholders. The factors utilized to identify material issues comprise Global Reporting Initiative (GRI Standards), Dow Jones Sustainability Indices (DJSI), Sustainability Accounting Standards Board (SASB) for Multiline and Specialty retail industry and food, SET THSI Index, and numerous global trends crucial to the retail business.



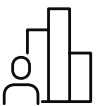
### Materiality Prioritization

The Company screens issues gathered prior with expert consultants regarding sustainability reports. Afterwards, the Company prioritizes each material issue via surveys of the Board of directors', internal and external stakeholders' opinions. Prioritization criteria of high, medium, and low, depends on an issue's scales of impacts to business in economic, social, and environmental dimensions, coupled with importance to stakeholders' decisions.



### Verification

The Company presents prioritization results to the corporate governance and sustainability committee for verification, as well as alignment to the Company's context and strategy. Additionally, the Company heeds feedback from employees, customers, and business partners, gathered from in-depth interviews, to ascertain the accuracy of material issue prioritization.



### Continuous Review and Development

The Company monitors, reviews, and discloses material issue prioritization, as well as continuously discloses information in sustainability reports.



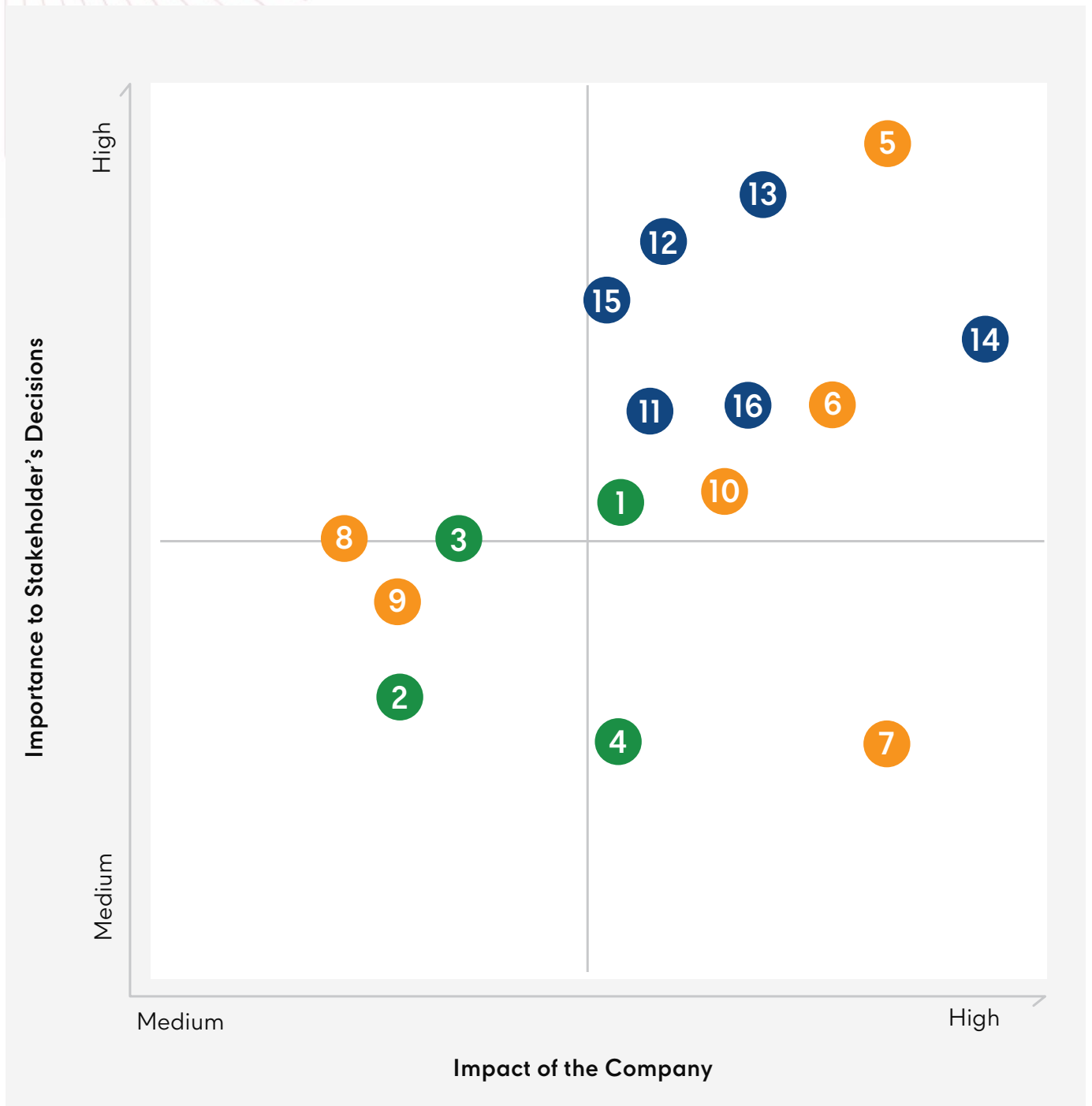
### Supporting Sustainable Development Goals

The Company is determined to be part of the efforts in fostering United Nations' Sustainable Development Goals. This sustainability report discloses sustainable development activities with linkage to the Company's material topics.





## Materiality Matrix

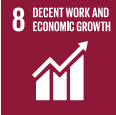


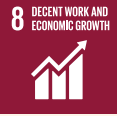


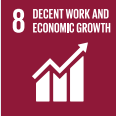











## List of Material Issues Regarding Sustainability

Material Issues	Relevant GRI Framework	Internal	External	UN SDGs
Environment				
1. Climate Change and Energy Management	302, 305	✓	Shareholders, Business Partners, Governmental Agencies, Communities and Society	  
2. Sustainable Sourcing	Company Specific Indicator	✓	Business Partners, Customers, Governmental Agencies, Communities and Society	  
3. Circular Economy	301	✓	Business Partners, Customers, Communities and Society	
4. Waste Management	306	✓	Business Partners, Customers, Governmental Agencies, Communities and Society	
Social				
5. Healthy and Safe Products	416	✓	Business Partners, Customers, Governmental Agencies	 
6. Human Capital Development	404	✓	Shareholders	 
7. Talent Attraction and Retention	401	✓	Shareholders	
8. Occupational Health and Safety	403	✓	Business Partners	



Material Issues	Relevant GRI Framework	Internal	External	UN SDGs
9. Labor Practice and Human Rights	402, 405, 412	✓	Shareholders, Business Partners, Customers, Governmental Agencies, Communities and Society	 
10. Community Contribution and Product Development	203, 413	✓	Shareholders, Governmental Agencies, Communities and Society	   
Economic and Governance				
11. Supply Chain Management	414	✓	Business Partners, Customers	  
12. Corporate Governance and Business Ethics	102-18, 205	✓	Shareholders, Business Partners, Creditors, Governmental Agencies	 
13. Cybersecurity and Privacy Protection	418	✓	Shareholders, Customers, Governmental Agencies	
14. Innovation	Company Specific Indicator	✓	Shareholders, Customers	
15. Customer Relationship and Brand Management	102-43, 102-44	✓	Customers	
16. Risk and Crisis Management and Resilience	102-30	✓	Shareholders, Creditors	



# Stakeholder Engagement

The Company has established a policy on stakeholder engagement to promote the engagement with stakeholders who are involved or may have the potential to be involved with the Company's operations. The purpose is to identify and assess the importance of stakeholder issues and to cooperate with stakeholders to find methods that can mutually benefit all parties.

In 2021, the Company identifies 7 groups of stakeholders. These consist of 1) Shareholders 2) Employees 3) Business Partners 4) Customers 5) Creditors 6) Government Agencies 7) Community and Society. In each group, the Company has a communication model that uses different engagement process for maximum effectiveness. The following table presents the expectations, Response from the Company, and contact channels for the top three stakeholders.

Stakeholder Groups	Expectations	Feedback from the Company	Contact Channel
Shareholders	<ul style="list-style-type: none"> <li>• Business growth and sustainably achieve profit</li> <li>• Good corporate governance</li> <li>• Management with transparency</li> <li>• Ability to create opportunities from challenges</li> <li>• Effective risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Business operation that is transparent, accountable and adheres to the principles of good corporate governance</li> <li>• Effective management to create confidence and highest return</li> <li>• Transparent, complete and continuous disclosure of information</li> <li>• Provide accurate and complete financial information</li> <li>• Abide by the commitment under the guidelines and legal context</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly meeting to clarify investors</li> <li>• Sustainability Report (Website)</li> <li>• Disclosure of information through the annual report</li> <li>• News notification through the Stock Exchange of Thailand</li> <li>• Shareholder meeting</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Good compensation and benefits</li> <li>• Stability and career advancement</li> <li>• Development of latency, knowledge and ability</li> <li>• Participation in the organization in terms of expressing opinions</li> </ul>	<ul style="list-style-type: none"> <li>• Allocate good compensation and suitable welfare. Consider promotions and transfers</li> <li>• Organize an equitable and fair performance appraisal system</li> <li>• Provide training courses to meet business needs and keep up with changes</li> <li>• Listen and take into account comments and suggestions for improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Annual vision announcement meeting</li> <li>• Social media / e-mail</li> <li>• Annual Report (Form 56-1 One Report) and Sustainability Report (Website)</li> <li>• Suggestions or complaints</li> <li>• Annual survey of employee satisfaction and engagement with the organization</li> </ul>





Stakeholder Groups	Expectations	Feedback from the Company	Contact Channel
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>• Equality in business</li> <li>• Transparency in business</li> <li>• Co-development of potential and growing together</li> <li>• On-time administration and payments</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and transparent competition</li> <li>• Transparent and fair business contracts</li> <li>• Organize training courses to increase potential</li> <li>• Accurate, complete and on-time payment schedules</li> <li>• Organize and store partners' information</li> </ul>	<ul style="list-style-type: none"> <li>• Hold annual meetings</li> <li>• Organize training sessions to increase knowledge for business partners. Also implement various activities to build good relationships between the Company and business partner networks</li> <li>• Social media and e-mail</li> <li>• Suggestions or complaints</li> <li>• Annual Report (Form 56-I One Report) / Sustainability Report (Website)</li> </ul>
<b>Customer</b>	<ul style="list-style-type: none"> <li>• Good products and services are of quality standards</li> <li>• Deliver products and services on time</li> <li>• Good after-sales service</li> <li>• Security of personal information</li> </ul>	<ul style="list-style-type: none"> <li>• Good quality service and taking responsibility</li> <li>• On-time delivery of good quality products</li> <li>• Deliver great experience and service beyond expectation</li> <li>• Develop a customer information management system to keep customer information private and secure according to international standards</li> </ul>	<ul style="list-style-type: none"> <li>• Direct customer contact</li> <li>• Customer Service Center</li> <li>• Social media / e-mail</li> <li>• Annual customer satisfaction survey</li> <li>• Suggestions or complaints</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>• Good corporate governance</li> <li>• Management with transparency</li> <li>• Effective management strategies</li> <li>• Ability to create opportunities during challenges</li> <li>• Manage accurate financial information</li> <li>• On time payments</li> </ul>	<ul style="list-style-type: none"> <li>• Operate business with transparency and accountability under the principles of good governance</li> <li>• Effective management, create confidence and maximum return</li> <li>• Transparent, complete and continuous disclosure of information</li> <li>• Abide by the commitment under the guidelines and legal context</li> <li>• Provide accurate and complete financial information</li> <li>• Pay all debts on time and supervise the quality of collateral</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly investors meetings</li> <li>• Sustainability Report (Website)</li> <li>• Social media / e-mail</li> <li>• Suggestions or complaints</li> <li>• Annual Reports (Form 56-I One Report)</li> </ul>



Stakeholder Groups	Expectations	Feedback from the Company	Contact Channel
Government Agencies	<ul style="list-style-type: none"><li>• Legal compliance and promoting good corporate governance in accordance with the principles of good governance</li><li>• Fair and equitable competition</li><li>• Support and cooperation in various activities</li><li>• Efficiently deal with complaints</li></ul>	<ul style="list-style-type: none"><li>• Operate business with transparency, accountability and fairness that goes according to the law</li><li>• Disclosure of information that is transparent, complete and verifiable</li><li>• Compliance with laws and regulations to gain confidence</li><li>• Maintain quality management and build credibility</li><li>• Support and cooperation in various activities</li></ul>	<ul style="list-style-type: none"><li>• Open for suggestions and exchange opinions regularly</li><li>• Organize activities with government networks</li><li>• Social media / e-mail</li></ul>
Community and Society	<ul style="list-style-type: none"><li>• Take into account the input from the community</li><li>• Take issues of safety and environmental impact seriously</li><li>• Handle complaints fairly</li><li>• Support and promote activities that benefit the community</li></ul>	<ul style="list-style-type: none"><li>• Study, learn, understand and listen to feedback from the community and respond accordingly</li><li>• Consistent cooperation to meet the needs of the community according to the system</li><li>• Build acceptance to create unity with the community</li><li>• Create jobs, careers and generate income for the community</li></ul>	<ul style="list-style-type: none"><li>• Sustainability Report (Website)</li><li>• Social media / e-mail</li><li>• Suggestions or complaints</li><li>• Organize activities with community network</li></ul>









# Environmental Quality

The Company recognizes the importance of environmental conservation and the sustainable management of natural resources as an impact prevention measure regarding societal quality of life. In addition, the Company maintains commitment to developing business practices which minimizes environmental impact while initiating preparatory efforts to manage potential negative risks affecting the Company, business operation value chain and stakeholders. The efforts encompass measures for greenhouse gas emissions reduction, sustainable sourcing, waste management optimization and various environmental issue alleviation both directly and indirectly related to Company activities. Some instances of pertinent issues include food waste and the significant increase of plastic packaging.

As a result of increasingly complex environmental issues, the Company has continuously developed and improved its environmental policy, focusing on 7 main issues: reduction of greenhouse gas emissions, ecosystem impact minimization, Zero Waste Target goals, sustainable procurement, environmentally conscious products promotion, and the promotion of sustainable transportation, distribution, consumption, and production.

## Environmental Policies



Reducing greenhouse gas (GHG) emissions



Moving towards zero waste



Offering of eco-friendly products



Advancing sustainable consumption and production patterns



Minimizing ecological footprint



Sustainable sourcing



Promotion of sustainable transportation and distribution

Additional information regarding Company Environmental Policies can be accessed via





To proceed in accordance with established operating framework policy for Central Group's environmental sustainability, 4 approaches to simultaneously elevated environmental quality and sustainable business growth have been defined.

### Environmental sustainability operating framework consists of

4 approaches:



Climate Change  
and Energy  
Management



Sustainable  
Sourcing



Circular Economy



Waste  
Management

The United Nations Sustainable Development Goals (SDGs) are applied to development guidelines and practices to achieve distinct action goals, which are consistent with international practice, and to establish effective environmental management direction.

The Company aims for business growth in parallel with sustainable environmental development throughout the supply chain initiating from the source of raw materials procurement to waste management to enable benefits for both the Company and society. As an effort which requires cooperation from many sectors, the Company realizes the importance of developing knowledge repositories for environmental management innovation and internal personnel energy and natural resource management as a mean to transfer mentioned knowledge to society and all stakeholder groups within the community, provincial, national and global levels.

In 2021, the Company has reaffirmed the policy of operating business with continuous responsibility through focus on environmental conservation and directing society towards sustainability as implemented by the “Central Retail Love the Earth” campaign promoting circular economy to all sectors for the 4<sup>th</sup> year since 2018. This approach is driven through 3 main projects, namely, Waste Reduction (Journey to Zero), Increase Green Areas (Central Green), and Forest Restoration, and ensures environmental issues training and awareness for employees at all levels through Workshop, Virtual Classroom and e-Learning channels. Moreover, the Company has established goals to drive the business towards Net Zero or zero carbon emissions and encompasses climate change, circular economy and waste management aspects in the endeavor to propel Thailand towards achieving carbon neutrality by 2050 and net zero greenhouse gas emissions by 2065 as announced at the 26<sup>th</sup> UN Convention on Climate Change (COP26) on 13 November 2021.





## 2030 Goal

Use environmentally friendly packaging

by **100%**

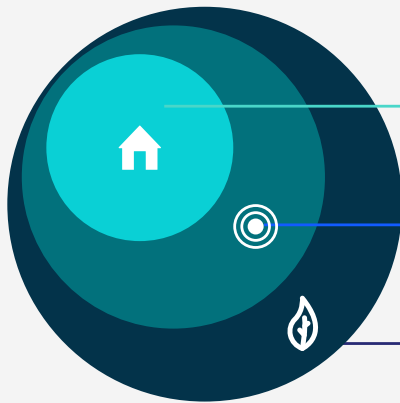
Reduce greenhouse gases

by **30%**

Reduce waste and food waste

by **30%**

## Central Retail Love the Earth



# love the earth

**Journey to Zero**

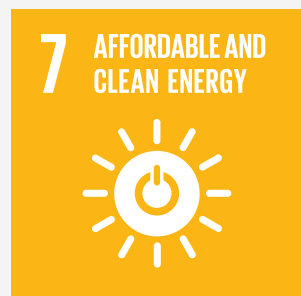
Employees & Stakeholders

**Central Green**

Communities & Surroundings

**Forest Restoration**

National Level





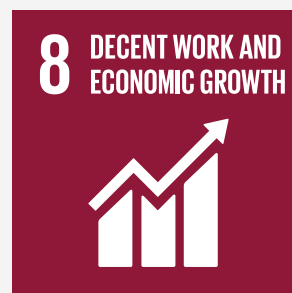
# Climate Change and Energy Management

## Climate Change and Energy Management

Long-Term Sustainability Target (FY2021-2030)	Performance FY2021
Reduce greenhouse gas emissions by 30%	N/A

Note: Sustainability Goals 2030 has been set in FY2021 as baseline.

The impact of climate change, which has progressed in both terms of intensity and complications, results in natural disasters of greater magnitude and higher incidence rate. This occurrence affects the quality of life of people in society and business operations both directly and indirectly. In addition, the Conference of the States Parties at the United Nations Climate Change Conference (COP26) resolution concludes with a concise increase of measures and targets as a response to the climate crises. Therefore, the Company focuses on raising awareness among partners and initiates projects for energy management and climate change under the concept of Creating Shared Value. Furthermore, the Company has formulated policies and targets towards Net zero emissions through measures inclusive of greenhouse gas emissions reduction, mitigation, and business protection from risks potentially arising throughout the supply chain. The aforementioned risks consist of the shortage of natural resources necessary for the production and transportation of goods, increases in unnecessary energy expenditures and taxes levied in relation to excessive greenhouse gas emissions.





# Management Approach

## Energy Management

The Company undertakes energy conservation efforts through efficient management of existing energy supplies and focus on clean energy investments, as a means to increase clean energy utilization proportions and transition from fossil fuel sources, in supporting future business growth. Therefore, the Company initiated the RE100 Thailand Club as a founding committee member with aims to advocate 100% renewable energy utilization. This approach, which aligns with Company guidelines for the installation of solar power generation systems coupled with energy efficient equipment as provisions for Company operations, not only reduces energy expenditures but also reduces greenhouse gas emissions, a key factor contributing to climate change.

## Climate Change Management

The Company is committed to climate change impact mitigation efforts through integrating climate change issues into organizational risk and climate assessment processes, in addition to analyzing greenhouse gas emission origins related to Company activities inclusive of direct organizational greenhouse gas emissions from thermal energy originating from Company fossil fuel sources and indirect greenhouse gas emissions through corporate energy consumption (scope 1), from purchased electricity for internal organizational usage and external organizational greenhouse gas emissions arising from various stakeholder groups (scope 2), and from logistics inclusive of business excursions, raw materials sourcing and product transportation (scope 3). The Company emphasizes greenhouse gas emissions reduction throughout the supply chain (de-carbonization supply chain) simultaneously with greenhouse gas storage through employee awareness raising projects at the intra-organization, partner and customer levels, as an approach to resolving climate change issues in a concrete manner. Moreover, the Company conducts risk assessments and strategy adjustments as a precaution for climate change impacts through voluntary disclosure of financial risks related to climate change according to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines to promptly develop strategies for increased climate change resilience. In relation to the Business Continuity Management Plan (BCP) development, the Company has incorporated physical risks arising from climate change.

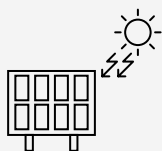
## TCFD Disclosure

In 2021, the Company conducted occupational risk assessments pertinent to climate change through the assessment of the opportunities and physical risks arising from natural disasters and transition risks as a result of shifts in government policies and regulations on climate change. The Company has reviewed and amended governance, strategy, risk management, goal measurements and benchmarks to comply with TCFD recommendations.



# Performance

## Operational Overview Indicators 2021



Increased clean energy utilization proportion (Solar PV Rooftop)

**67 %**



Increased forest restoration area

**2,154 Rai**

Energy Consumption	2018	2019	2020	2021
Total Energy Consumption (MWh)	753,752	1,047,981	1,081,131	1,249,864
Total Renewable Energy Consumption (MWh)	4,951	6,615	17,248	51,566
Total Non-Renewable Energy Consumption (MWh)	776,172	1,041,366	1,063,883	1,198,298

Greenhouse Gas (GHG) Emissions	2019	2020	2021
Direct Greenhouse Gas Emissions (Scope 1) (Tons CO <sub>2</sub> e)	6,522	6,898	39,527
Indirect Greenhouse Gas Emissions (Scope 2 Location-based) (Tons CO <sub>2</sub> e)	507,786	518,306	384,588
Indirect Greenhouse Gas Emissions (Scope 2 Market-based) (Tons CO <sub>2</sub> e)	507,786	518,306	384,588
Indirect Greenhouse Gas Emissions (Scope 3) (Tons CO <sub>2</sub> e)	65,029*	112,451*	37,183**

\*Food Waste + General Waste + Upstream Transportation

\*\*Downstream Transportation and Distribution + Employee Commuting + Business Travel by Airplane





## Energy Management and Climate Change Summary



Reduced Energy  
Consumption in 2021



Reduced Greenhouse  
Gas Emissions in 2021



Tops  
**175,457**  
(MWh)



Tops  
**87,711**  
Tons CO<sub>2</sub>e



FamilyMart  
**66,754**  
(MWh)



FamilyMart  
**33,371**  
Tons CO<sub>2</sub>e



Robinson  
**186,891**  
(MWh)



Robinson  
**93,427**  
Tons CO<sub>2</sub>e



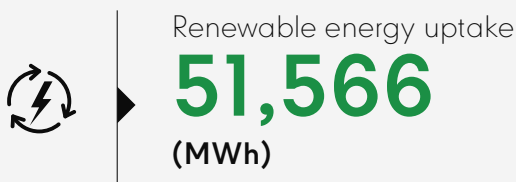
# Highlight Projects

## Solar Rooftop Systems Installation Project (Solar Rooftops)

The solar cell system rooftop installation project aims to increase the proportion of clean energy from sunlight as an alternative to fossil fuels in business operations, an approach leading to energy expenditure reduction and greenhouse gas emissions reduction. In 2021, a total of 15 additional Company retail operations underwent solar cell rooftops installation when compared to 2020 and thus increases the total number of retail operations equipped with solar cell rooftops since project inception to 40 (16 Robinson Department Stores, 15 Thai Watsadu stores in Thailand, and 9 GO! Mall in Vietnam).



### Performance



### Solar Rooftop Systems Installation Project (Solar Rooftops)

Alignment with organizational goals	Alignment with CRC's greenhouse gas emissions target of 30% by 2030.
Output	Reduced direct energy consumption from fossil fuel sources in business operations in 2021 by 51,566 Megawatt-hour (MWh).
Value Creation	Reduced greenhouse gas emissions by 30.02 Tons CO <sub>2</sub> e.

## Energy Savings Project

The Company aims to reduce energy consumption in business operations through focusing on implementing high quality electrical equipment or appliances to reduce unnecessary energy loss.



### Energy-Saving Refrigerators (Tops and Family Mart)

Alignment with organizational goals	Alignment with CRC's greenhouse gas emissions target of 30% by 2030.
Output	Reduced total energy consumption by 20,479.13 Megawatt-hour (MWh)/year.
Value Creation	Reduced GHG emission by 10,237.52 Tons CO <sub>2</sub> e.

## Electric Vehicle Charging Stations

The Electric Vehicle Charging Station Installation Project aims to reduce greenhouse gases emitted by customers through the installation of EV charging stations in retail operations as a method to promote electric vehicle usage and reduce greenhouse gas emissions arising from customer commutes. In 2021, a total of 600 EV charging stations have been installed throughout Thailand and Vietnam and thus represents cooperation between the Company and customers in tackling climate change issues.



**41** Branches  
participating in the project

**600** Slots

### Electric Vehicle Charging Station Installation Project

Alignment with organizational goals	Alignment with CRC's greenhouse gas emissions target of 30% by 2030 and promotes renewable energy usage to promote electric vehicles.
Output	41 branches participating in the project with 600 Slots.
Value Creation	Reduced greenhouse gas emissions from combustion of fossil fuels from automobile.



## Forest Restoration

The watershed forest restoration project aims to restore and increase forest areas to naturally store carbon, maintain biodiversity, create jobs, and develop sustainable local community food systems, a fundamental factor in raising the quality of life of people within the community. It has been implemented in collaboration with local communities and environmental organizations in Chiang Mai, Chiang Rai and Nan provinces. In addition, the project has promoted each area to ensure environmental management and sustainable agriculture, for example, by encouraging farmers to switch from monoculture that uses large quantities of chemicals to organic farming. The project promotes mixed-forest agriculture “three forests: four benefits” and demonstrates community benefits from aspects ranging from sustainable farming knowledge, production, processing, marketing to value addition of products. Concurrently, the Company benefits from strengthening relationships with communities and the opportunity to participate in carbon sequestration as a means to address climate change.



**2,154**  
**Rai**

for Forest  
Restoration



Total greenhouse  
gas storage of

**72,131**

Tons of CO<sub>2</sub>e/Rai  
within 10 years



Social Return on Investment (SROI) worth

**360,450,360** Baht

### Forest Restoration

Alignment with organizational goals	Accomplishment of goal to increase green areas from 2,000 rai to 2,154 rai by 2021.
Output	Total greenhouse gas storage within 10 years of 72,131 tons CO <sub>2</sub> e per rai. Increase forest areas in 2021 to 2,154 rai.
Value Creation	Social Return on Investment (SROI) worth 360 million Baht.



# Sustainable Sourcing

## Sustainable Sourcing

The Company places importance on quality raw materials. This is the key to creating quality and safe products that satisfy consumers. However, nowadays, consumers are increasingly aware of environmental issues. As a result, the impact of raw material sourcing is taken into consideration. Therefore, the Company is committed to sustainable sourcing of raw materials. The purpose is to show responsibility and to build consumers' confidence in their decision to buy products, that the purchases are not part of negatively contributing to environmental and social impacts, as well as not supporting raw materials from poor quality sources or sources that violate the law and ethics, including the invasion and destruction of forests, which are the cornerstones of biodiversity. Therefore, the Company pays attention to the sourcing of raw materials that meet its standards. Sustainable sourcing reduces negative impacts and creates a positive impact on the community and the environment, especially natural raw materials from agriculture and livestock that must comply with the law and animal welfare while creating higher value for the produce. This leads to the potential of community-level suppliers to sustainably upgrade the quality of the local economy.





# Management Approach

## Management of Raw Material Sourcing

The Company has set a policy to create an operational framework that focuses on doing business that does not affect the environment. Community and society, including building good relationships with small local suppliers to large suppliers, and has prepared a manual for the Supplier Code of Conduct to select and encourage suppliers to have a sustainable business. The Company has set up environmental criteria to strictly monitor its suppliers. This covers the emissions of waste generated from production, the potential to create greenhouse gases, creating the most value from the use of water and energy resources, impact on biodiversity, no deforestation, and animal welfare through self-assessment and surveys from surrounding communities. The purpose is for the Company to conduct business in line with the United Nations Sustainable Development Goals (SDGs) Goal 12 (Ensure sustainable Consumption and Production Patterns) for efficient and sustainable resource management.

## Suppliers Selection

The Company has established guidelines and criteria for suppliers who are raw material producers. The guidelines are reviewed under the framework of capabilities, ethics, and moralities. The suppliers of the Company not only have to comply with the guidelines, but they also have to conduct business with responsibility to society, the community, and the environment. In addition, the Company has conducted an annual audit to assess operating standards, as well as the impact arising from business operations. In 2021, it was found that all suppliers agreed to strictly comply with the Company's guidelines.

# Performance

## Operational Overview Indicators in 2021

The proportion of suppliers who undergo the selection process on environmental criteria

▶ **100** %

The proportion of suppliers who pass the selection process on environmental criteria

▶ **100** %

Revenue generated for the communities

▶ **30**  
Million Baht

The proportion of sales growth of animal health products

▶ **15** %

## Highlight Projects

### Organic products and OTOP products

The Company focuses on delivering quality, safe and healthy products to consumers. Therefore, the project has been implemented to promote organic agricultural products that are chemical-free and standardized, as well as production processes that do not negatively affect society and the environment. The project also supports products from community enterprises and OTOP products to drive the local economy towards sustainability. The project has been well received by consumers. As a result, sales can sustainably generate income for both the Company and the community.



Sales Revenue (Baht)	2018	2019	2020	2021
Organic Products (vegetables and fruits)	181,940,931	228,425,974	215,951,015	208,864,421
OTOP Products	260,354,300	269,920,184	175,012,589	124,554,619





## Local Sourcing

The Company aims to support local farmers to be able to farm without negatively affecting the environment through organic farming methods. The Company also provides training in environmental management, marketing, and product development to uplift local suppliers' skills to a competitive level.

### Local Sourcing

Consistency with the organization's goals	Promoting more income and jobs for farmers in the community by selecting and sourcing products directly from the farmer's farms.
Output	Generate income for the community of 249 million Baht in 2021.
Value Creation	Collaboration between businesses and farmers in the community to enhance the cultivation of agricultural products with safety standards. The produces are brought into distribution channels and able to sustainably generate more income for the community. The project can also minimize cross-area transport to reduce long-term environmental impacts.

## Animal Welfare

The Company has an objective not to support the livestock business that is involved in animal cruelty and animal testing without any regard to ethical principles. The Company, therefore, promotes building an information database for livestock farms, as well as increasing sales channels by adding value to products raised in accordance with animal welfare standards.

### Cage-Free Eggs

Consistency with the organization's goals	The focus is on delivering safe food to consumers and supporting socially responsible food production and animal welfare.
Output	The proportion of Cage-Free Eggs is 14% of all fresh egg products in 2021.
Value Creation	Uplifting and supporting Thai farmers and entrepreneurs to focus on and comply with livestock farming standards for consumption in accordance with animal welfare principles. Sustainable livestock farming can increase the production potential of products to be on par with international standards and deliver good quality and safe food to consumers.

## Quality at Heart

The Company aims to raise the level of food safety standards to the highest possible quality for vegetables, fruits, and fresh food from the cultivation process, harvest, and transportation throughout the supply chain that must comply with health and safety standards. The purpose is for consumers to have good health by choosing the Company's consumer products.



### Quality at Heart Program

Consistency with the organization's goals

Food Safety Standards Policy emphasizes five key principles, adhering to the principle of Care for You, Care for Selection and Sustainability, guaranteed cleanliness, safe and environmentally friendly products, and international quality—all reinforce confidence that consumers receive the best quality products in season, delicious taste, and reasonable price.

Output

Four agricultural produces and seven suppliers and manufacturers that are certified.

Value Creation

The emphasis is on selecting produce that has a unique taste and standard to foster the highest satisfaction for consumers. This creates awareness about product standards—for them to be well-known and accepted. The project also enhances the potential of Thai farmers to be ready for more international competition.



# Waste Management

GRI 103-1, GRI 103-2, GRI 103-3, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

## Waste Management

Long-Term Sustainability Target (FY2021-2030)	Performance FY2021
Reduce food loss and wastes by 30%	N/A

Note: Sustainability Goals 2030 have been set in FY2021 as baseline.

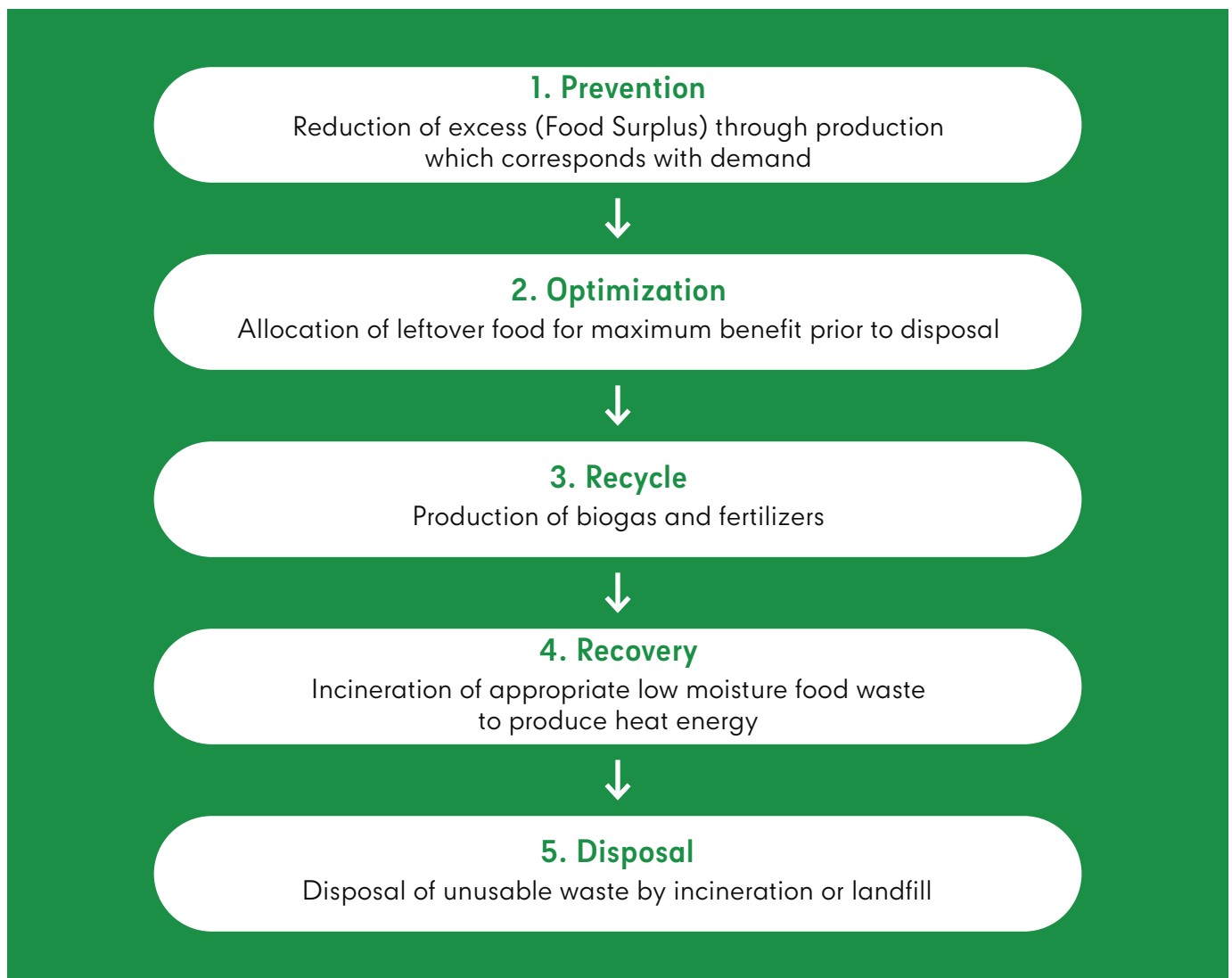
As a result of issues concerning waste management in Thailand and the exponential increase of solid waste generation, Thailand has released considerable amounts of waste, especially plastic waste, into the sea and thus impacts biodiversity and quality of life among community members. As a response to consumer environmental awareness towards purchasing decisions, the Company recognizes the importance of responsible solid waste management in regards to the environment, society, community and stakeholders, in addition to characterizing the mentioned environmental management as an indicator reflecting potential in efficient business operations. Originating from pledges to reduce plastic waste until successfully achieving company model status for efficient waste management, the Company has made strides in analyzing correlations between business operations and solid waste issues. Therefore, it was realized that food waste originates throughout the supply chain from point of sales as food surplus to food wastes post-consumption and wastes from packaging material to solid wastes. Therefore, in order to reduce impacts arising from solid waste concerns, the Company recognizes proper waste management methods in accordance with respective waste type, an approach leading to maximum societal and environmental gain through implementing relevant projects and waste reduction measures. The resulting food waste reductions are closely monitored and evaluated with reference waste category respective indicators through utilizing most appropriate processing methods prior to expansion of this approach to all stakeholders inclusive of business partners and customers.





# Management Approach

The Company has established a policy framework to manage waste efficiently through focus on waste reduction and waste management optimization as opposed to landfill disposals, a method which poses risks associated to the contamination of water, air and land, in addition to high levels of greenhouse gas emissions. Therefore, the Company has pursued the Journey to Zero goal in line with the United Nations Sustainable Development Goals by adhering to compliance principles and guidelines in reducing waste throughout the supply chain by half no later than 2030. In order to achieve the stated goal, the Company has continuously initiated programs based upon waste reduction centric policies and practices.



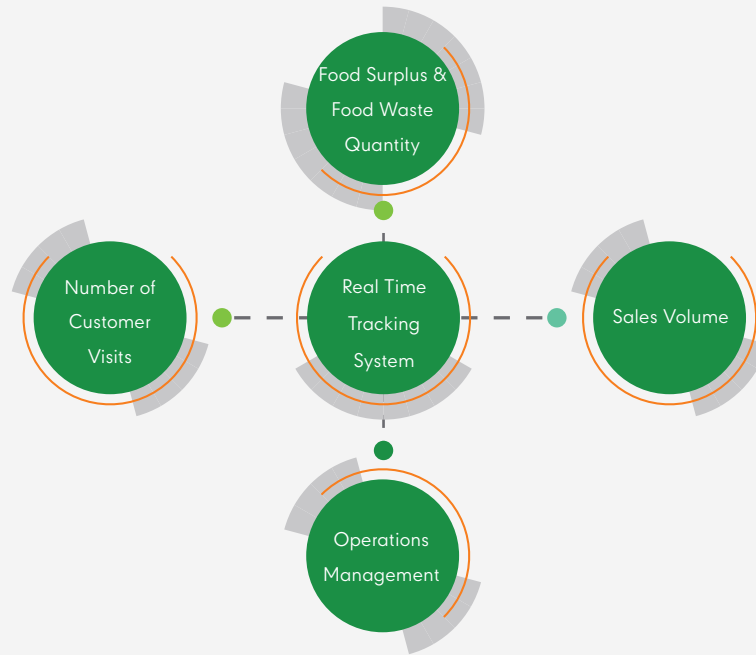
Scan QR code for more information on  
Food Loss & Waste Reduction Guidelines





## Measuring and Assessing Food loss and Waste

The Company maintains a record of waste-related data through the application of information storage systems in order to monitor implementation progress and success in regards to the goal of reducing waste to zero. Furthermore, the development of automation technology for system data storage enables operating summary oversight and analysis.



## Performance

### Operational Overview Indicators in 2021



Weight of wastes processed, reused or recovered to usable form

**6,082.95**  
Tons



Amount of food waste generated

**3,785.402**  
Tons

	2019	2020	2021
Total Waste Recycled/Reused (Tons)	3,414.11	3,704.78	5,318.40
Total Waste Disposed (Tons)	2,828.41	67,931.42	61,783.64
- Waste Disposed to Landfill (Tons)	2,828.41	67,931.42	61,783.64
Total Hazardous Waste (Tons)	7.33	10.80	8.77
Total Infectious Waste (Tons)	2.49	6.96	4.62





# Highlight Projects

## Food Surplus Management

In response to Company emphasis on reducing food loss and wastes due to surplus at the point of sales, projects with the objective to enable production in accordance to consumer demand and projects for the useful transfer of leftover food from sales to disadvantaged groups for consumption as a food waste prevention measure were conceived. The Company has categorized food waste according to the respective food life cycle, a cornerstone in managing food waste and excess food for maximum benefit. Surplus food still maintaining good qualities can be cooked and donated to disadvantaged people through intermediary collaboration with three foundations: Scholars of Sustenance, VV Share Foundation, and Care and Share Food for All. Additionally, food wastes can be managed through biological methods, a means to reduce environmental impact and create value for society.

### Surplus Food Management Project

Alignment with organizational goals	Alignment with CRC's target to reduce food loss and food waste by 30% within 2030. Collaboration with partners and stakeholders to reduce food loss and waste in the value chain.
Output	759.380 tons
Value Creation	Total food surplus of 1,133,139 meals Reduce greenhouse gas emissions by 674.49 tons CO <sub>2</sub> e.

## Surat Zero Waste Model

The Company is determined to propel a society free from the effects of solid waste. Therefore, this project is carried out with the objective of solving community environmental problems in a sustainable manner through creating a knowledge repository for proper management of each respective waste type for the benefit of the community and eventual community income generation.

### Surat Zero Waste Model

Alignment with organizational goals	Alignment with CRC's target to reduce food loss and wastes by 30% within 2030.
Output	Reduced food waste by 2.28 tons.
Value Creation	Produced 2,000 liters of liquid compost fertilizer.

## Samui Zero Waste Model

The Company resumes projects to tackle environmental problems on the island in a sustainable way through creating a knowledge repository regarding waste management by way of an operational framework. The scope includes initial waste separation according to appropriate management methods to enable benefits from waste inclusive of creating bio-fertilizers (Composter) for farmers within the community. In addition, biogas by-products are utilized to replace LPG in schools. This model has achieved success and has since becoming a learning source that extends to other communities in solving environmental problems, reducing expenses, and generating sustainable income for the community.



### Samui Zero Waste Model

Alignment with organizational goals

Alignment with CRC's goal of reducing food loss and wastes by 30% within 2030.

Output

Reduced 47.13 tons of food waste.

Value Creation

Produced 15,000 liters of liquid compost fertilizer.

## Electronic Waste Collection

The Company realizes the impact of hazardous waste whereby even a minute proportion causes long-term environmental contamination. Therefore, projects that supports the separation of Electronic waste was conceived with assistances from Company employees. Furthermore, awareness of the importance in separating hazardous waste was communicated to customers through the installation of a disposal box for old or used batteries and other electronic wastes classified as hazardous. This measure serves as a means to properly collect and dispose of e-Wastes in an environmentally safe manner.



### e-Waste Project

Alignment with organizational goals	Comply with CRC Environmental Policy on waste separation at the source to reduce environmental impact.
Output	8.77 tons of E-waste.
Value Creation	Reduce contamination of toxic substances into the environment.



# Circular Economy

GRI 103-1, GRI 103-2, GRI 103-3, GRI 301-1, GRI 301-2, GRI 306-4

## Circular Economy

Long-Term Sustainability Target (FY2021-2030)	Performance FY2021
Promote eco-friendly packaging by 100%	N/A

Note: Sustainability Goals 2030 have been set in FY2021 as baseline.

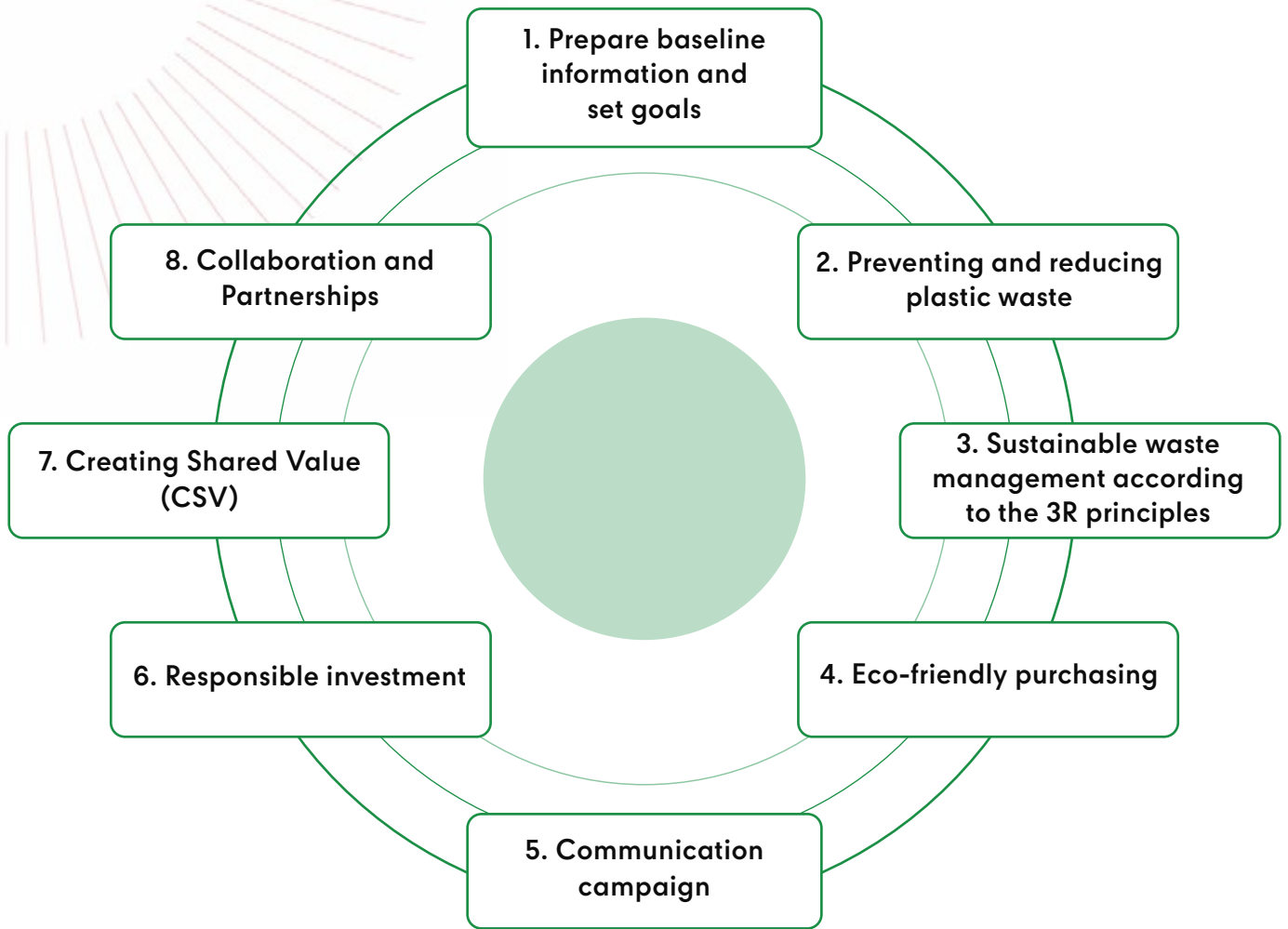
Due to the expanding global population and expected continuously increasing age demographics, consumer waste generation quantities have increased dramatically. In addition, shifts in consumer behavior which reflects emphasis on urgency and convenience has constantly driven increased usage of single-use plastics and fast fashion. The Company is therefore aware of issues concerning plastic waste, waste mismanagement, resulting effects toward both terrestrial and aquatic ecosystem biodiversity and the plastic particle quantities that accumulate in natural resources, air, as well as plastic particles in food ingested by consumers. The Company, as a retail business organization that distributes products and provides consumer services, comprehends the importance of circular economy adoption as a means to manage waste generation, especially packaging waste, and create value and support processing initiatives for benefit creation and material reconversion to raw materials for production. Furthermore, the Company raises awareness among employees and consumers in relation to sustainable consumption and thus leads to waste issue resolution and both societal and environmental impact reduction in line with the country's policy to promote Bio-Circular-Green (BCG) Economy Model concepts.



## Management Approach

The Company aims to create value for resources used in production as well as waste arising from business operations through the application of circular economy and promoting awareness among executives, employees, contractors, customers and all groups of stakeholders. Therefore, a policy framework for progress towards zero waste (Journey to Zero) has been formulated as a guideline to reduce waste throughout the value chain. In addition, the Company has established guidelines for plastic and packaging reduction in tandem with waste separation practices as a means to effectively drive circular economy within the organization, an approach leading to awareness and knowledge creation among society. Furthermore, the community can apply the circular economy principles to enhance societal quality of life in a concrete manner.





For more details on the Circular Economy Policy, please visit

Food Loss & Waste  
Guideline



Waste Segregation  
Guidelines



Plastic & Packaging  
Reduction Guidelines





# Performance

## Operational Overview Indicators in 2021

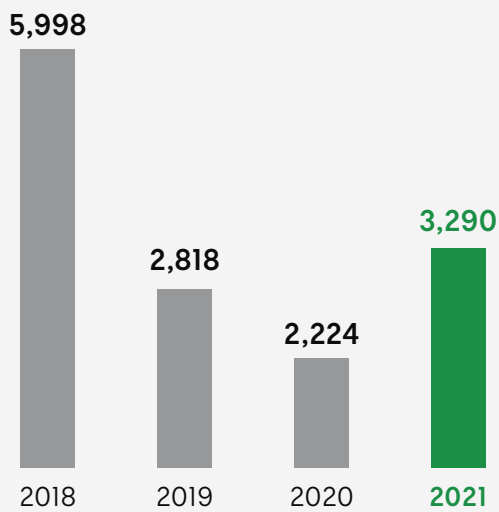


Reduce usage of single-use plastic bags when compared to the previous year

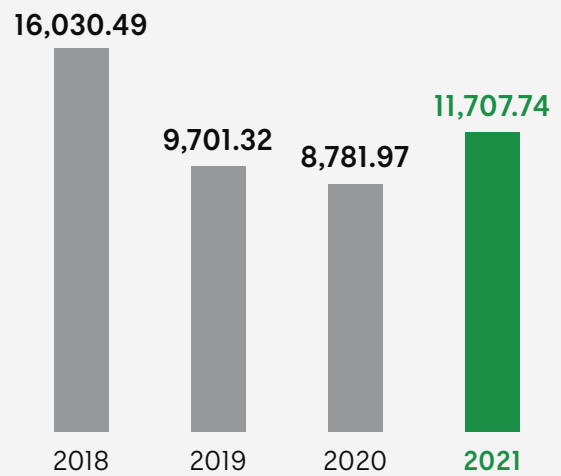
**47.30%**

## Package Quantity

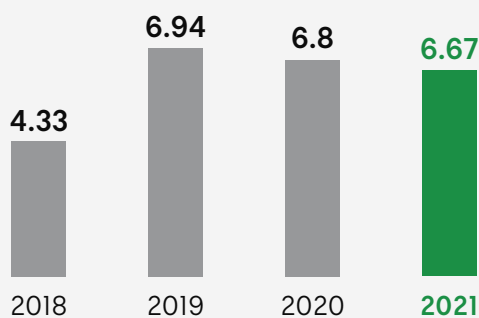
Consumption of plastic packaging (Tons)



Consumption of wood and paper packaging (Tons)



## Consumption of Net Fresh Water (Million m<sup>3</sup>)



## Highlight Projects

### Create Waste Segregation Awareness for Employees and Customers

The Company organized projects to raise awareness of the problems and resulting impact associated to wastes among employees, customers, and related stakeholders. This endeavor initiates from promoting waste segregation, a key foundation in benefits creation for waste in accordance with the applicable circular economy principles, in order to appropriately manage respective waste type. The Company categorizes wastes into 4 types: organic waste, recycled waste, general waste, and hazardous waste. The waste segregation initiative encompasses chain shopping centers and office buildings in order to facilitate and promote waste separation awareness and maneuver theoretical management approaches into actual practice.

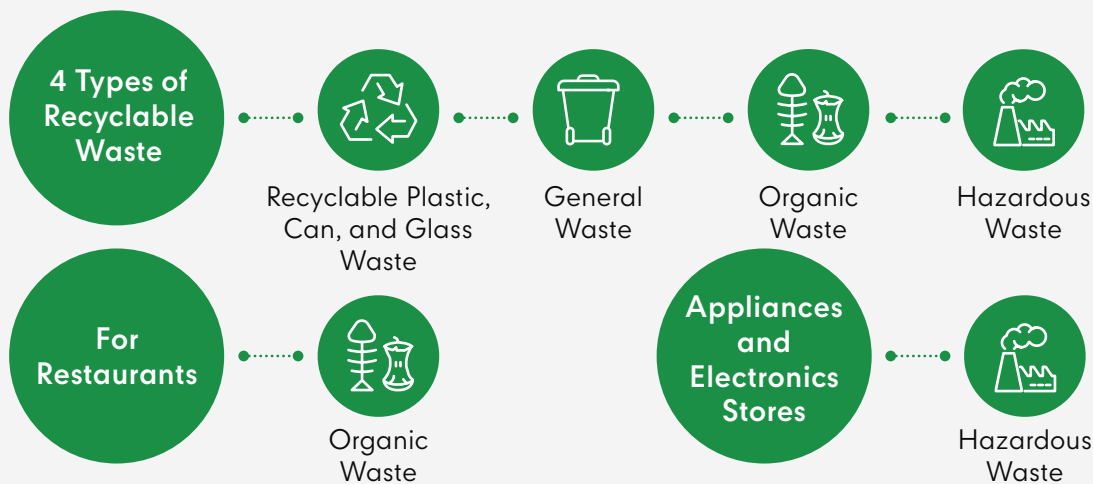




## Office Buildings and Branches



## Service Business Areas for Third Parties



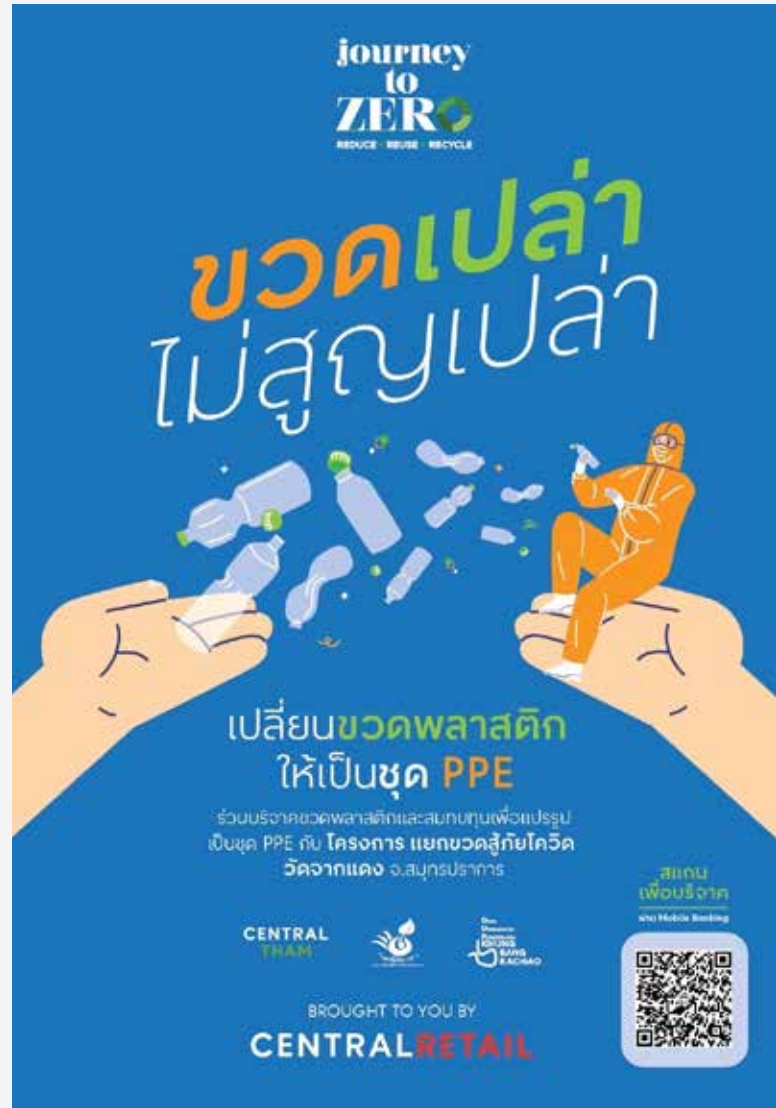
## Training project for branch employees in separating excess food for donation

Alignment with organizational goals	Alignment with the CRC's goal of reducing food loss and waste by 30% within 2030.
Output	Employees from tops and family mart, consisting of 89 branches and 176 people under the food for good deed project, to deliver sorted food for donation to various charities in areas around Tops and Family Mart branches as a sharing activity with the less fortunate.
Value Creation	<ul style="list-style-type: none"> <li>Employees understand and recognize the importance of segregating waste from the source to prevent waste occurrence and reduce food loss and wastes.</li> <li>Incentivize employees to take action to reduce food waste at the source.</li> </ul>



## Processing Support Project for Community Benefits

The Company aims to raise awareness of plastic waste issues in society among every Company affiliated business group and implementing projects with objective to discourage plastic bags usage in addition to campaigning and providing relevant knowledge to employees, customers, and related stake holders. Furthermore, the Company processes waste to create benefits for society, support sustainable consumption, directs usage of environmentally friendly non-plastic resources to reduce occurred environmental impact.



### Journey to Zero: Empty bottles are not wasted (PET to PPE)

Alignment with organizational goals	Alignment with CRC Environmental Policy relating to Circular Economy.
Output	<ul style="list-style-type: none"> <li>Processed 303,000 plastic bottles, capable of producing 15,000 sets of PPE (but the actual production was 8,000 sets (31 Dec 2021) due to cost constraints.</li> <li>Generated income for Wat Chak Daeng community 432,000 Baht.</li> </ul>
Value Creation	Established cooperation between CRC and network partners and integrating product processing innovation to create jobs and income for the community.



## Develop New Products from Plastic Waste (Upcycling Product)



The Company recognizes the opportunity and value of plastic waste. Therefore, value can be added to plastic waste through the application of circular economy principles; through plastic waste processing and development of suitable properties, a product beneficial towards consumers while capable of generating income for the Company is conceived. This approach, which is key to community collaboration and the implementation of plastic waste management projects, not only resolves environmental issues but also distributes income within the community and revenue from sales of upcycling products for the Company..

### Upcycling (Bag and Apron)

Alignment with organizational goals	Comply with the CRC Environmental Policy on Circular Economy.
Output	<ul style="list-style-type: none"> <li>• Sales of cloth bags and aprons amounting to 610,020 Baht for the Company (580,020 Baht from cloth bags and 30,000 Baht from aprons)</li> <li>• 1,067 cloth bags upcycled from 4,268 plastic bottles, and 300 aprons upcycled from 3,000 plastic bottles</li> <li>• Generated income for the community amounting to 61,262 Baht.</li> <li>• Reduced GHG emissions by 0.19 Tons CO<sub>2</sub>e.</li> </ul>
Value Creation	Establish cooperation between CRC and network partners to integrate product processing innovation to create jobs and income for the community, while also generating revenue for the Company from sales of the upcycling products.

## Donation of Textiles Million Gifts Million Smiles Project

The Company is aware of constantly changing consumer behaviors within the fashion segment and the resulting increase in garment waste destined for landfills. Therefore, the Company has arranged excess clothing collection points for consumers. The clothes are processed, gain material benefit as opposed to becoming landfill waste, and enable awareness raising of issues relating to fast fashion among consumers.

### Donated Million Gifts Million Smiles (CG)

Alignment with organizational goals	Alignment with CRC Environmental Policy related to Circular Economy.
Output	The value of the clothes donated is 2,585,630 Baht.
Value Creation	Reduce the amount of fashion waste destined for landfills.





# Social Well-Being

The Company believes that human resource is the key factor in propelling business towards sustainability. Human resources that are vital to the Company consists of employees, operators throughout the supply chain, community residents surrounding the Company's business operations.

The Company must take care of employees and operators throughout the supply chain including employee development aligned with organizational direction, occupational health and safety training to ensure safety of employees and contractors, and provisions of reasonable and fair remuneration for employees and contractors. As a direct result, the Company considers the aforementioned practice as means to establish good relationships with the employee's organization and talent attraction in addition to the delivery of value to customers through safe and standardized services and products. In regards to communities within the workplace vicinity, the Company provides societal support through initiating various projects under "Central Tham" as an approach for increased income distribution channels among community members.

In 2021, the Company has improved its management framework concerning human resources, product quality and safety, and contribution to society due to the increase prevalence of social and human rights issues. Therefore, the Company's sustainability performance in the social dimension covers safe and healthy products, human capital development, talent attraction and retention, occupational health and safety, labor practice and human rights, and the community contribution and product development. These approaches are linked to the United Nations Sustainable Development Goals (UN SDGs) to align the Company's sustainability performance with international practice.





In addition, the Company is determined to become a good corporate citizen and elevate the quality of life for people in the society. In conjunction with the 6 guidelines for sustainable development, the Company pledges to conduct honest business, comply with the law for retailing business. The Company is also determined to seek out ways to distribute income for the community through creating jobs, and preserving local arts and culture.

All social operations are a result of Company intent to establish shared values for all parties including the Company, employees, society, and all stakeholders. Creating shared values will be the key for the Company to drive sustainable society and long-term business success.



# Healthy and Safe Products for the Consumers

Sales of products that are safe and healthy for consumers is essential to the sustainable development of the Company's social dimension as consumption behaviors for health products are expected to show continuous increasing trend. However, consumers face difficulties in purchasing healthy products. Therefore, the Company focuses on increasing healthy product selections that meet international standards. If the harmful products are sold to consumers, then the Company may face litigation from consumers leading to loss of capital and good reputation in the eyes of the public. Moreover, selling products that are safe and healthy for consumers can also increase confidence in the Company for all stakeholders.



## Management Approach

The Company selects products that are safe and of highest quality by conducting inspection for the whole supply chain in compliance to the Food Safety System Certification (FSSC 22000). In 2021, the Company developed product guidelines that are safe and healthy for consumers, while also taking into account of animal welfare. The Company's health products categories include: 1) organic products, 2) natural products, 3) vegetarian and vegan products, 4) health specific products, and 5) specific requirement products such as ketogenic and nutrition boost products. In addition, the Company has up complaints and product recall processes for continuous improvement of product and service quality to prevent complaints and strengthen confidence among customers.



## Complaint and Product Recall Process





# Performance Outcomes

Total Complaints concerning Food Safety 3,582 cases

	Complaints	Cases of Product Recall
<b>Level 1: Most Dangerous,</b> Causing serious health impact or death	0 SKUs	0 SKUs
<b>Level 2: Dangerous,</b> Causing illnesses that can be treated	43 SKUs	17 SKUs
<b>Level 3: Product label issues</b>	10 SKUs	8 SKUs

	2018	2019	2020	2021
Number of product lines for which products were recalled	N/A	57	33	32
Expenses incurred due to of product recalls (Baht)	N/A	2,026,796	2,587,139	800,972

Note: SKU means Stock Keeping Unit






# Highlight Projects

## Healthiful Project

Many consumers are now paying more attention to their health and well-being. However, these consumer groups are facing difficulties in purchasing health products. Therefore, the Company initiated the Healthiful Project in 2019 to make the Food Business Category become the center for health products. These health products will be able to meet customers' expectation on all aspects of health products, have certification from international standards, and transform the Company to become the number one Health & Wellness retailer in Thailand.

The highlights of the Healthiful Project are the wide arrays of product selections for all health needs, consisting of 5 categories: organic, natural, vegan and vegetarian, specifics for health and products with high nutritional value, unlike competitors that focus only on fewer categories. We aim to expand the store locations from 31 stores in 2021 to 119 stores by 2025.

<b>Organic</b>	Only organic products that are certified to ensure that products are truly free from chemical contamination throughout the supply chain.	
<b>Natural</b>	Products with more than 95% natural ingredients and free from any harmful chemicals or additives.	
<b>Vegetarian and Vegan</b>	Products that do not contain meat and ingredients that involve animal testing, as well as being certified as a vegetarian or vegan products for vegetarian and vegan consumers.	
<b>Health Specifics</b>	Products that are free of gluten, eggs, dairy, nuts, or allergens, including those that have reduced sugar, sodium, fat content, or that have been endorsed by the Healthier Choice symbol.	
<b>specific requirement products</b>	Cereal products, super food with high nutritional value including protein and fiber supplement products.	

### Every product item sold on Healthiful goes through a 3-step selection process

Products have a seal of approval from the Food and Drug Administration and have production processes that are up to standard.

The aim is to support the health and well-being of consumers.

Products are qualified to be health products in 5 categories: organic, natural, vegan and vegetarian, health specifics, and specific requirement products.

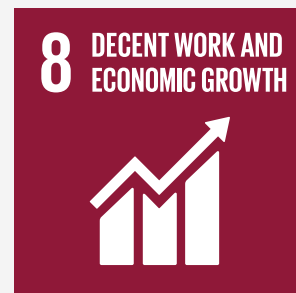
In 2021, the Company campaigns for vegan consumption in line with the Veganuary Movement through online channels, such as Facebook and corporate websites. The Company emphasizes the importance of plant-based products by introducing ready-to-cook and ready-to-eat plant-based meat products. The average sales volume in 2021 is 973 items per month.



# Human Capital Development

GRI 103-1, GRI 103-2, GRI 103-3,  
GRI 404-1, GRI 404-2, GRI 404-3

Employees' competency development is another important sustainability area for the Company. As the retail industry is constantly changing, the Company needs to regularly review the direction of the organization to build competitive advantage. In 2020, the Company has shifted its corporate strategy to customer-centric operations through a central platform that combines both online and offline channels in one place (Customer Centric Omnichannel). The purpose is to enhance convenience for customers and for the Company to be able to react to their needs quickly. However, such progresses require the employees' skills and expertise development in some fields as there are still skill gaps, such as digital expertise, that are necessary for the Company to respond to the new approach to work. If the Company were to hire new employees instead of developing the capability of existing personnel, the Company's internal analysis revealed that in this approach may require more capital than developing existing personnel due to labor shortages caused by aging society in many countries around the world. In addition, the demand for employees with skills such as digital expertise has continued to increase. Therefore, the Company assigns great importance to human capital development of its employees.



## Management Approach

The Company has established Personnel Development Policy as a guideline for the Company's Human Resource Department to train employees in accordance with the customer-centric approach and the integration of all channels. The Company also advocates for the development of employees' competency to have skills necessary for employment.

The Personnel Development Policy focuses on the mutual benefits that the Company and its employees will receive. In essence, the Human Resource Department must analyze the skills that employees need to achieve organizational goals, clearly set the goals of the training program and define the steps and determine metrics that identify the benefits the Company and its employees will receive. In addition, the policy also supports the creation of a training database. The purpose is to use statistical data to improve employee development in the future.



## Personnel Development Policy



Encourage employees to develop their skills from actual operations.



Promote training for employees at all levels



Assess needs and gaps for skill development



Strengthen good relationships between management and employees

More details of the Personnel Development Policy can be found here



## Performance



Average Hours of Employee Training & Development Inputs

**13.8**  
Hour/Person/Year

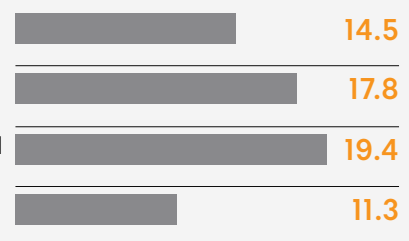
### Gender

Male  
Female



### Employee Level

Executives/Top Management  
Middle Management  
Senior Employee and Junior Management  
Non-Management Employees



Hour/Person/Year



Average Cost of Training per Employee

**2,800**  
Baht / FTE

Human Capital Return on Investment (HCROI)

**1.2**

Percentage of Employees Assessed for Performance and Professional Development

**100** %



# Highlight Projects

From the aforementioned policy, the Human Resource Department has formulated strategies for developing skill and expertise of employees under the customer-centric and omnichannel approach, which is divided into 3 categories, including Talent Development, Leadership Development, and Omnichannel Development.

## 01

### Talent Development

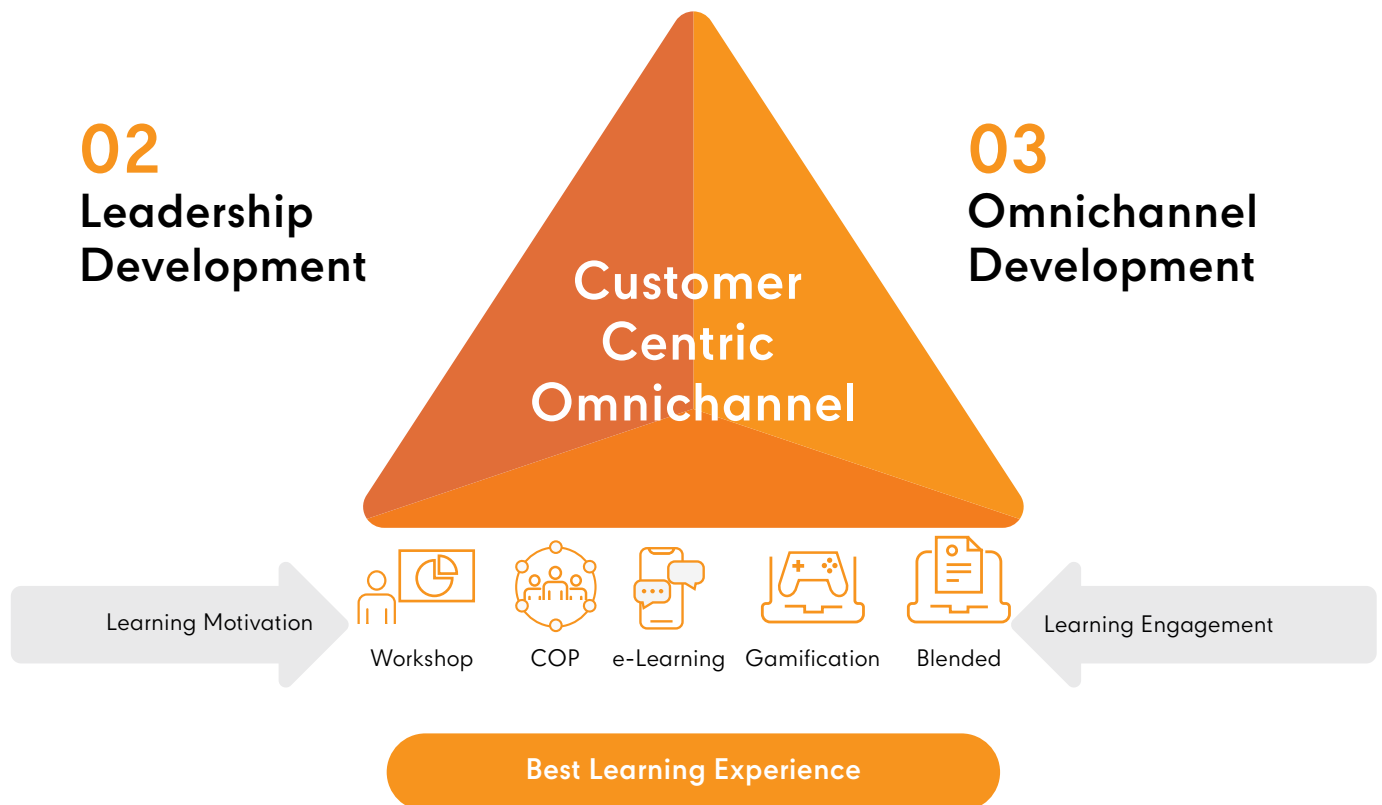
- Lead People and Business
- Career Development & Exposure
- Community of Practice

## 02

### Leadership Development

## 03

### Omnichannel Development



## Talent Development

The Company promotes talent development in order to prepare talented employees for career progression and internal succession plan. The Company's talent development will focus on enhancing business operations via Omnichannel, and exposure to different disciplines and business groups within the Company in order to stimulate the employees' creativity, innovative capacity and business value creation. In 2021, the Company's talent development highlighted project includes the Omnichannel Commerce Program (OCP).

The Company organized the Omnichannel Commerce Program to build in-depth understanding of Omnichannel and resilience to business disruptions for talented employees, all with the goal of delivering the best shopping experience for customers. The OCP consisted of learning about Omnichannel concepts and necessary skillsets including big data analytics. The OCP also include hands-on module where participants develop projects that apply Omnichannel to actual business operations. Afterwards, participants have discussion sessions, and the Company will further develop potential projects to be implement in 2022.

Participants  
**34** employees

### Example of Talent Development projects in 2021:

- Step-Up Program and Management Development Program aim to develop holistic leadership skills (Lead Self, Lead Others, and Lead Business) for high potential employees to prepare them for career development towards management roles within the Company. There are 136 participants in 2021.
- CG Business Acumen Program aim to develop practical knowledge and skills for employee to enable employees to apply expertise to innovate and create value for the business. There are 26 participants in 2021.







## Leadership Development

The Company's Human Resource Department promotes leadership skills for employees through various projects including the People Manager Program in 2021. The People Manager Program is a leadership development program for managers to be able to manage teams and help stimulate growth among employees at subordinate levels. The People Manager Program focuses on 5 objectives:



Participants

**7,769** employees

### Examples of Leadership Development projects in 2021:

- Leader as Coach aims to promote the “coaching” culture within the Company such as constructive feedback and creating inspiration. It also develops soft skills to increase effectiveness of coaching throughout the program, which include coaching action plan and instructions. There are 819 participants in 2021.
- Omni Leadership and Transformation Program aims to provide better understanding of Omnichannel for management level employees.
- Leading Innovation Program aims to train management level employees about Design Thinking framework in order to increase innovative capacity throughout the workforce.





## Omnichannel Development

The Company's Human Resource Department provides training to develop Omnichannel-related skills for employees befitting the diverse nature of work in different business categories (Food, Fashion, Hardline and Property categories). Notable Omnichannel Development projects in 2021 includes New Sales Channel Project.

The Company organized the New Sales Channel Project to train employees, especially in sales, to gain better understanding of the customers' needs and expectations when using the Omnichannel platforms. Throught this project, employees will learn about the various retail channels offered by the Company, and also analyze the different strengths and limitations for each channels ranging from Chat and Shop, Facebook Live, telesales, etc.



Participants

**4,267** employees





# Talent Attraction and Retention

GRI 103-1, GRI 103-2, GRI 103-3,  
GRI 401-1, GRI 401-2

In the near future, the Company will most likely encounter issues including intense competition to attract and retain talented employees, which can become more significant to the Company's business operations as Thailand, Vietnam and Italy are transitioning to aging society. In addition, skills and capabilities in various segments can be rendered obsolete with the advent of modern technology, and thus affect the Company's ability to recruit talented candidates. The inception of the new business models also grants talented employees more work options, thus allowing employees to compare remuneration between companies. Higher turnover is also likely to occur if the Company cannot provide competitive remuneration and does not meet the expectations of employees. Thus, talent attraction and retention is another material topic that cannot be overlooked by the Company.



## Management Approach

### Talent Attraction

The Company has established talent attraction strategies to guide the Human Resource Department in attracting and recruiting potential candidates. The talent attraction strategy consists of five areas: careers, opportunity, challenge, growth, and environment.



### Careers

A comprehensive business portfolio will attract diverse talents to join the Company



### Opportunity

As a global organization, the Company operates in multiple countries, which help attract employees from all over the world



### Challenge

A dynamic work environment will help attract young employees and employees that like to challenge themselves



### Growth

Challenging work, up to date training courses organized by the Company, and succession policies will help attract employees that strive to learn and self-develop themselves



### Environment

An open corporate environment and culture will help attract young employees and employees with unique characteristics



## Employee Care

The Company has established management plans for employees exhibiting high potential and performance, which consists of three stages namely talent identification, talent development and succession planning, as a means for employee care.



Supervisors will identify talent based upon employee leadership potential and career advancement potential. This procedure takes place once a year during the beginning of the year.



Plan and support talent development to assist employees advance their careers (inclusive of abilities to perform current job duties better).



The process includes recruiting, developing and preparing potential candidates for succession to key positions or in becoming next generation corporate leaders.

The Human Resource Department is responsible for all three processes. Firstly, Human Resource Department identifies high-potential and high-performing employees from the employee competency database. Secondly, the Human Resource Department creates an employee development program to further develop potential and high-performing employees in regards to skills and knowledge they may lack. Thirdly, the Human Resource Department prepares high-potential and high-performing employees for succession to key positions within the Company to fill openings from retirement or resignation of existing employees.

The Human Resource Department is also responsible for conducting surveys, set targets and communicates employees engagement level on a two year basis. Survey results are also analyzed against the turnover rate to increase the employee engagement level. The Human Resource Department is responsible for all employee performance appraisal to determine the appropriate employee remuneration and benefits.

## Performance in 2021



### Employee Performance Appraisal

Management by Objectives: Use of Agreed targets by Line Supervisor

100%

Multidimensional Performance Appraisal\*

1%

Formal Comparative Ranking of Employees

100%

\*Only for employees in Thailand





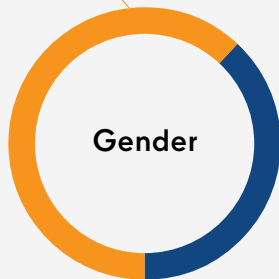
## Hiring in 2021\*



Total New Hires

**16,323** People

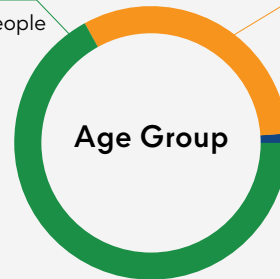
Female

**10,109** People  
(62%)

Male

**6,214**  
People (38%)**Gender**

Less than 30 years

**10,920** People  
(67%)

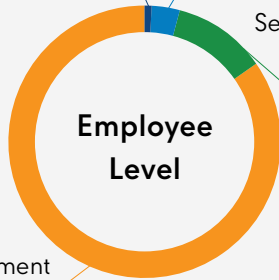
30-50 years

**5,286** People (32%)

More than 50 years

**117** People (1%)**Age Group**Executives/  
Top Management**9** People (0.1%)

Middle Management

**72** People (0.4%)Senior Employee  
and Junior  
Management**207** People  
(1.3%)**Employee  
Level**Non-  
Management**16,035** People  
(98.2%)

Thai

**16,246** People  
(99.5%)

Indian

**21** People (0.13%)

French

**13** People (0.08%)

Myanmar

**2** People (0.01%)

Others

**41** People (0.25%)**Nationality**

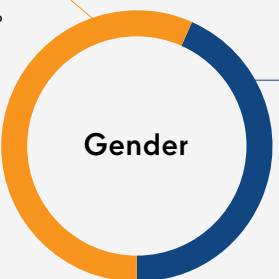
## Internal Hiring in 2021\*

Internal Hires

As Percentage of Total New Hires

**61.29** %

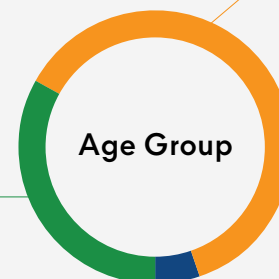
Female

**34.79** %

Male

**26.50** %**Gender**

30-50 years

**37.89** %**Age Group**

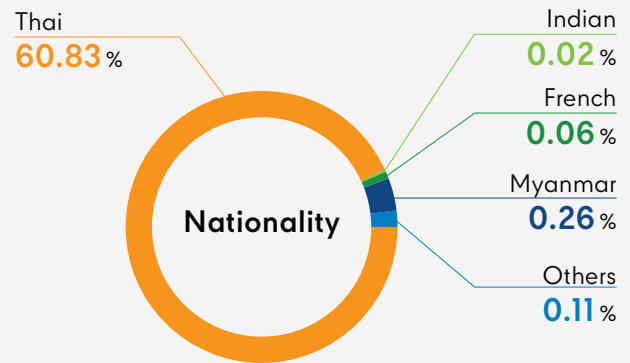
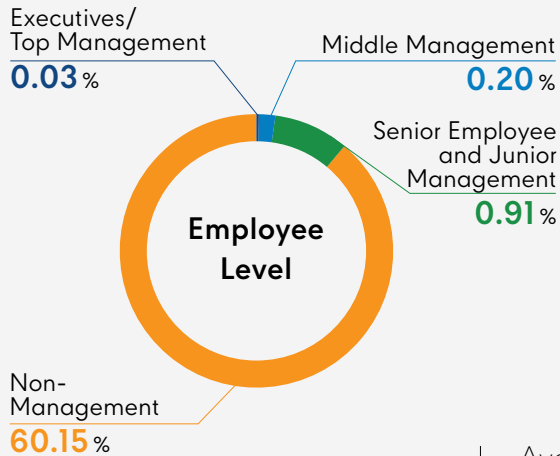
Less than 30 years

**20.29** %

More than 50 years

**3.11** %

\*Only for employees in Thailand



Average Hiring Cost\*

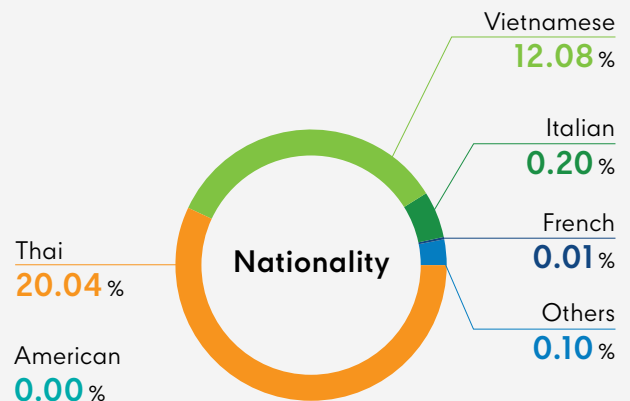
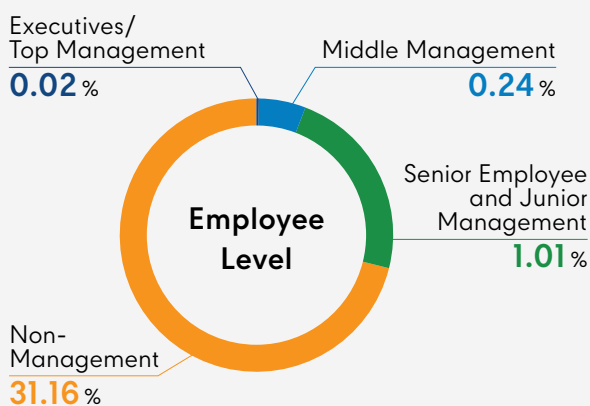
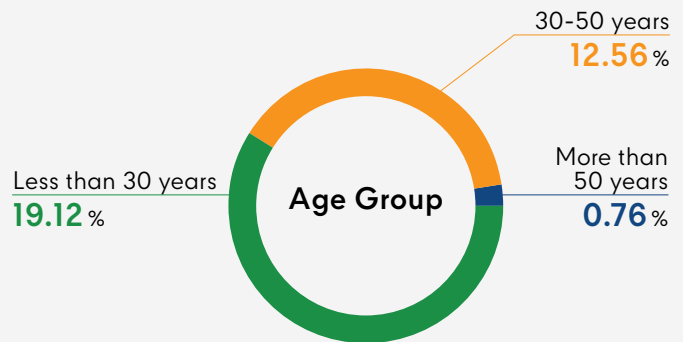
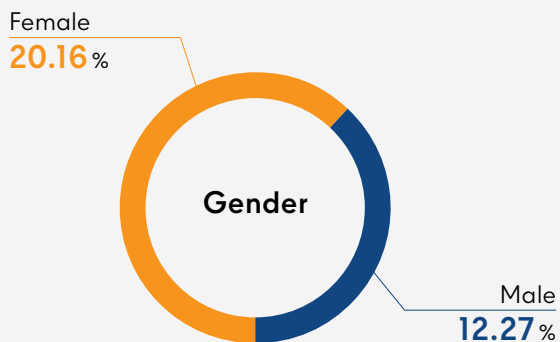
**3,718** Baht/Person

\*Only for employees in Thailand

## Turnover in 2021

Total Turnover Rate

As % of Total Employees

**32.43** %

**Voluntary Turnover****Total Voluntary  
Turnover Rate**As % of Total  
Employees**17.2 %****Employee  
Engagement  
Score\***

Remark: Employee engagement survey is based on a 7 Likert Scale and a 5-point Likert Scale with 1 = Highly disengaged, 2 = Disengaged, 3 = Somewhat disengaged, 4 = Passive, 5 = Somewhat engaged, 6 = Engaged, and 7 = Highly engaged.

**Employee Engagement in 2021\*****Gender****Nationality****Employee Level**

\*Only for employees in Thailand

## Awards

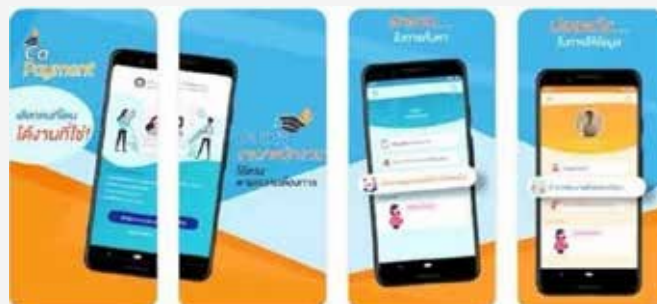
Central Retail received the Asia's Best Employer Brand Award 2021 from the Employer Branding Institute, India, and the 2021 IDC Future Enterprise Awards Thailand from The Future Enterprise Award, Singapore. Concurrently, Thai Watsadu, one among various Hard Line Group businesses, received the Best Employers Thailand 2021 award from the Kincentric Best Employer – Thailand 2021 event organized by Kincentric Thailand and Sasin Graduate Institute of Business Administration of Chulalongkorn University. The award reflects the Company's true intentions to attract and retain employees.



## Highlight Projects

### Co-payment project for hiring new graduates

The Company participates in the government's co-payment program for hiring new graduates, a project whereby the government supports wages amounting to 50% of the salary depending on educational qualifications, as an approach to reduce corporate expenses while meeting the 2021 national employment goals. The Company has forecasted the addition of 2,773 job positions, divided into two types of employment: (1) Employment to substitute normal turnover and the commencement of new stores for 2,535 positions and (2) Employment of newly graduated Dual-Vocational Education Scholarship students for 238 positions. In 2021, the Company hired 1,211 new graduates through Co-payment program employment and received support of 40.34 million Baht per year in government subsidies.





## OMT and RMT Programs

**CENTRAL R** **CENTRALRETAIL**

# OMT ANAGEMENT TRAINEE 2021

**WHAT YOU WILL GAIN FROM PROGRAM**

- ▶ Unique combination of functional and soft skill training programs.
- ▶ Mentoring from senior management leaders.
- ▶ Professional working with management team.
- ▶ Fast growing in career path.
- ▶ Comprehensive rotation to understand holistic view of business.

**QUALIFICATIONS**

- ▶ Apr 21-25
- ▶ Bachelor's Degree in any field
- ▶ Good attitude and Strong communication skill
- ▶ Fluent in English
- ▶ No Working experience required
- ▶ TOEIC score ≥ 550 would be advantage

CONTACT : K.JIRAKIT  
ArJirakit@central.co.th  
065-719-4966

**CENTRAL R** **CENTRALRETAIL**

# RETAIL MANAGEMENT TRAINEE 2021

*"History is dependent on the new generation to write a **NEW CHAPTER**"*

**WHAT YOU WILL GAIN FROM PROGRAM**

- ▶ Advanced functional skill and personalized soft skill training programs.
- ▶ Specialized mentoring from potential and talented management team.
- ▶ Acknowledged working environment with skilled and experienced people.
- ▶ High career growth opportunities.
- ▶ Inclusive rotation to discover the strategic management perspective.

**QUALIFICATIONS**

- ▶ Apr 23-25
- ▶ Minimum Bachelor's degree in any field with 3 years working experience
- ▶ Strong communication and leadership skill
- ▶ Strategic and critical thinking are required
- ▶ Fluent in English
- ▶ TOEIC score ≥ 600 would be advantage

CONTACT : K.JIRAKIT  
ArJirakit@central.co.th  
065-719-4966

OMT and RMT Programs aims to hire fresh graduates to receive training in operations management and retail product management. OMT Program is open to new graduates with no prior work experience, and RMT Program is open only to applicants that have prior retailing work experience. OMT and RMT Programs are launched starting with the Fashion business category and are designed to have 2 years duration, in which the first year involve application process and training and the second year involve working subsequently in different departments via rotating.

### Key Learning Elements

		Year 1				Year 2			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Training	Selection	Launching							
		Pre-Screening							
Activity	Assessment Center	Final Test & Interview	Announcement						
			CDS Retail Development Program						
Evaluation	Training								
			Function Skill						
			Soft Skill						
Rotation	Activity		Individual Project						
	Rotation								
	Evaluation								





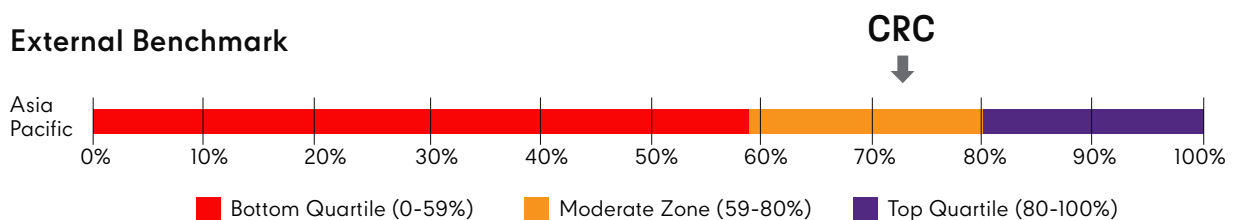
## Employee Joint Investment Program (EJIP)

The Company has established the Employee Joint Investment Program (EJIP) to encourage employee ownership of the Company, create performance incentives and increase employee retention. The 3 year project timeline is from 1 April 2021 – 31 March 2024. Those eligible to participate in the program must be executives who are full-time employees of the Company, hold a Management Level 2 (equivalent to Assistant Managing Director level) position or higher, have been working for more than 1 year with the Company, and have satisfactory performance with the latest year as specified by the Company. The Company will deduct the salary of those who are eligible and voluntarily join the project at the rate of 3% and 5% of the salary (Base Salary) according to employee position until the end of the project contribution period. At this point, the Company will pay contributions equal to the amount that the project participants have had their salary deducted every month until maturity. In 2021, the Employee Joint Investment Program: EJIP organized 2 rounds of application and approximately 60% of the total number of eligible executives have participated in the program.

## Employee Engagement Survey Program

In 2021, the Company conducted organization wide employee engagement surveys, which consists of 32,244 people using the Kincentric Engagement Model to determine factors affecting employee well-being. The survey results indicate employee engagement at 73%, a figure considered higher than that of the retail industry average.

### External Benchmark



The survey revealed that three areas receiving the highest scores are quick response to change, communication of positive Company aspects towards key personnel and I-CARE corporate culture. The survey results reflect organizational and employee effectiveness in adapting to the COVID-19 situation, and maintaining high level of Company employee care and positive organizational climate and culture. The survey results identified three issues the Company can improve in the future including employee compensation based on performance, resources to support work efficiency, and leadership.



Dimension	Item	% Favorable
Customer Focus, Agility	We are responsive to the changing needs of our external customers.	80
Engagement	Given the opportunity, I tell others great things about working here.	79
ICARE	ICARE (our core values) are necessary for our senior leadership and all employees.	78
Rewards & Recognition, Talent Focus	I am paid fairly for the contributions I make to the organization's success.	61
Enabling Infrastructure	The tools and resources provided by this organization allowed me to be as productive as possible.	61
Senior Leadership	Senior leadership treats employees as this organization's most valued asset.	62

## Dual Vocation Education Program

In 2012, the Company initiated a Dual Vocation Education Program for students, a strategy to attract talented employees, and to develop talent pipeline with skills and knowledge that satisfy business operations. The Dual Vocation Education Program is divided into sub-programs covering advanced vocational degree students and Bachelor's degree students. The first level will focus developing employees for promotion to become supervisors upon project completion. The latter level aims for developing employees to become product specialists. From 2012 to 2021, there have been 2,045 participants in the Dual Vocation Education Program.

	Advanced Vocational Degree Students		Bachelor's Degree Students	
Number of Participants (Persons)	2020	637	2020	747
	2021	990	2021	424
Proportion hired as employees (%)	2020	43	2020	57
	2021	70	2021	30
Scholarship value awarded to students (Million Baht)	2020	6	2020	7
	2021	6.2	2021	6.6

## Employee health and well-being promotion project

The Company has established programs to promote employee health and well-being, which consists of flexible working hours and employee child raising support.

### Flexible working hours

In 2021, the fashion and marketing business segments were granted flexible work hours to provide work-life balance and outside-of-work flexibility. Employees from the two mentioned business segments can choose between 5 working hour schedules (1) 8.00 – 17.30 (2) 8.30 – 18.00 (3) 9.00 – 18.30 (4) 9.30 – 19.00 and (5) 10.00 – 19.30. The Company sincerely hopes that flexible working hours can reduce employee work stress and increase employee engagement with the organization. Furthermore, the Company intends to expand flexible work hours to all business segments in the future.

### Employee child raising support

The Company provides scholarships for Company employees with children given that the employee works for the Company for at least 3 years, receives a salary less than 20,000 Baht, and the employee's child maintains a GPA of 2.5 without behavioral offences.

### Mother's Corner Lactation Room

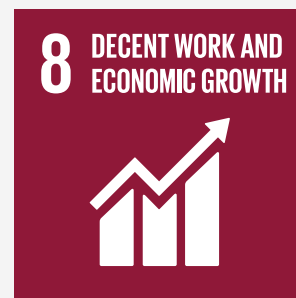
The Company has established Mother's Corner to provide lactation facilities for female employees. The Company recognizes the needs of female employees who are mothers, and try to best support them by providing private areas for breast-feeding and refrigerators for storing breast milk.





# Occupational Health and Safety

The Company places great importance on the employees and contractors' occupational health and safety. Beyond enabling good well-being for employees and contractors during operations, occupational health and safety allows the Company's businesses to persist amid COVID-19 that has affected both domestic and internal supply chain. Even though the pandemic has gradually improved in 2021 and Thai government had eased up multiple disease control measures, the Company cannot afford to take light on safety issues as it may face risks from infected people leading to temporary disruption of business operations to prevent the spread of diseases. This equates to the Company's loss of revenue. Similar situation may also happen in Vietnam and Italy. The Company genuinely believes that its sincerity in fostering occupational health and safety among employees and contractors will strengthen the confidence of all stakeholders.



## Management Approach

The Company stipulated Occupational Safety, Health and Work Environment Policy aiming to strengthen the wellbeing of all employees ranging from executives, corporate employees, stores and sales clerk to contractors that are working in any of the Company's business unit. The Safety, Occupational Health and Work Environment Committee, Head of Human Resource Department and Head of Loss Prevention Department belonging to each business unit are responsible for enforcing, assessing, managing, and directing business operations in strict compliance to any relevant occupational health and safety, standards, regulations, articles of association, and this policy including compliance of suppliers as required in the procurement process. The Safety, Occupational Health and Work Environment Committee, Human Resource Department and Loss Prevention Department are also responsible for discussion of occupational health and safety related documentation and performance on a regular basis.

The Company assigns each department to establish quantitative targets for improving occupational health, safety, and work environment, and must set up prioritization and action plans to achieve these targets. Moreover, the Company reviews and assesses risks on occupational safety, health and work environment in each business unit at least once a year through consultation with and participation of workers and worker's representatives. The aim is to continually improve performance of the occupational health and safety management system, and evaluate progress against quantitative targets resulting in reduction and prevention of occupational health and safety risks. Importantly, the Company reports occupational health and safety performance and incidents to the Board of Directors in each quarter.



GRI 103-1, GRI 103-2, GRI 103-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10

To assess occupational health and safety, the Company conducts both internal and external inspections. The Safety, Occupational Health and Work Environment Committee, Head of Human Resource Department and Head of Loss Prevention Department will jointly conduct regular internal occupational health and safety inspections, which can be followed by external verification by an independent third party to certify ISO 45001 standard for the Company's operations within a certain timeframe. In 2021, the Company is developing a plan to obtain Occupational Health and Safety Management Standard certified by an independent party for the Central Department Store, which is expected to be completed by 2022.

At the end of every fiscal year, the Company conducts performance appraisal for the Head of Human Resource Department, and the Head of the Loss Prevention Department of each business unit, in order to achieve the occupational health, safety, and work environment targets. This allows for the Company to identify rooms for improvement and further promote of a safe workplace culture.

Additional information on Occupational Safety, Health and Work Environment Policy is available at



## Hazard Identification, Risk Assessment, and Incident Investigation

The Safety, Occupational Health and Work Environment Committee, Head of Human Resource Department and Head of Loss Prevention Department in each business unit will jointly establish the process to assess and identify hazard and risks, and potential level of impacts, as well as incident monitoring and investigation. These processes also serve as guidelines for risk prioritization and integration of action plans with quantified targets to address those risks. Furthermore, the Human Resource Department and the Loss Prevention Department also serve as advisors on operational procedures for employees, as well as handling internal communication for all employees regarding occupational health and safety.

### Hazard Identification and Risk Assessment Process



Hazard  
Identification



Risk  
Identification



Risk  
Assessment



Risk control, and  
prioritization and  
action plans with  
targets



Monitoring and  
inspection, and  
evaluation of  
progress against  
targets

### Investigation of Work-related Injuries, Ill Health, Diseases, and Incidents

Start



Investigate  
the Cause



Establish Prevention  
Measures



Corrective  
Actions



Monitoring

End





## Promotion of Occupational Health and Safety at Workplace

Human Resource Department and Loss Prevention Department of each business unit collaborated to organize occupational health and safety training for employees, contractors, and other relevant parties. The curriculum includes both mandatory and voluntary coursework, aiming to raise awareness on safety, and reduce hazards and safety incidents from business operations. Examples of training topics include hazard identification and risk assessment, integration of actions to respond to emergency situations through drills, work safety manual, and case studies. Furthermore, the Human Resource Department and Loss Prevention Department of each business unit are tasked with recording statistics of injuries and fatalities of employees and contractors. The gathered data will help the Company to improve the occupational health and safety training. In 2021, total of 1,544 employees participated in the training.

### Training Types



Classroom



Online



Practical

## Performances

In 2021, quantitative targets relating to occupational health and safety at work were partially achieved. The details are as follows.

	2018	2019	2020	2021	2021 Targets
Total Work-related Fatalities (persons)	0	0	1	0	0
• Employees	0	0	1	0	0
• Contractors	0	0	0	0	0
Employee Lost-Time Injury Frequency (LTIFR) (case/ 1 million hours worked)	0.37	0.50	1.61	1.03	
Contractor Lost-Time Injury Frequency (LTIFR) (case/ 1 million hours worked)	0	0	0.976	0.18	



## Occupational Safety, Health and Work Environment Policy covers Employees of All Levels



### 5 High Consequence Work-Related Injuries

Beyond statistics relating quantitative targets in occupational health, safety, and work environment, the Company also collects statistics on frequent incidents often occur during operations, as well as stipulating incident prevention measures against future recurrence.

Incident	Prevention Measures
1. Slips and falls	Frequent cleaning by custodians to prevent wet floors
2. Falling off Ladders in Storage Rooms	Conduct trainings on how to safely utilize storage rooms
3. Knife or paper cuts while wrapping	Wear protective gloves before packing
4. Cuts from glass cabinets	Stipulate a requirement for at least 4 employees in lifting glass cabinets, and must use forklifts if the cabinets are too large in size
5. Forklift collision	Increase traffic lanes exclusive to forklifts in addition to walk ways



Despite of minor injuries, the Company is considered to have low cases of accidents. The Food business category has no cases of accident in 2021, and was awarded the Zero Accident Award, Bronze Prize, from Thailand's Ministry of Labor.

## Highlight Projects

### Emergency Response Training, Drills and Lethal Point Inspection Safety Audit

The Company organized trainings and drills for emergencies, categorized as fire drills and other emergency response drill. The employees' capability and performance in these training will be considered during the employees' annual performance evaluation.

**Fire Emergency Evacuation Plan** The Company organized exercises and fire drills for stores under the Food business category as it has high risks of fire hazards. Every employee is trained to ensure their understanding of products and performance, which could be potential fire hazard. They receive practical training to prepare for fires, such as executing an evacuation plan, and extinguishing fires using the Company's fire extinguishers. In 2021, 100% of the stores under the Food business category have received trainings, whereas all branches of corporate office buildings practiced fire drills and evacuation plans once a year.

**Other Emergency Plans** Beyond preparedness against fires, the Company also has readiness plans against other emergencies, such as upon suspicious package identification, customers' injuries, elevator malfunctions, and customers trying to commit suicide. This ensures that the Company's employees are prepared to handle these emergencies. In 2021, every department store under the Company has participated in emergency drills, thus reinforcing the stakeholders' confidence towards the Company.

**Lethal Point Inspection Safety Audit 2021** The Company conducted internal safety audit annually. In 2021, the Company conducted lethal point inspection safety audit, with the assessment result at 84%. Assessments conducted cover fire hazards, fire extinguishers and water storage tanks, fire alarm system, emergency exit signs, emergency exits, primary evacuation routes, gas leak detector, automatic fire sprinkler, and system control room.



## Occupational Health and Safety Services for Employees

The Company managed the spread of COVID-19 by complying to SHA Plus measures that are established by Tourism Authority of Thailand, and COVID-19 vaccination certification in accordance to the Department of Disease Control, Ministry of Public Health, Thailand.



Additionally, the Company maintained COVID-19 prevention measures continuing from 2020. All of the department stores under the Company screen customers, security guards, corporate employees, stores, visitors, and every contractor. The department stores' entrances are fully equipped with COVID-19 screening equipment, such as face masks, temperature sensors, gloves, personal protective equipment (PPE), as well as monitoring of all stores' users via the government commissioned Thaichana application.

Within department stores, the Company established measures to manage waiting lines, halt activities of close contact between customers and employees, cease usage of shared equipment that are not able to be disinfected, clean and disinfect rooms and products, both before and after using. This reduces the risks of spreading COVID-19. Furthermore, the Company also prepared contactless technology, such as digital payment via scanning QR code to minimize physical contact as much as possible.

## Health Mapping Program

The Company developed an employee health monitoring floor plan in 2021. It records and monitors employees at risks for stroke, unconsciousness, respiratory infection, and heart disease. The diagram below is an example for an employee health monitoring floor plan, as used in food business category.



Remark: Red = Stroke; Yellow = Unconsciousness; Blue = Infection in the respiratory system

## COVID-19 Insurance Policies

Due to the COVID-19 pandemic, the Company has stipulated two COVID-19 insurance policies for new employees, full-timers, part-timers, and interns. Both insurance policies insured employees suffering from COVID-induced coma for 50,000 Baht. The only difference is at the insurance pay-out upon confirmation of COVID-19 contraction. New employees receive 1,500 Baht per day as they undergo treatment as an in-patient. Meanwhile, full-time employees, part-time employees, and interns receive 20,000 Baht upon confirmation of COVID-19 contraction.







## CENTRAL RETAIL

สำหรับพนักงานใหม่เท่านั้น

นโยบายความคุ้มครอง  
COVID-19

๐๓ เพราะความปลอดภัยของพนักงานคือสิ่งสำคัญสำหรับเรา ๐๑

ระยะเวลาคุ้มครองจนถึง 11 เมษายน 2565

## รายละเอียดความคุ้มครอง

- จ่าย 1,500 บาทต่อวัน เมื่อเข้ารับการรักษาตัวกรณีผู้ป่วยใน (IPD) เนื่องจากการติดเชื้อไวรัสโคโรนา รวมถึงภาวะแทรกซ้อนหรือผลข้างเคียงจากการฉีดวัคซีนป้องกันเชื้อไวรัสโคโรนา สูงสุด 20 วันต่อปี
- จ่าย 50,000 บาท เมื่อเจ็บป่วยด้วยภาวะใดมาจากการติดเชื้อไวรัสโคโรนา รวมถึงจากภาวะแทรกซ้อนหรือผลข้างเคียงจากการฉีดวัคซีนป้องกันเชื้อไวรัสโคโรนา
- รายละเอียดความคุ้มครองเพิ่มเติม สอบถามได้ที่ HRBP หรือ Recruitment

## วิธีการเบิกค่าชดเชยและเอกสาร

- ส่งเอกสารพร้อมลายเซ็นด้วยวิธีโดยตรงหรือส่งทาง e-mail ให้กับ HRBP ภายใน 30 วัน เพื่อยื่นหลักฐานประกอบการพิจารณา
- แบบฟอร์มเรียกร้องค่าสินไหม
- สำเนาใบเสร็จรับเงิน/จบสรุปค่ารักษาพยาบาล/ใบแจ้งหนี้สำหรับรักษาพยาบาล
- ใบรับรองแพทย์
- สำเนาบัตรประชาชน
- สำเนาสมุดธนาคาร
- ประวัติการรักษาพยาบาลย้อนหลังทั้งหมด (กรณีมี)

"นโยบายนี้คุ้มครองเฉพาะผู้ป่วยที่ติดเชื้อไวรัสโคโรนาหรือฉีดวัคซีนป้องกันเชื้อไวรัสโคโรนาภายในระยะเวลาความคุ้มครองตามนโยบายนี้เท่านั้น"

นโยบายนี้มีผลบังคับใช้ตั้งแต่วันที่ 16 กรกฎาคม 2564  
โดยมีระยะเวลาออกจ่าย 14 วัน

Hotline 02-101-8008 ทุกวัน 8:00 - 22:00 น.

## CENTRAL RETAIL

นโยบายความคุ้มครอง  
COVID-19

๐๓ เพราะความปลอดภัยของพนักงานคือสิ่งสำคัญสำหรับเรา ๐๑

ระยะเวลาคุ้มครองจนถึง 11 เมษายน 2565

สำหรับพนักงานประจำ พนักงานพาร์กไทม์และนักศึกษาฝึกงาน

## รายละเอียดความคุ้มครอง

- จ่าย 20,000 บาท เมื่อได้รับการวินิจฉัยว่าติดเชื้อไวรัสโคโรนาเป็นครั้งแรก
- จ่าย 50,000 บาท เมื่อเจ็บป่วยด้วยภาวะใดมาจากการติดเชื้อไวรัสโคโรนา (ตั้งแต่วันที่ 22 เมษายน 2564 เป็นต้นไป)
- เงื่อนไขความคุ้มครอง โปรดศึกษาเพิ่มเติมจากประกาศของบริษัทฯ

## วิธีการเบิกค่าชดเชยและเอกสาร

- ส่งเอกสารพร้อมลายเซ็นด้วยวิธีโดยตรงหรือส่งทาง e-mail ให้กับ HRBP ภายใน 30 วัน เพื่อยื่นหลักฐานประกอบการพิจารณา
- แบบฟอร์มเรียกร้องค่าสินไหม
- สำเนาประวัติการรักษา
- สำเนาใบรายงานผลไวรัสวิทยา
- สำเนาบัตรประชาชน
- สำเนาสมุดธนาคาร
- ใบรับรองแพทย์ (กรณีมี)

"นโยบายนี้คุ้มครองเฉพาะผู้ป่วยที่ติดเชื้อไวรัสโคโรนา ภายในระยะเวลาความคุ้มครองตามนโยบายนี้เท่านั้น"

นโยบายนี้มีผลบังคับใช้ตั้งแต่วันที่ 22 เมษายน 2564 และมีผลทำให้นโยบาย

"สวัสดิการความคุ้มครอง COVID-19 ปี 2564" เลขที่ HR21/177 ลงวันที่ 24 มีนาคม 2564 สิ้นสุดลงทันที

สำหรับพนักงานใหม่มีระยะเวลาออกจ่าย 10 วัน

Hotline 02-101-8008 ทุกวัน 8:00 - 22:00 น.

ศึกษาข้อมูลเพิ่มเติม



## Primary Cardiopulmonary Resuscitation and Automated External Defibrillator Training

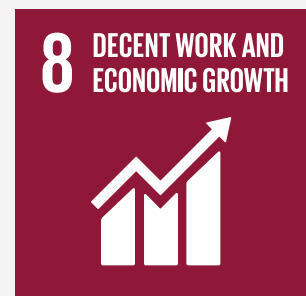
The Company conducted trainings on first aid and automated external defibrillator usage, enabling employees to comprehend cardiopulmonary resuscitation (CPR) and know how to utilize automated external defibrillators (AED). Upon emergencies, employees in Loss Prevention department and Customer Service department, product group manager and sales head from Central and Robinson, a total of 25 branches altogether, were trained and tested for their knowledge.

The passing criteria was at **80%** of the full score



# Labor Practice And Human Rights

Central Retail Corporation Public Company Limited is a large company with numerous branches in 3 countries, namely Thailand, Vietnam and Italy. This disposition reiterates Company awareness of risks related to unfair labor practices and fundamental human rights violations within the organization's supply chain, especially child labor, forced labor and discrimination. If the Company neglects these issues, significant impacts on business operations including labor strikes, and discontinued support from business partners and investors may occur. Therefore, the Company emphasizes the importance of appropriate labor treatment and respect for human rights in business operations as an approach to achieve sustainable development.



## Management Approach

The Company formulates and discloses human rights policies and labor practices to promote respect for human rights and fair worker treatment within the Company's workplace and throughout the supply chain. A working committee is responsible for carrying out projects and supporting activities in accordance with policy requirements, as well as monitoring and investigating violations of the policy. These activities are conducted in accordance to Company's whistleblowing and escalation process.



## Human Rights Policy

The Company's policy is in accordance with the UN Guiding Principles on Business and Human Rights (UNGP). The essence of the Company's human rights policy stipulates the determination to become an organization with no salient human rights issues including forced labor, human trafficking, child labor, restricting rights to collective bargaining, unfair compensation, discrimination, etc.

### Central Retails' 9 Core Policies

1. Equal treatment for all
2. Operate businesses without human rights violations
3. Provide rules and regulations on human labor rights
4. Communicate and ensure comprehension among personnel involved in the value chain
5. Provide channels for complaints or whistleblowing
6. Provide a 360 degree study on human rights impacts
7. Provide remedial measures for impacts
8. Follow up and monitor operating results
9. Publicly disclose operational information

## Human Rights Practices Relating to Labor

The Company prohibits of all types of harassment and discrimination. All departments throughout the Company must ensure equal opportunity, remuneration, hiring and human resource practices for all employees, while violations must be subject to corrective and disciplinary actions. In addition, the Company's work rules stipulate that all employees must undergo training to understand and raise awareness of discrimination and harassment in the workplace, and what actions to take when they witness discrimination and harassment. The Company also promotes establishing the Welfare Committee to enable employees to collectively welfare and benefits.



## Guidelines for Human Rights and Labor Practice

### 1. Forced Labor

- Prohibition of forced labor, involuntary labor, detention or human trafficking

### 2. Child Labor

- Prohibition of underage employment according to law, prohibition of dangerous work, parents must consent to work and work must not affect education

### 3. Female Workers

- Equal compensation for female and male employees, and provide care for pregnant employees

### 4. Migrant Workers

- Employ legal migrant workers and provide fair compensation

### 5. Workplace Safety

- Appropriate arrangement of the workplace and safety equipment

### 6. Equal Opportunity and No Discrimination

- Equal employment opportunity, Equal compensation and welfare, and Equal promotion, transfer and career development opportunities

### 7. Prevention against Violence, Intimidation and Harassment

- Prohibition abuse of authority or sexual harassment

### 8. Work Compensation

- Fair compensation, social security and welfare benefits according to law

### 9. Working hours

- Clear specification of working hours and appropriate allocation of breaks and leave days

### 10. Freedom of Association and Collective Bargaining

- Free to join an organization, express opinions and make complaints

### 11. Termination and Compensation

- Fair employee termination and compensation

### 12. Disciplinary Actions for Non-Compliance

- Receive disciplinary actions in accordance to work rules and codes of conduct

## Human Rights Due Diligence and Risk Assessment

The Company regularly and systematically examines and assesses the impacts of 7 human rights issues (forced labor, human trafficking, child labor, freedom of associations, rights for negotiations, fair compensation and discrimination) throughout the supply chain. Furthermore, the Company identifies human rights risks of all four business categories (Food, Fashion, Hard Line and Property) within the business operations of the Company, contractors, and suppliers. The Company defines the human rights due diligence to cover different groups namely employees, women, children, indigenous people, migrant workers, contractors, people living in areas around business operations and LGBTI+.

## Human Rights Monitoring and Remediation Process

The Company established whistleblowing policies to assist the Company in monitoring human rights violations and in receiving complaints from employees and external stakeholders.







## Whistleblowing Channels for Human Rights Violations

**1) Inform via email at [CRCWhistleblower@central.co.th](mailto:CRCWhistleblower@central.co.th) or postal mail at**

Head of Internal Audit  
Central Retail Corporation Limited  
22 Soi Somkid, Ploenchit Road,  
Lumpini , Bangkok 10330

**2) For complaints against the Chief Executive Officer, directly inform Chairman of the Audit Committee via email at [AuditChairman@central.co.th](mailto:AuditChairman@central.co.th) or postal mail to**

Chairman of the Audit Committee  
Central Retail Corporation Limited  
22 Soi Somkid, Ploenchit Road,  
Lumpini , Bangkok 10330

For more details on  
Human Rights Policy,  
please visit



## Welfare Committee

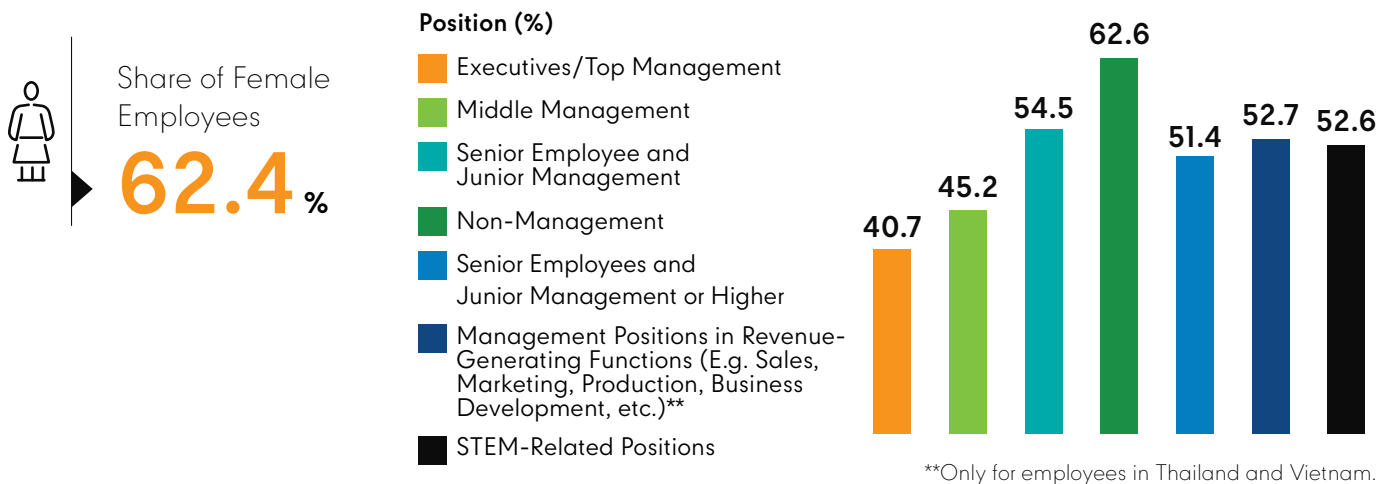
The Company respects employees' basic rights and allow all employees to the rights to collective bargaining or file complaints concerning welfare and various benefits through the Welfare Committee. In 2021, the Welfare Committee states that 100% of employees are members of Welfare Committee.



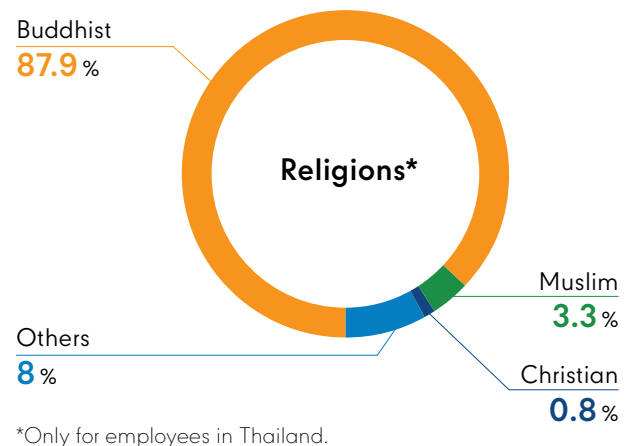
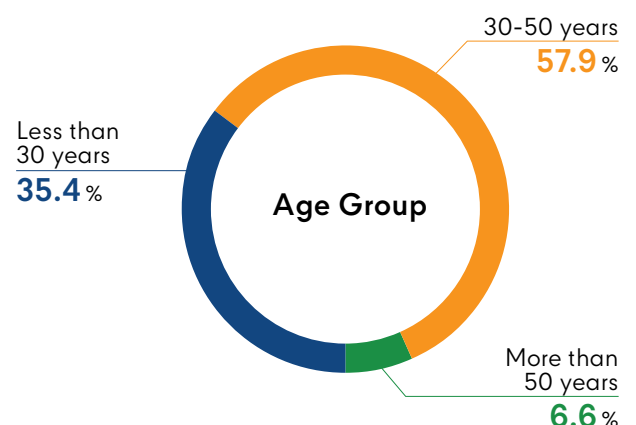
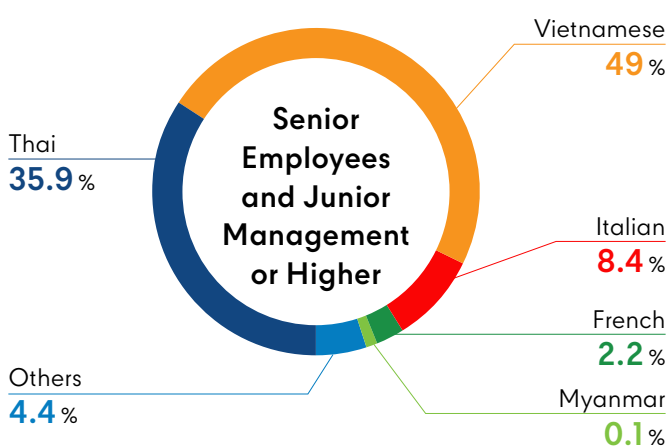
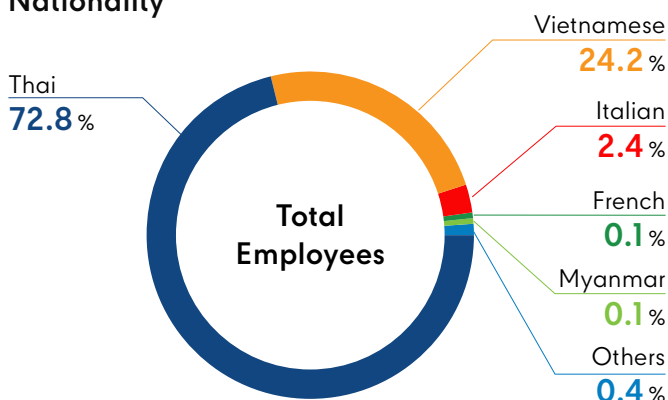
# Performance

The Company has consistently act to promote fair labor practice and respect for human rights with the scope covering diversity, equity and inclusion in the workplace, employment, and the promotion of employees to key positions. These actions are without discrimination based on race, ethnicity, nationality or national origin, gender, age, skin color, etc. The Company also allows for freedom of association for employees, commensurate remuneration, fair hiring and termination, and complete welfare benefits. The Company's performance for labor practices and respect for human rights in 2021 are as follows:

## Diversity and Equality



### Nationality





Persons with Disabilities

**438**  
Persons**Ratio Between Average Compensation of Female to Male Employees****Executives/Top Management**

Base Salary Only	0.812:1
Base Salary and Other Cash incentives	0.805:1

**Senior Employees and Junior Management, and Middle Management**

Base Salary Only	0.956:1
Base Salary and Other Cash incentives	0.959:1

**Non-Management**

Base Salary Only	0.984:1
Base Salary and Other Cash incentives	0.982:1

**Human Rights Training**

The Company organized online human rights training for all levels of employees as part of the “Code of Conduct that Everybody should Know” curriculum. Afterwards, employees are tested via the Speedy Quiz to enhance understanding of international human rights standards, Code of Conduct relevant policies and laws, and build conscience for employees to respect the human rights of themselves and others.



Total Hours of Human Rights Training

**15,140** Hours

Share of Employees that received Human Rights Training\*

**38.6** %

\*Only for employees in Thailand.

2019

2020

2021

**Complaints and Cases of Human Rights Violation, Discrimination and Harassments**

0 Case

0 Case

0 Case



## Highlight Projects

### Evaluation Plan for Human Rights Risks and Employee Training

In 2021, the Company established risk assessments and human rights training for employees for 2022, which initiates with human rights policy improvements to allow for consistency and accommodation of future changes. Subsequent focus includes human rights risks assessment among Company employees and contractors (Human Rights Due Diligence) within the Company work area and throughout the supply chain. Upon detection of a risk area relevant to human rights issues negligence, the Company will determine additional preventive and remedial measures for those affected. Subsequent to assessment completion, the Company will communicate assessment results to employees and the public to raise awareness in addition to announcing Company stance to support protecting fundamental human rights. Ultimately, the Company will provide employees with human rights training based on evaluation results prior to training and conduct follow-ups to improve future training.





# Community Contribution and Product Development

Long-Term Sustainability Target (FY2021-2030)	Performance FY2021
Generate income to farmers and communities by 5,400 Million Baht/Year.	1,500 Million Baht/year

The Company gives high priority to the creation of community economic values and the development of local products. Building good relationships with the communities can support the Company's main operations, promote the Company's business competitiveness, and help create a good reputation for the public. For example, the Company jointly develops local products with the community to increase income and well-being for people in the community but it also enables the Company to have broader selection of local products to sell and distribute to customers. Without good relationship with the community, the Company may face delays in business operations, whether in expansion of the Company's establishment or the recruitment employees.

## Management Approach

The Company defined "Central Tham" as a framework to support community contribution and local product development. The components of Central Tham management approach is to foster a good quality of life, a stable career, for the environment and a good society—which are aligned with the Company's sustainable development business strategy. In addition, all four components of the Central Tham concept are related to the United Nations Sustainable Development Goals as follows:

### Community Contribution

### Local Product Development



#### Better Life

Building a better quality of life, quality education, and social equality.

#### Better Work

Building valuable work and sustainable career opportunity.

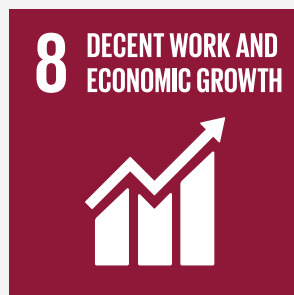
#### Better World

Operating business that will lead to circular economy and restoring green space.

#### Better Society

Supporting and conserving the cultural heritage of local communities.





In community contribution, the Company focuses on capacity building for people in the community through knowledge and skill development, and provide equipment and infrastructure support, distribution channel, and marketing. As for local product development, the Company encourages integrating local culture and wisdom in product design, resulting in various forms of products that add value and meet the needs of consumers in every generation.

In the past, the Company had engaged with communities and society to survey current or potential negative impacts due to the Company's business operations, or current and future projects. The survey results are used as references to improve the Company's operations or business plans. The objective is to reduce the direct and indirect impact to the community and society. In case there is no problem found, the Company has an ongoing process of coordinating and supporting the community and society.

The proportion of participation to the community

100%



More information on  
Central Tham, please visit



## Performance

▶ **44**

Provinces

▶ **100,000**

households

▶ **500,000**

lives

▶ **1,500**

million Baht

▶ **2,000**

Rai

Reduction of over

▶ **1,600**

tons of Food Waste



Cash contribution

▶ **24,042,092** Baht

Hours of Employee Volunteering  
During Paid Work Hours

▶ **295,624** Hour

Value of Employee Volunteering  
During paid Work Hours

▶ **28,675,528** Baht

Products and Services Donations

▶ **18,038,566** Baht

Administrative Expenses and  
Management Overheads  
of Employees Responsible

▶ **24,760,700** Baht

Charitable  
Donations

▶ **17** %

Community  
Investment

▶ **48** %

Commercial  
Initiatives

▶ **35** %



## Highlight Projects

### Jing Jai Farmers' Market Program

One of the problems that Thai farmers face is limited numbers of product distribution channels. In 2018, the Company initiated the Jing Jai Farmers' Market Project to increase agricultural products distribution channel options available to local Thai farmers. The Company sincerely believes that the Jing Jai Farmers' Market Project can contribute to job creation and income generation for Thai farmers. In addition, the Company also benefits from sourcing new and unique products from local wisdom that can be sold within the Company's department stores. Therefore, Jing Jai Farmers' Market Program is a project that provide mutual benefits to both the community and the Company.



#### Performance in 2021



Revenue Generated with the Farmers:

**220,000,000**  
Baht



Farmers that have  
participated in  
the project:

**24,000**  
Farmers



Number of households  
benefiting from the project:

**6,620** Households  
(591 sub district)

#### Business Benefit Indicators

Jing Jai Farmers' Market Project creates an opportunity to expand the market in accordance with customer demand on local agricultural products by Thai farmers. The cooperation between the Company and farmers can generate income accumulatively for more than 220,000,000 baht in 2021 from 27 locations in 24 provinces across the country.

#### Social / Environmental Benefit Indicators

In 2021, Jing Jai Farmers' Market Program leads to enhancing the quality of life for people in society through generating income for over 6,620 households with more than 24,000 in farmers participating in the project.



## Dual Vocation Education Program

The Company collaborates with colleges across the country to initiate the Dual Vocation Education Program to provide scholarships and welfare to Bachelor's degree and advanced vocational degrees students. The purpose is to provide academic opportunities on business skills and knowledge, and to contribute to the Sustainable Development Goal 4: Quality Education. In addition, the Company has continuously monitored the program performance, such as the number of scholarship recipients, the number of graduates, and the number of people employed by the Company. In 2021, the Company has expanded the program to 5 more colleges, namely Buriram Technical College, Kanchanaphisek Technical College (Samut Prakan), Saraburi Vocational College, Siam Business Administration Technology College, and Sikhorphum Vocational College.



	Advanced Vocational Degrees		Bachelor's Degree	
	2020	2021	2020	2021
Number of Participants (Persons)	637	990	747	424
Percentage hired as employees (%)	43	70	57	30
Scholarship value awarded to students (Million Baht)	6	6.2	7	6.6

### Business Benefit Indicators

The Dual Vocation Education Program provides opportunities in a form of scholarships to young people with promising futures, knowledge, and abilities. Out of those participated in the program, 70% of the advanced vocational degrees students and 30% of the Bachelor's degree students are recruited to become employees. Furthermore, the program builds positive relationship between the Company and new employees recruited from the program, which resulted in 30% lower turnover rate in 2021 for the program participants when compare to regular employees.

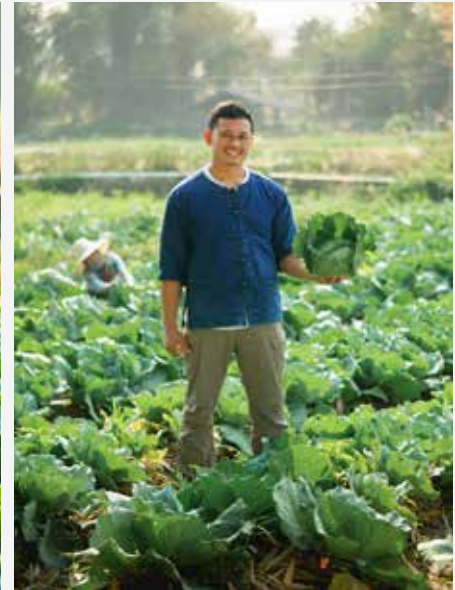
### Social / Environmental Benefit Indicators

In 2021, the Dual Vocation Education Program has provided career building opportunities for more than 1,414 people from the scholarships awarded to students in 2021.



## Mae Tha Organic Farming and Sustainable Living

Mae Tha Organic Farming and Sustainable Living is a project that the Company cooperated with the Earth Net Foundation and other organizations to develop an integrated organic agricultural learning center at the Mae Tha Subdistrict, Mae On District, Chiang Mai Province. The purpose is to raise the community's capacity in agriculture that take into account of economic, societal and the environmental factors, as well as promoting organic agriculture tourism and reforestation efforts for the community.



### In 2021



Income generation with farmers

**3,200,000** Baht

Households receiving benefits for good quality of life and environmental management

**130** Households

(100% of people in the community)

Community members received training in organic agriculture

**60** People

### Business Benefit Indicators

Mae Tha Organic Farming and Sustainable Living has expanded the Company's customer base to those with the interest to organic products. The project generated income with farmers from selling the organic products amounting to more than 3,200,000 Baht in 2021.

### Social / Environmental Benefit Indicators

In 2021, Mae Tha Organic Farming and Sustainable Living Program has raised the quality of life for people in living in the community through the organic agriculture training for 60 farmers. Other impacts include the distribution of income from sales of organic products and organic agriculture tourism to 130 households within the community.



## Na Muen Sri Community Handicraft Textile Learning Center Project

Preservation and restoration of the Na Muen Sri handicraft textile was initiated by the Company after finding that there was limited interests in inheriting the Na Muen Sri textile, hand-weaving methods, and the related local traditions among younger generations. Hence, the Company takes upon itself the role of identifying unique characteristics of the Na Muen Sri textile and develop a plan to preserve and restore these hand-weaving knowledge and local cultural heritage. Hence, the Company founded the Na Muen Sri Community Handicraft Textile Learning Center together with building a textile museum at the Muen Si subdistrict, Na Yong district, Trang province. The objective is to establish the center for people to learn about hand-woven textile with traditional patterns according to the local way of living, and about local narratives and traditions. The museum houses exhibitions of traditional Thai textile with over 200 years of history. The project leads to the development of cultural community tourism within the local community, and generate income for the community through the sales of Thai textile products from various channels, such as Central Tham Market Facebook page, and Na Meun Si Textile Community Group Facebook page.





Income generated with the community

**5,000,000****Baht**

People in the community participating in the project

**155** Households

### Business Benefit Indicators

Na Muen Sri Community Handicraft Textile Learning Center Project has positively contributed to the Company's reputation to the public. Moreover, the project also led to over 5,000,000 baht income generation with the community in 2021. The source of income is largely from sales of unique local products that also strengthen the diversity of the Company's product selection.

### Social / Environmental Benefit Indicators

In 2021, Na Muen Sri Community Handicraft Textile Learning Center Project promotes cultural conservation to live with the community while enhancing its strengths through cultural community tourism and community textile products, leading to a better quality of life for more than 155 households.





# Sustainable Economic Growth and Corporate Governance

The Company is aware of the changing direction in the global trends that place great importance on the value of life, natural resources, as well as social and environmental problems. Therefore, the Company commits to corporate governance based on good morals and ethics to drive long-term business growth. The Company has set a policy to create clarity in managing business operations in an efficient, transparent and accountable manner. This demonstrates the Company's commitment to be a role model for society in the area of anti-corruption of all forms through the cultivation and education for employees to fully understand the Company's policies and codes of conduct. In order to increase the expansion of the business, the Company supports the application of technology to create innovations that enhance operational capabilities, become more convenient for consumers, heighten cybersecurity to prevent threats that may cause leakage of confidential information belonging to the Company, suppliers, as well as customers' personal information. The Company also places importance on good customer relationship and brand development. The purpose is to create an outstanding experience for customers that are using products and services offered by the Company. In addition, the Company has established a risk management committee to oversee, monitor, and prepare for global crises in order to protect businesses from potential impacts that may lead to losses to the Company as well as the supply chain. Therefore, the Company continuously assesses its business partners and encourages business ethics that take into account environmental and social impacts on business partners and stakeholders.

Due to the ever-changing and challenging global trends in business operations, the Company has developed an operational framework that provides resilience and agility to effectively adapt its business operations throughout the supply chain, which consists of six approaches for sustainable growth of the Company.

## Six approaches to sustainable development in the governance and economic dimension:



Supply Chain Management



Cybersecurity and  
Customer Privacy Protection



Customer Relationship Management  
and Brand Management



Corporate Governance  
and Business Ethics



Innovation

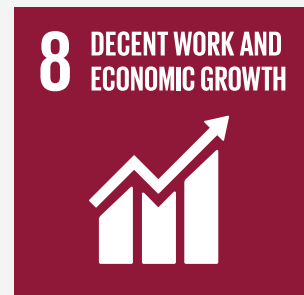


Risk and Crisis Management  
and Resilience

The United Nations Sustainable Development Goals (UN SDGs) are applied to business operation so that the Company's goals and practices are clear and consistent with international practices, leading to efficient management within the organization and all relevant stakeholders.

In 2021, the Company is determined to operate ethically and closely with business partners, as well as conduct marketing practices focusing on communicating with customers to provide information and build a better understanding of the Company, and new products via Omnichannel. The marketing practice also aims to build good customer relationship. The Company is also determined to strengthen cybersecurity to prevent data breaches leading to good reputation among customers.

**The Company's operations are consistent with the following United Nations Sustainable Development Goals:**

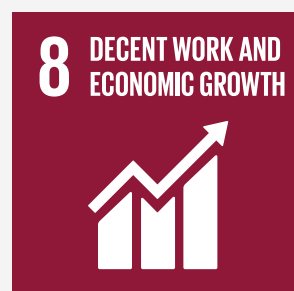






# Supply Chain Management

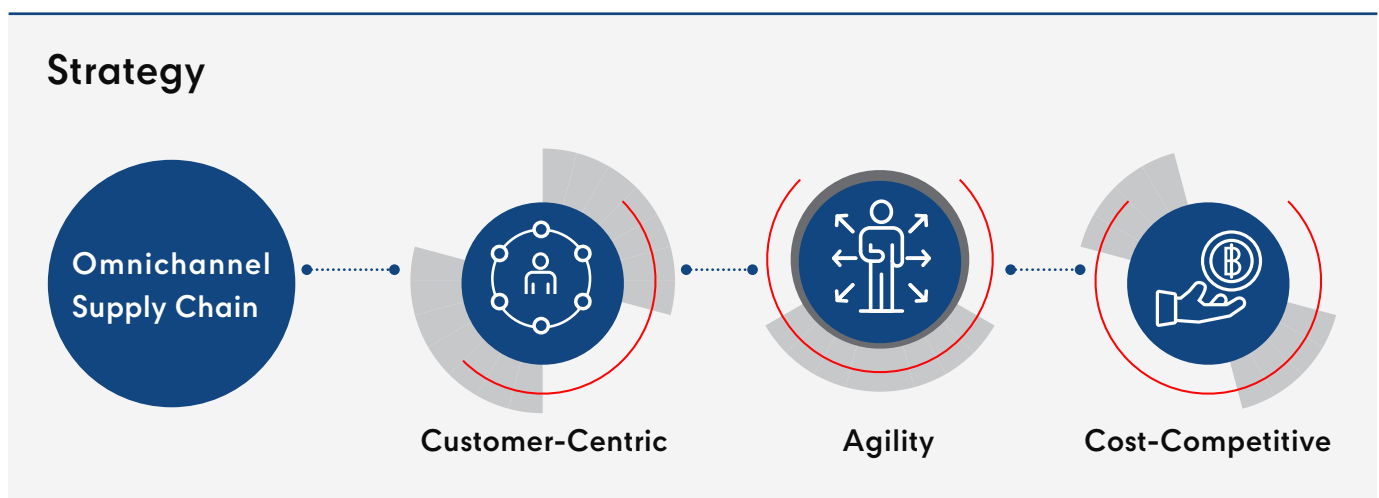
The foundations of good supply chain management is operational efficiency and flexibility to reduce costs and meet all stakeholders expectations. However, current stakeholder expectations to supply chain management are not limited to cost savings in warehouse operations, fully stocked inventory to satisfy consumers needs or fast delivery services, but extend to the entire supply chain from upstream to downstream and also cover suppliers' business operations. For this reason, the Company emphasizes the importance of sustainability principles in supply chain management from upstream to downstream accounting for own business operations, social and environmental issues, and driving suppliers to operate in accordance with sustainability framework consistent with that of the Company. Sustainable supply chain management will help the Company reduce costs, mitigate risks in the event of supply chain disruptions and build a good reputation and confidence for the stakeholders.



# Management Approach

## Supply Chain Management Strategy

The Company has established supply chain management strategy in line with the Omnichannel business strategy to enhance the Company's competitive advantage with main components of the strategy comprising of customer-centric, agility and cost competitive. Based on the supply chain management strategy, the Company has set targets that focus on driving Omnichannel, such as one-day delivery services, cost reduction in logistics systems, provisions of best-in-class customer service while maintaining the same price as competitors, distribution centers integration to prevent product shortages for all sales channel, and expansion of in-house operations within the Company.



### Customer Centric

Establish a reputation for excellence in satisfying customer needs and providing the best delivery services.

### Agility

Enhance supply chain ability to adapt to rapidly changing market trends.

### Cost Competitive

Increase operational efficiency to enable customer services at most competitive costs



In addition, the Company envisages sustainability as another means to drive its strategy and therefore establishes supply chain management sustainability goals as follows: reduce supply chain greenhouse gas emissions and reduce work accidents. The Company business growth will result in its supply chain to emit higher quantity of greenhouse gas emission, which is a main cause of climate change that can negatively affect business, for instance climate change induced extreme weather can become more frequent and more severe. Therefore, the Company has continued and expanded projects to reduce greenhouse gas emissions, including installing solar panels at distribution centers and investment in electric vehicles. These projects will reduce greenhouse gas emissions by replacing fossil fuel with renewable energy while greatly reducing energy cost in the supply chain. Business operations through the Omnichannel can become more complex, thus potentially causing higher rate of accidents and work-related injuries. These incidents will result in higher management costs, and even possible disruptions or delays throughout the entire supply chain, of which has involved integration between multiple distribution centers. Prevention of accidents and injuries will help reduce costs and loss of revenues, critical factors for supply chain resilience and cost competitiveness. Ultimately, this Company has received ISO 45001 certification for Occupational Health and Safety Management System.

## Supplier Code of Conduct

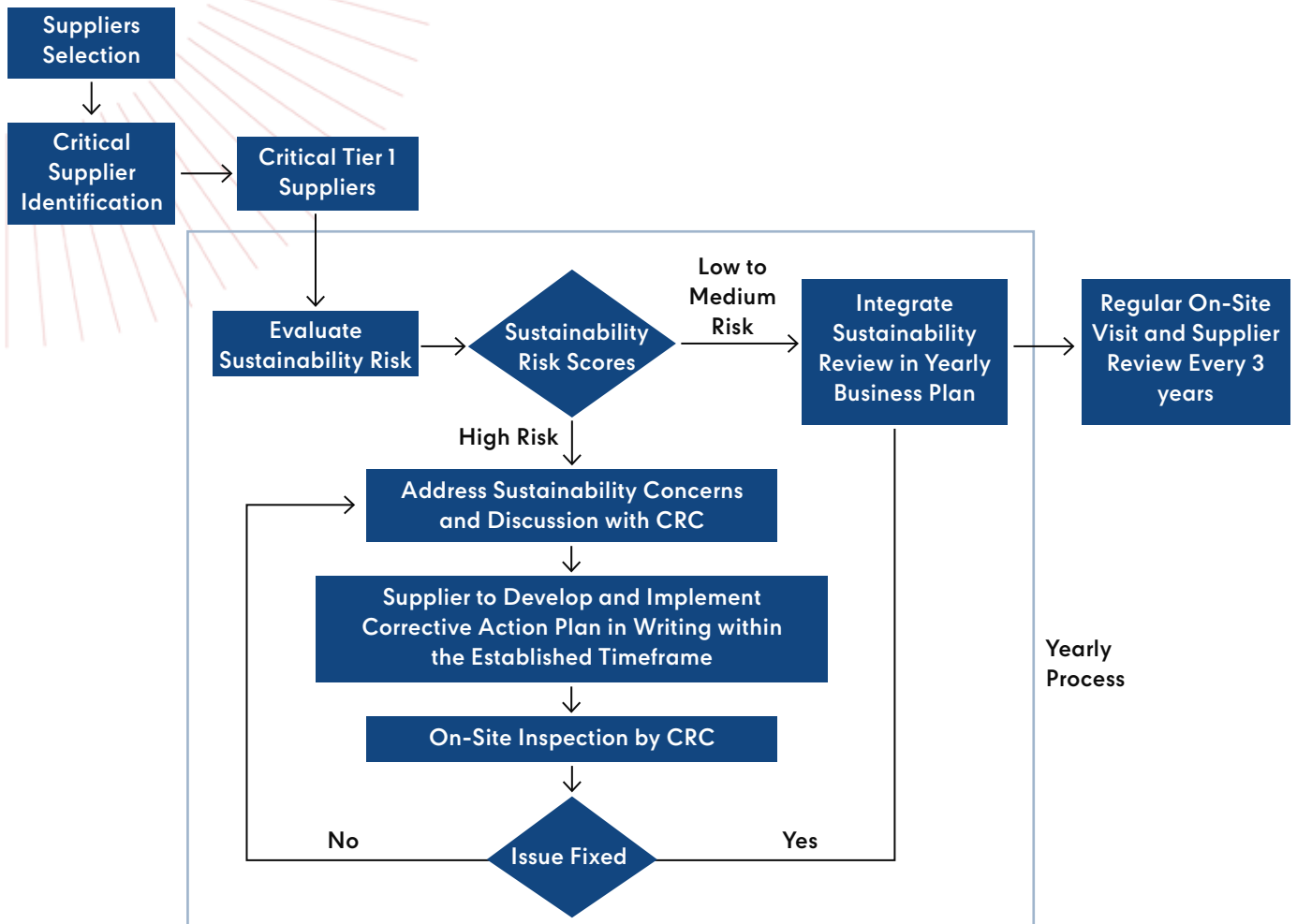
In addition, the Company is committed to promoting sustainability throughout the supply chain, which includes its subsidiaries and suppliers. The Company has prepared and announced the Supplier Code of Conduct as a guideline for its subsidiaries and business partners.

Additional details regarding Supplier Code of Conduct and sustainability issues that are addressed can be found here:



## Supply Chain Risk Identification and Assessment

Concurrently, the Company recognizes that promoting sustainability throughout the supply chain is a long-term operation that requires continuity. Therefore, supply chain risk identification and assessment process has been developed and implemented regularly. During the initial phase, the Company will focus on risk assessments for Critical Tier 1 Suppliers prior to assessment scope expansion to include other partners in the future.



## 1. Supplier Selection

The Company has established compliance with the Supplier Code of Conduct as the minimum criterion for supplier selection, which can be measured from self-assessment completed by the suppliers and social listening, a process to monitor public opinion about the suppliers from analyzing keywords obtained from various social media platforms. Suppliers compliance with the Supplier Code of Conduct weighs in at 15% of total supplier selection criteria. Therefore, all suppliers must initially satisfy this minimum supplier selection criterion in addition to other criteria prior to be selected as suppliers for the Company.



## 2. Critical Supplier Identification

Critical supplier identification will help the Company identify suppliers that are most significant to the business operation. This will enable the Company's sustainability efforts to be focused, achieve the most benefits, and high risk mitigation. The Company defines critical suppliers as those providing products that are highly demanded and must be made available to the customers, which include high volume and non-substitutable suppliers. The Company only conducts business operations with Tier 1 suppliers or those that work directly with the Company. Tier 1 suppliers consist of critical Tier 1 suppliers and non-critical Tier 1 suppliers.

## 3. Sustainability Risk Evaluation

Upon identification of critical suppliers, the Company will conduct annual sustainability risk evaluation only for the critical suppliers due to their high impact towards the Company. The factors included in the sustainability risk assessment includes:

- Self-Assessment Results
- Social Listening Results
- Countries with High Sustainability Risks
- Price Offer
- Sustainability Standard Certification
- Sustainability and Social Responsibility Operations

The sustainability risk evaluation result will categorizing each critical supplier into high, medium or low sustainability risk. Critical suppliers with medium and low risk are considered to have passed the sustainability risk evaluation in that year and will be included in the Company's business plan. Conversely, critical suppliers that have high sustainability risks will require a more thorough risk assessment prior to continued operations with the Company.

## 4. On-Site Assessment

Critical suppliers assessed as having high sustainability risk will be reassessed in-depth by the Company, which is done by the Company's employees or external auditors will be present at the suppliers' workplace to validate the assessments with primary data. If the on-site assessments still deem the critical suppliers to have high sustainability risk, they will be given opportunities to implement corrective actions to address the risks before being to continue working with the Company.

## 5. Corrective Actions

Critical suppliers confirmed by on-site assessments as having high sustainability risk must develop an action plan to successfully resolve and improve issues within a specified timeframe prior to a subsequent on-site assessments. Critical suppliers that have successfully implemented the corrective actions will be able to resume normal operations with other suppliers that have been assessed as medium and low sustainability risk. Suppliers that are still experiencing problems will be able to take further corrective actions until successful completion.





## 6. Supplier Review

In order to establish confidence for stakeholders, all critical suppliers that have been working with the Company will require regular assessments on a three years basis. These critical suppliers are subject to on-site assessments to ensure that business operations are sustainably conducted throughout the supply chain.

### Performance

Type of Supplier	Number of Suppliers	Suppliers Assessed for Sustainability Risk (Share in each type of supplier)
Total Suppliers/Tier 1 Suppliers	24,560	796 (3.2%)
Critical Tier 1 Suppliers*	290	259 (89%)
Non-Tier 1 Suppliers	0	0

Note: \*Only for suppliers of Food, Fashion, and Hardline business categories in Thailand.



Suppliers from Thailand

**93.8%**

(23,048 Suppliers)



Suppliers from Outside of Thailand

**6.2%**

(1,512 Suppliers)

## Supply Chain Spending

Business Categories	Total	Food	Fashion	Hardline	Property
Supply Chain Spend Value	100% (130,474 million Baht)	27%	26%	41%	6%
Numbers of Tier 1 Suppliers	100% (24,560 suppliers)	27%	14%	9%	50%



Supply Chain Key Performance Indicators and Targets*	Share of total Critical Tier 1 Suppliers	Targets
Written/Digital Acknowledgement for Supplier Code of Conduct	100%	100% by 2023
Completed Self-Assessment	100%	100% by 2023
Supplier Sustainability Training	0	100% by 2024

Note: \*Only for business operations in Thailand.

## Highlight Projects

### COVID-19 Response Plan for Distribution Centers

The Company has prepared a response plan for potential COVID-19 outbreaks in distribution centers with the purpose of preventing disruptions in distribution centers, an important component of the entire supply chain. The plan includes countermeasures at three levels namely preparation, action, and recovery, and covers all operations related to distribution centers. Importantly, the epidemic situation has been continuously monitored in order to adjust the response plan in accordance to new strain of COVID-19.



## Measures to Combat the Spread of COVID-19

Measure Level	Examples of measures for employees and personnel	Examples of workplace measures	Examples of product management measures
Preparation Stage	<ul style="list-style-type: none"> <li>• Check travel history, and history of contact with any infected or high risk people</li> <li>• Social distancing</li> <li>• Temperature screening COVID-19 prevention training</li> <li>• Plan for employee and contractor work schedule</li> </ul>	<ul style="list-style-type: none"> <li>• Sanitization</li> <li>• Preparation of backup distribution centers in other areas in case of facility closure due to infected individuals or government sanctioned lockdown.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase inventory and in-store inventory to prevent product shortages</li> <li>• Increase diversity of products in the event of a ban on moving goods across the country</li> <li>• Monitor situations in business partners' areas of operation</li> </ul>
Action Stage	<ul style="list-style-type: none"> <li>• Employees with body temperatures above 37.5°C must return home for monitoring</li> <li>• Employees who have been exposed to infected individuals or individuals with high risk of infection must self-quarantine at home for 14 days.</li> </ul>	<ul style="list-style-type: none"> <li>• Immediately shut down the operating facility, and trucks that have been used by infected individuals for sanitization.</li> <li>• Report the situation to management in order to conduct internal communication with the organization in a transparent and accurate manner.</li> </ul>	<ul style="list-style-type: none"> <li>• Relocate products from risk areas to temporary distribution centers.</li> <li>• Relocate products between stores to prevent stock shortages</li> <li>• Plan alternate shipping routes to avoid high-risk areas or areas with lockdowns.</li> </ul>
Recovery Stage	<ul style="list-style-type: none"> <li>• Provide opportunities for overtime work to compensate for employees affected by quarantine</li> <li>• Hire temporary workers or contractors to reduce workload</li> <li>• Adjust work schedule according to the workload</li> </ul>	<ul style="list-style-type: none"> <li>• Return to the main distribution center upon disinfection and after the area has been declared to no longer pose any risk</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate impact to all parties for acknowledgment</li> <li>• Check stocks to constantly replenish</li> <li>• Express-transport of available products</li> </ul>



## 2021

Cases of infection within the supply chain operations

**57** cases

(2.3% of total employees or total of 2,511 cases)

Cases of infection from outside supply chain operations

**154** cases

(6.1% of total employees or total of 2,511 cases)

Cases of infection for contractors in supply chain operations

**71** cases

(7.2% of total employees or total of 933 cases)

Cases of quarantine for employees at risk of infection

**659** cases

(26.2% of total employees or total of 2,511 cases)

Cases of disruption in distribution center

**0** cases

## Highlight Projects

### Development of Platforms for Delivering Bulky Items

In 2021, the Company has partnered with Kerry Express (Thailand) Public Company Limited, a major logistics service provider in Thailand, to develop Kerry XL as a platform for transporting bulky items such as home furniture and electrical appliances. This platform will expand the Company's logistics system in an effective manner to satisfy customer needs while granting new business opportunities. Additional benefits gained by the Company from this partnership are reduced cost and transportation time for large bulky items and improving convenience for customers through delivery status tracking.



# Cybersecurity and Privacy Protection

The Company's current businesses have transformed through digital transformation and the internet of things (IoT) that aim to enhance speed and efficiency of operations along with cybersecurity to protect confidential information of the Company, and personal information of suppliers and customers. The Company is aware of the importance of cybersecurity and the stability of the information system, which can be at risk of data breach and cyber threats that are evolving into more diverse and complex forms. Potential damages can range from data leakage to impacts to the stability in economic, social, and environmental dimensions, as well as reducing the Company's credibility in the eyes of suppliers and customers. In addition, the Company places great importance on full compliance with both national and international laws on cybersecurity and data privacy to prevent the potential risks of cyber threats and reduce the risks of information leaks.



## Management Approach

In laying the foundation for strong cybersecurity and privacy protection, the Company has formed the cybersecurity and data protection unit consisting of information security experts and the Chief Information Security Officer (CISO). They are responsible for overseeing information system stability, and setting up secure security system for the Company's data center to prevent the risk of physical damage. The Company's cybersecurity and data protection governance is established under the Risk Policy Committee, the Chief Executive Officer, and the CISO with other operational level employees. Furthermore, the Company has established guidelines for the storage and transfer of information systems to build awareness and educate employees at all levels on the issue. The Company also put in effect the Data Privacy Policy as well as improves the security of customer information management systems. In parallel, the Company allocates specific channels for customers and shareholders to inquire about data access rights and make cyber-related complaints. The purpose of this communication channel is to build confidence among customers and business partners for the Company's cybersecurity and information system protection guidelines, of which are being continuously developed and adjusted to be able to promptly respond to cyber threats.





## Governance Structure for Cybersecurity and Privacy Protection



Find more information on the governance structure for Cybersecurity and Privacy Protection, please visit here:





## Cybersecurity Process



Organize Security Committee Meeting (SCM) between cybersecurity functions from each business units to regularly exchange feedbacks, and management approaches



Gather and exchange information on cybersecurity to assess risks and prepare for cyber threats



Improve guidelines and frameworks for CIS Controls and NIST CSF

## Data Privacy Protection

The Company commits to ensuring the security of personal information in the use of services. The Company takes responsibility for protecting personal information of all stakeholders to prevent leak of confidential information to the public. Therefore, a Data Privacy Policy has been established and disclosed to the public to create transparency in operation. The matter is under the supervision of the Data Protection Officer responsible for recommending and setting the management framework that is consistent with Personal Data Protection Act (PDPA). This is to build confidence in customers with regard to data privacy protection, that their personal information shall not be used or disclosed purposes other than the one that is informed and agreed upon by customers (secondary purpose). Moreover, the Company has created an online service channel and a call center to provide advice on issues as follows:

**Type of Personal Information**

**Purposes for Collection, Use and Disclosure of Information**

**Agencies or individuals that the Company is allowed to disclose personal information**

**Transfer of Information Abroad**

**Duration for storing Personal Information**

**Information Security**

**Cookie Policy**

**Legal rights of Personal Information**

**Service Channels to Exert the Rights of Personal Information Owners**

Find more information on the Data Privacy and Management Procedures, please visit here:





## Communication Channel for Making Complaints on Data Privacy Protection

The Company has provided both online and offline channels for customers and shareholders to inquire about personal information, exercise the right to access personal information collected by the Company in accordance with the Data Privacy Policy. Customers and shareholders can also making complaints of data leakage, and data privacy violations to uphold transparency in collecting personal information and to maintain the confidence of all relevant stakeholders. The audit committee specifically responsible for overseeing personal data will review all complaint of data breach, investigate the causes, and immediately take corrective actions.

# CENTRALRETAIL

### Contact

**Central Retail Corporation Public Company Limited**

Central Chidlom Tower, 14th Floor, 22 Soi Somkid,  
Ploenchit Road, Lumpini Subdistrict, Pathumwan  
District, Bangkok 10330

### Call Center:

**+66 2 650 3600, +66 2 730 7777**

e-mail: [pr@central.co.th](mailto:pr@central.co.th), [contact@central.co.th](mailto:contact@central.co.th)



# Performance

Information Security / Cybersecurity	2018	2019	2020	2021
Number of information security breach incidents* or other cybersecurity incidents**	0 Case	0 Case	0 Case	2 Cases
• Number of information breach incidents*** which consists of data breaches, identity theft, and loss of customer data	0 Case	0 Case	0 Case	0 Cases
• Number of employees and customers affected by data breach	0 Person	0 Person	0 Person	0 Person
• The amount of fine or penalty caused by information security breach or other cybersecurity incidents (Baht)	0 Baht	0 Baht	0 Baht	0 Baht
Privacy Protection	2018	2019	2020	2021
The number of substantiated complaint**** regarding the violation of the customer's personal data	0 Case	0 Case	0 Case	1 Case
• Complaints from third parties	0 Case	0 Case	0 Case	1 Case
• Complaints from regulatory agencies (Government Agencies)	0 Case	0 Case	0 Case	0 Case

\* Information security breaches are unauthorized access to computer data, applications, networks, devices, networks, and data security systems.

\*\* Other cybersecurity incidents are cases other than unauthorized access or disclosure of protected information, such as an intruder taking control of a power generation system or a transportation system, etc.

\*\*\* Data breaches are the consequences of a security breach leading to unwanted events or unlawful actions, information leak, unauthorized change or disclosure of personal information, as well as storing and processing of personal or confidential information, which affect integrity of the security system.

\*\*\*\* Substantiated complaints are written statement by regulatory authority (a government agency) with issues related to the violation of customer data privacy or complaints made by external parties (3rd party organization) that are recognized as legitimate in accordance with the Company's guidelines (or the Company's data privacy policy).



# Highlight Projects

## Information Security Policy Endorsement

The Company formulates a strategy that serves as a blueprint to set out a clear direction for information security operations, which is an important starting point in implementing projects to enhance the efficiency of information security risk management and personal information protection.

Project Name	Information Security Policy Endorsement
Alignment with the Organizational Goals	Improve the overall scheme of information security
Output	Information Security Policy
Value Creation	Information security implementation framework to reduce risks

## Enhanced Endpoint Advance Protection with EDR Technology

The Company places great importance on the security of end point data and applies EDR technology (Endpoint Detection and Response) to detect incidents that may lead to information security risks occurring at the end points, which can be responded quickly, as well as increasing the efficiency of data recovery.

Project Name	Enhanced Endpoint Advanced Protection with EDR Technology
Alignment with the Organizational Goals	Enhance the security of destination data
Output	Application of EDR technology
Value Creation	Reduce the risk of data breaches and minimize the damage caused by data compromised by endpoint hacks





## Enhanced Phishing / e-Mail Malware Protection Program

The Company runs a project to prevent cyber threats that come in the form of fraudulent e-mails containing unwanted program attachments that are intended to access sensitive information or storage that is restricted and not publicly available. Therefore, the Company aims to raise awareness among employees at all levels to be aware of the hidden threats associated with e-mail and conduct regular security awareness and system testing.

Project Name	Enhanced Phishing / e-Mail Malware Protection
Alignment with the Organizational Goals	Raise awareness and enhance data security and privacy
Output	Enhance protection against identity theft
Value Creation	Reduce risk and financial damage resulting from data theft

## Security Operation Center / Incident Response Capabilities for Improved Incident Response Recovery

The Company aims to enhance the capabilities of the security operations center and incident response (SOC/IR) through a review of the safety incident management with regard to the alert system, incident detection, response, and prompt recovery of critical business data.

Project Name	SOC/IR Capabilities for improved IR Recovery
Alignment with the Organizational Goals	Build data security and readiness for incidents that pose a risk to information security
Output	SOC/IR with higher effectiveness
Value Creation	Reduce risks and damage caused by adverse events to maintain the continuity of business operations



# Innovation

GRI 103-1, GRI 103-2, GRI 103-3

Present technological advance has a pivotal role in changing human behaviors. The Company recognizes the importance in the application of technology to develop an innovation that can respond to customers' needs and build positive experience to customers. This leads to competitive edge that can help foster business' growth exponentially. Furthermore, the Company is aware of the impacts of emerging technology amid various disruption. The Company is committed to develop innovation and modern technology, aligning it to the Company's strategic operations, such as building on online service channels and distribution channels. This was in tandem with Omnichannel, focusing on accessing all genders of customers and age groups promptly, as well as the development of innovation to boost efficiency and speed in operations throughout the supply chain. This reinforces confidence of shareholders, investors, and business partners towards the Company.



## Management Approach

With regards to innovation, the Company assigned "Central Tech" team, a sub-business unit under the Company to innovate products and create excellent experience for the customers under the framework of "Customer Centric." This is achieved through adjustment of marketing strategy, and improving the capacity of platforms for Omnichannel, e-commerce, and customer relationship management. The effort was implemented together with process innovation development, enhancing efficiency and speeding up internal work processes among business units, as well as inter-organizational coordination. To enable tangible changes, the Company is committed to communicate and build understanding of the innovation to all levels of employees and various stakeholders throughout the supply chain via numerous communication channels. Furthermore, Central Tech was established as CTRL or Central Tech Retail Lab to test and develop cutting-edge innovation, and provide opportunities for capable start-up companies to form partnership with the Company. This serves as the key foundation to achieve the Company's goals as the no. 1 leader of retail business in Thailand.



## 01. Design

Identify the needs, challenges and pain points

## 02. Pilot

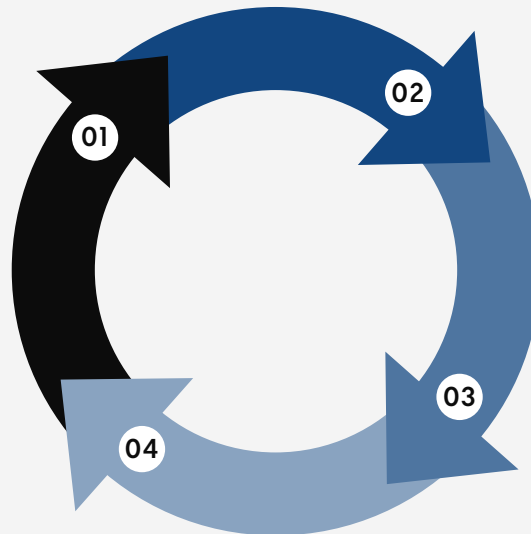
Gauge the market and users' interests

## 03. Efficiency

Scaling-up to drive commercialization

## 04. Assess Problems and Challenges

In case of failure, identify new pain points or discontinue



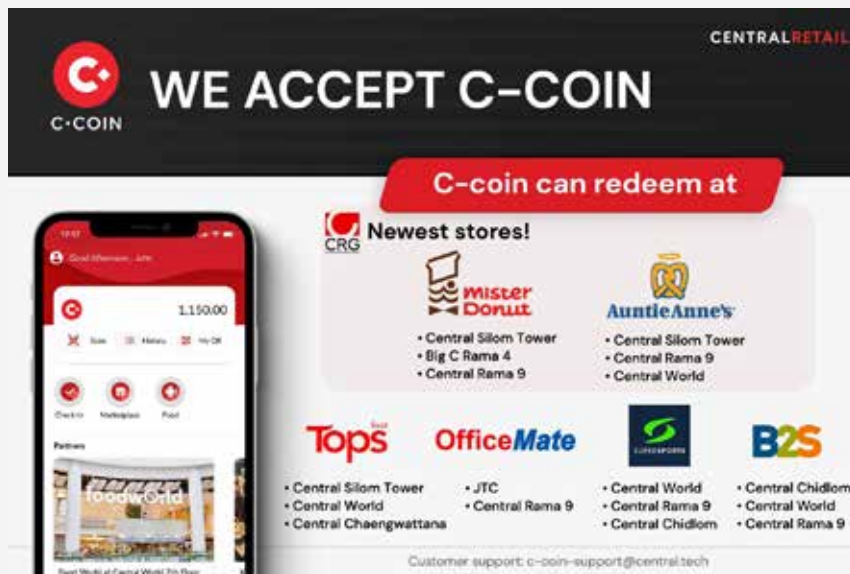
## Process Innovation

The Company developed innovation to continuously elevate work process, with a focus applying innovation to enhance speed and efficiency in operations, as well as fostering safe and appropriate work environment. Process innovation also serve to increase capability of employees, as well as provide an important foundation in creating outstanding experience for customers. As of 2021, process innovation projects are as follows.

### Highlight Projects on Process Innovation

#### C-Coin

The C-Coin is a cryptocurrency that was developed and launched by the Company as reward program for employees. C-Coin has been positively received by employees, and the Company has decided to scale-up the project to become a cryptocurrency that is stable and customized for purchasing the Company's products and services in the future. The Company aspires to expand C-Coin user base to be compatible for purchasing products from stores owned by the Company. In addition to promoting employee engagement and participation of the employees, the C-Coin can also improve customers' shopping experience and ease of payment. The C-Coin helps the Company to become leader in the retailing business, and provide innovative services that are flexible and adaptable to current trend of consumer behaviors. Following the success of the C-Coin, the Company was awarded as Thailand's first winner of the "Best in Future of Work" category from the 2021 IDC Future Enterprise Awards Thailand.



## Facial Recognition and Temperature Sensor Technology

The Company developed facial recognition and temperature sensing technology for preventing the spread of COVID-19. The facial recognition technology can also detect and remind customers to wear face masks. In 2021, there was a scale up for the project to cover more department stores in order to supervise and safeguard safety for customers and employees to help increase confidence regarding the Company's COVID-19 measures. Furthermore, the facial recognition technology has been implemented in the office by recording employees' work attendance through facial recognition as opposed to scanning fingerprints. This enables for safer workplace and allows for real-time data monitoring, which is crucial information in establishing public health measures.

## UV-C Disinfection Robot

The Company has applied UV-C Disinfection Robot in department stores to disinfect as necessary per standards of the World Health Organization (WHO) and the Center for Disease Control and Prevention. The robot can emit high intensity UV-C radiation in a 360 degree direction, which can eliminates 99.99% of the pathogens within a few seconds. The project was scaled up and implemented at the Company's department stores in order to minimize risks of employees contacting COVID-19, thus resulting in employees' and customers' trust to the Company.

## Product Innovation

The Company is determined to develop innovation to promote business' flexibility in order to meet the needs of customers and adapt to the changing consumer behavior. It eventually lead to the best shopping and service experience, and loyalty for customers. Application of technology and shift in Omnichannel strategy will help increase convenience, and maximize benefits for customers, and also increase efficiency of work.



## Highlight Project for Product Innovation

### Central Application

The Company carried out its sell strategy through Omnichannel under the “Central App” offering service to customers via mobile phones on both iOS and Android. The Company promotes the integration of online and offline sale channels, while also developing customer information database that is secure through a customer relationship management platform. Customer information are then analyzed via machine learning to customize promotional offers to customers. Last but not least, e-Payment is also available via the Central App, an important feature for the Company to become the no. 1 retail business via Omnichannel.

### Central Application Customer Privileges

1. Provide the same products and services as in physical stores, with over 5,000 brands (products in Hardline and Fashion categories)
2. Access daily promotion offers for each branches
3. Payment service and product pick-up at near-by branches within an hour
4. Make reservations for restaurants and services in department stores under Central Group
5. Additional privileges for using the online Central App at physical stores
6. Discount coupons that can be used for both physical and online stores





## Easy Shopping Application by Thai Watsadu

The Company developed additional sales channel via the “Easy Shopping” application to sell construction materials and products available for customers with Android mobile. The application can provide convenience to customers purchasing products by offering QR Code scans and payment at Check-Out areas with wait time of 15 minutes instead of typical product shopping. Purchases made via the application can also be delivered to homes of customers. The project increase customer satisfaction, and also reduce store size and retail space, leading to more widely distributed locations that are more accessible to communities.

## Tops Box

The Company developed an electronic product label that customers can scan the QR codes to access product information including prices. This will decrease issues of customers having to ask employees for product prices, and decrease time spent on searching for prices of the products. Furthermore, customers can also make electronic payment via the QR code as opposed to paying with actual cash at the cashiers. This provides convenience and allows easy way to make payment for customers.

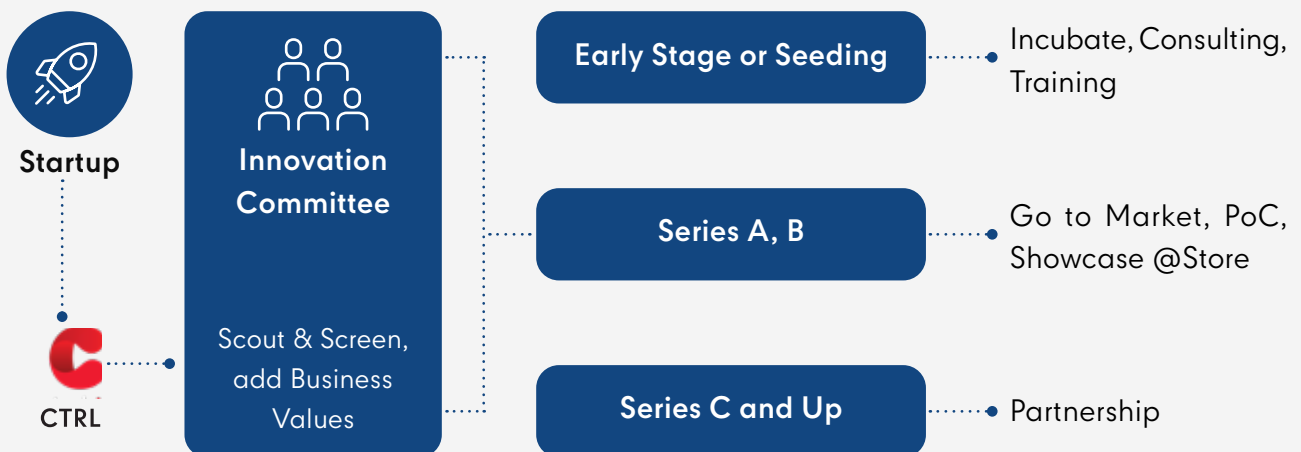


## Highlight Projects in Technology and Innovation Development

### Innovation Projects Startup with Central Tech Retail Lab (CTRL)

In partnership with Amazon Web Service (AWS), the Company has established an interactive space for domestic and international start-up companies to showcase their capacity to create and development innovative products, which will be supported by the Company to apply those services or products to retail business. The objective is to support the growth of the start-up companies so they will eventually become the Company's business partners in driving economic, social and environmental development. Innovations crated by the start-up companies can also be utilized to improve the Company's internal business operations.

#### CTRL and Start-up Companies Partnership



## Collaborations with Universities

The Company gives great importance to the creativity of young people, thus providing support to education and research. The Company collaborates with leading academic institutions throughout Thailand to drive novel innovations that meet customers' needs. In 2021, the Company collaborated with researchers and support for product development with College of Management, Mahidol University (CMMU) and also support in a food safety project to detect chemical contamination in food prior to selling to customers.





# Customer Relationship and Brand Management

Long-Term Sustainability Target (FY2021-2030)	Performance FY2021
Increase customer satisfaction to at least 95%	89%

Customers are one of the most important stakeholders in influencing the Company's revenue and sales. Hence, the Company places great emphasis on Customer Relationship Management in order to build good relationships and meet the needs of customers through product and service development. Customer relationship management will create higher customer satisfaction, provide the best shopping experiences, and create positive and strong brand that can clearly communicate the Company's corporate identity to customers, business partners, employees, shareholders and other stakeholders. Positive brand will create good public image for the Company, and make it memorable to everyone. If customer relationship and brands are effectively managed, and products and services are developed to meet the needs of customers, the Company will acquire competitive advantage in terms of marketing, sales, reputation and confidence, and public image. In contrast, an ineffective customer relationship and brand management risk losing revenue, and damage to public image and reputation for the Company.





## Management Approach

The Company commits to develop effective customer relationship management to create highest customer satisfaction and provide the best customer experience. The Company's customer relationship management approach is aligned with the Omnichannel strategy by focusing on increasing communication channels to collect comprehensive customer feedback that will provide valuable and actionable insights. In addition, the Company also evaluates its performance through Mystery Shopper as another method for collecting feedback on business operation. Customer feedback will be collected, analyzed and applied to improve business operations to continuously improve the products and services offered by the Company to better meet the needs of customers.

The Company has applied customer-centric Omnichannel strategy as the core concept in strengthening the Company's brand. The Company emphasizes on educating stakeholders about the brand through multiple channels including social media and public relation activities, and in diverse formats including online articles, films and advertisements, songs, etc. For employees, the Company organizes trainings focusing on brand education and business operations via Omnichannel. The Company has also integrated sustainability issues into its brand to demonstrate commitment to meet demands of customers and stakeholders that are displaying increasing concerns about sustainability issues. For example, the Company has increased product distribution and delivery channels to improve customer satisfaction. The Company has also deployed local products development strategies to add value to local products, provide sales channels to generate income and create sustainable livelihoods for the community.

## Performance

### Customer Satisfaction Score

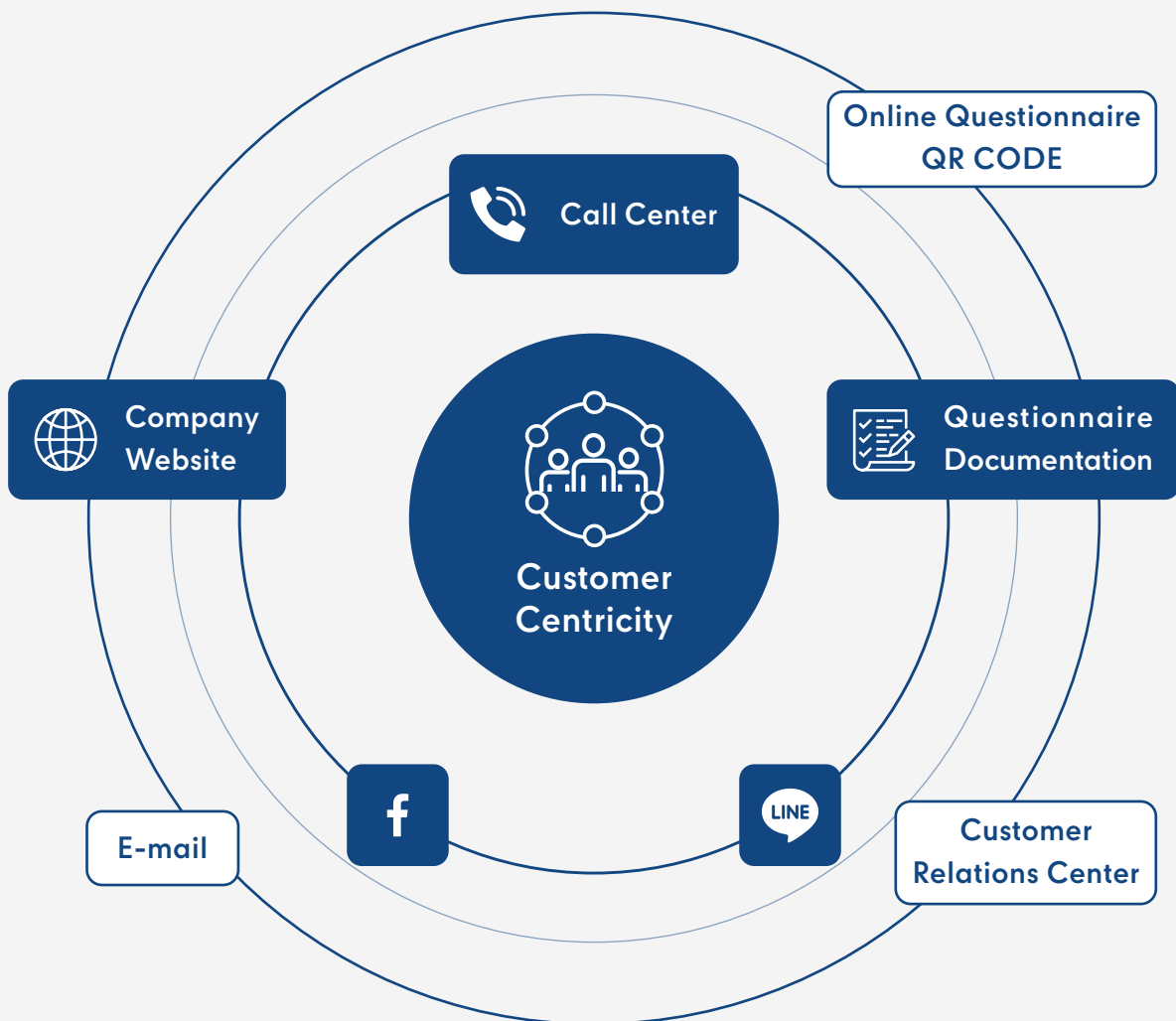
	2018	2019	2020	2021
Customer Satisfaction Score	89%	87%	87%	89%



# Highlight Projects

## Effective Customer Engagement Strategies

This development of customer engagement channels is aimed at increasing accessibility and facilitating customers in providing feedback to the Company. Customer engagement is also strengthened by utilizing the Omnichannel platform to deliver on seamless engagement across channels. In 2021, the Company has found that most customer feedbacks concerned product delivery. However, there have been fewer complaints when compared to the previous year as the Company has been putting efforts in increasing delivery methods like expanding to partner platform like Grab. Guidelines for responding to complaints consist of delegating each complaint to business functions that are most suitable to manage the problem, enhancing employee training, and incorporating analysis for solving problems at the root cause.





Problems in Service Delivery

**31.8%**

Problems with Product Quality

**24.5%**

Other Problems

**7.8%**

Problems with Website

**7.5%**

Problems with Payment / Getting Refund

**4.8%**

Problems with Service Quality

**14.9%**

Problems with Product Shortage / Promotional Items

**8.6%**

**Type of Customer Engagement in 2021**

## Uplifting Sustainability under Central Tham

The organization places great importance in promoting sustainable growth of the organization and its stakeholders. One of the sustainability themes that the organization focuses on is improving the quality of life for people in the community and society at large. The Company is also putting efforts in environmental protection through implementing projects under the Creating Shared Value (CSV) approach, and have been communicated through the brand of Central Tham.

Central Tham is the collective name of the projects the Company has carried out in collaboration with business partners, suppliers, and other organizations. This demonstrates the Company's commitment to leverage the strengths of the organization's value chain and retail channels that are instrumental in supporting the long-term local economic growth from upstream to downstream. For example, the project Mae Tha Organic Farming and Sustainable Living Project demonstrates the Company's collaboration with Earth Net Foundation, along with various parties and the local community in local product development from initial product design, infrastructure investment, tools sourcing, business knowledge sharing, readiness to buy local products, logistics support, and distribution through various channels. The various distribution channels include Jing Jai Farmer's Market and online social media platform. In addition, the Company has also supported various communication and support channels through Central Tham website. The benefit for the Company is twofold including the ability to help enhance the community economies, as well as to curate quality local products that meet customer needs. As for the benefits in terms of brand management, the Company has a communication channel that is able to raise awareness to the public on the Company's commitment to building good relationships with people in the community and the work on sustainable development.



## Dynamic Branding Approach to Meet Diverse Lifestyles

In addition to delivering superior Omnichannel experience, the Company continues to pioneer new experiences for customers to ensure that we are adaptive to evolving needs and responsive to macro and micro factors such as consumer trends, real estate prices, and traffic condition. As such, the Company has innovated new formats in the past year to curate a wide variety of shopping experiences that ride on current and future trends, and fulfill diverse needs and preferences for all.

- 1) Tops Vita is a vitamins and dietary supplements store with various well-known local and international brands to meet the needs of today's health-conscious consumers.





- 2) My Little Club is designed to answer every shopping needs of new generation parents who look for high quality products for their children, along with the best value for money promotion and convenient services.



- 3) PET 'N ME, the fashion and lifestyle destination for all pet parents and pet lovers alike to discover variety of pet products from food to accessories, as well as pet services such as health check-ups and grooming.





- 4) Thai Watsadu X BnB Home is a new hybrid format that is a one-stop destination for construction materials, home improvement, and home furnishing, offering over 80,000 high quality merchandise items to meet the needs of both contractors and homeowners.



- 5) go! WOW offers a wide variety of everyday basics and miscellaneous goods at affordable prices starting at 5 Baht to meet customer needs of all genders and ages.



- 6) go! Power is a comprehensive shop for electrical appliances, IT products, gadgets and electronic devices, which focuses on the provincial market with attractive promotions such as delivery within 5 hours, microfinance, etc.





# Corporate Governance and Business Ethics

GRI 103-1, GRI 103-2, GRI 103-3, GRI 205-2, GRI 205-3, GRI 206-1, GRI 307-1, GRI 405-1, GRI 419-1

The Company adheres to the Corporate Governance and Code of Conduct as a guideline for conducting business with transparency and accountability to all stakeholders with an important objective in building confidence in the organization for stakeholders. This promotes competitiveness and long-term business growth for the organization. Moreover, the Company also places great importance to anti-corruption and bribery, as it is a matter of high risk in losing confidence in the organization, and may result in the Company receiving penalty from a lawsuit. Therefore, the Company determines to be an organization free from corruption, bribery and all forms of illegal acts.



## Management Approach

In conducting business in accordance with the principles of good governance, Code of Conduct and anti-corruption, the Company begin with the Board of Directors and the appointment of directors that are capable and experienced working in the retail business to oversee overall business operation. This will ensure transparency and accountability to stakeholders. The Company also established Corporate Governance and Sustainability Committee to drive issues of good governance, business ethics and sustainable development, responsibilities of which are defined in the charter. In addition, the Company has foreseen that good corporate governance, corporate ethics, and anti-corruption must first begin internally within the organization, and has announced Corporate Governance Policy, Anti-Corruption Policy, other related policies, and business ethics. The Company focuses on communication and training for both the Company's directors and employees at all levels to reinforce the corporate culture. Importantly, the Company has announced a Whistleblowing Policy entailing processes to make complaints on in order to encourage all employees to report on violations of various corporate governance, codes of conduct, corruption or other issues under protection from retaliation.





For more details on Board of Directors and Charters, please visit here:



For more details on Policies and Other Guidelines, please visit here:



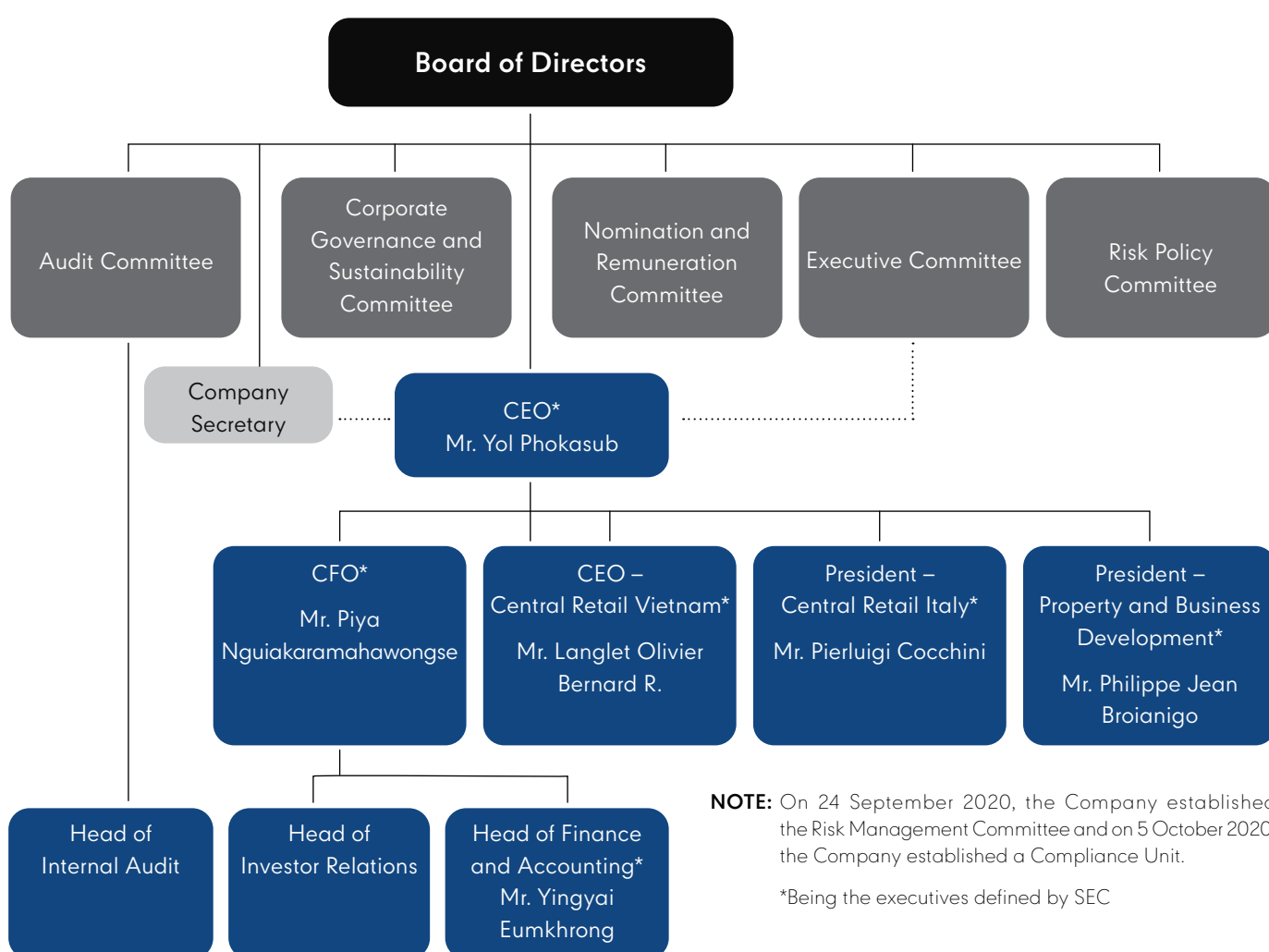
For more details on Anti-Corruption Principle, please visit here:



## Corporate Governance Structure

### Management Structure of the Company

The Company's management structure as of 31 December 2021 is as follows:



#### Structure of the Board of Directors

Executive Director

**1** Persons

Non-Executive Director

**14** Persons

Independent Director

**5** Persons

Female Director

**4** Persons\*

\*Note: One of the Female Directors resigned on 27 December 2021.



# Highlight Projects

## Business Ethics and Code of Conduct Communication and Training

The Company focuses on building mutual understanding with employees at all levels about business ethics and code of conduct. This leads to acknowledgement and compliance by all employees and also including subsidiaries and business partners, thus driving corporate governance and sustainable development for the Company. The business ethics and code of conduct communication and training organized by the Company will emphasize on anti-corruption and bribery, personal data protection (PDPA), human rights, code of conduct within the workplace (Do & Don't), and whistleblowing channels and process. The training also involves Speedy Quizzes that employees at the Team Leader 1 level or higher must completed to assess level of understanding of the business ethics communication. In 2021, 97% out of a total of 15,615 employees pass the Speedy Quiz.

### Code of Conduct Communication and Training

#### Objectives

- Build understanding of all employees leading to compliance with the Company's business ethics and code of conduct, which are defined under the I-CARE principle, and corporate values and culture
- Develop guidelines for building mutual respect between the Company and employees under good corporate governance and business ethics

#### Topics Covered by the Training

- Anti-corruption
- Personal Data Protection
- Human Rights
- Code of Conduct
- Whistleblowing Channel

#### Speedy Quiz Completion

Between 11-19 October 2021

#### Targets and Outcomes

- Assess 615 employees at Team Leader 1 level or higher via Speedy Quiz
- 15,140 employees pass the Speedy Quiz, or accounting for 97%

#### Program Implementation

- Revision of Speedy Quiz materials for HRBP before assessment
- Prepare the Speedy Quiz
- Prepare training materials and contents
- Upload the Speedy Quiz onto the CneXt and Google

#### Support from Business Units

- Communicating and promoting compliance to business ethics to employees
- Business units administer the assessments to relevant employees, monitor and report results back to the Company
- Encourage employees to voluntary take the assessment



## Plans to Join the Thai Private Sector in Collective Action Against Corruption

The Company is determined to declare its affiliation with the Thai Private Sector Collective Action Coalition Against Corruption in 2021, with the objective of promoting confidence for stakeholders. The Company expects to receive a certification of member status for Thai Private Sector Collective Action Against Corruption (CAC) in 2022. The Company's commitment is demonstrated by various efforts in 2021, such as the declaration of intent and signatory to participate and receive a member status for CAC, endorsement of Anti-Corruption Policy that aligns with the CAC, and integrate corruption in to the enterprise risk management. Internally, the Company also provides anti-corruption training for employees, and implement the anti-corruption communication plan to educate employees at all levels about the code of conduct and the Anti-Corruption Policy.



## Implementing Anti-Corruption Projects

The Company communicates and organize both internal and external training on anti-corruption. Internally, the Company emphasizes on communicating with employees about transparent business operations through various channels, such as public websites, internal website, Say No to Corruption activities, messages from executives via e-mail, and online training for employees. Externally, the Company issued letters to suppliers to inform them about the risk factors that may cause corruption and give advice on prevention measures. The Company has also analyzed gaps in joining the Thai Private Sector Collective Action Against Corruption and make corrective actions. In addition, the Company has improved its financial and accounting processes and related documents, created additional audit control processes to reduce the risk of corruption and report to the Audit Committee for acknowledgment.



## Performance

### Violation of the Business Ethics

In 2021, Central Retail had a total number of 49 confirmed cases of breaches in code of conduct. There is only one case of corruption/bribery/fraud that was committed by employees, which pose disadvantages to the Company. For the other 15 cases of corruption/bribery/fraud have proven to have no significant impacts to the Company as there is no case that involve government sector or external third parties, which induce business favors for the Company, and no case that incur any fines and settlements by local or international authorities hence no substantiated cases. The Company responded and fully penalized employees who committed all cases of fraud, and corruption and bribery as appropriate with the following corrective actions: 1) termination of contract, 2) inform the employees for acknowledgement of investigation process and of the corrective actions, 3) have the employees compensate for any losses and damages, and 4) consider to take legal action. To ensure that cases do not occur in the future and that the Company meets stakeholder expectations, the Company has set up preventive measures including strengthen internal control process, and raise awareness and increase training on code of conducts. In cases that involve customers, the Company will communicate to customers and issue an apology as well as compensate for any loss and damage.



Reported Breaches of Business Ethics (Cases)	2019	2020	2021
<b>Breaches of Business Ethics</b>	85	89	80
• Corruption/Bribery*	0	0	2
• Fraud*	42	35	22
• Conflict of Interest	0	3	1
• Internal Regulatory Non-compliance	43	51	55
• Anti-competitive Practices	0	0	0
<b>Other Types of Breaches of Business Ethics</b>	3	8	7
• Society and Community	0	0	0
• Environment, Occupational Health and Safety	2	2	1
• Products and Packaging	1	5	0
• Human Rights Violations	0	0	1
• Discrimination and All Types of Harassment	0	0	0
• Others	0	1	5
Confirmed Breaches of Business Ethics (Cases)	2019	2020	2021
<b>Breaches of Business Ethics</b>	77	62	49
• Corruption/Bribery*	0	0	1
• Fraud*	38	25	15
• Conflict of Interest	0	3	0
• Internal Regulatory Non-compliance	39	34	33
• Anti-competitive Practices	0	0	0
<b>Other Types of Breaches of Business Ethics</b>	3	6	1
• Society and Community	0	0	0
• Environment, Occupational Health and Safety	2	1	0
• Products and Packaging	1	5	0
• Human Rights Violations	0	0	0
• Discrimination and All Types of Harassment	0	0	0
• Others	0	0	1

\* One case of corruption/bribery/fraud is misconducted by employees, which pose disadvantages to the Company. There is no case of corruption/bribery/fraud involving government sector or external third parties, which induce business favors for the Company, and no case that incur any fines and settlements by local or international authorities.



Breaches of Business Ethics under Investigation (Cases)	2019	2020	2021
<b>Breaches of Business Ethics</b>	0	0	0
• Corruption/Bribery	0	0	0
• Conflict of Interest	0	0	0
• Internal Regulatory Non-compliance	0	0	0
• Anti-competitive Practices	0	0	0
<b>Other Types of Breaches of Business Ethics</b>	0	0	0
• Society and Community	0	0	0
• Environment, Occupational Health and Safety	0	0	0
• Products and Packaging	0	0	0
• Human Rights Violations	0	0	0
• Discrimination and All Types of Harassment	0	0	0
• Others			

Actions Taken against Breaches of Business Ethics (Cases)	2019	2020	2021
Termination of Contract	40	31	16
Warning / Disciplinary Action	27	22	21
Transfer	2	1	1
Send Back	7	2	3
Corrective Actions as Complaint/Suggestion	2	10	9
No Action	2	2	0
Total	80	68	50

## The Contributions to External Organizations

One of the topics covered by the Company's Anti-Corruption Policy is political participation which prohibits the Company from participating or supporting any political party to demonstrate transparency in business operations and anti-corruption. However, the Company may make donations or sponsorships to external organizations only if the contributions are legal and fulfill the Company's business ethics, such as contributions for sustainable development and benefits of the society. The Company can contribute to trade associations only for membership fees and expenses from organizing activities. Due to the benefits that the Company receive in terms of business networks in the retail industry, reputation, and credibility of the organization, the Company is currently a member of the Thai Chamber of Commerce and the Federation of Thai Industries.



Type Of Organization	Name of External Organization	Topic/Issue	Corporate Position and Engagement	Contributions (Baht)			
				2018	2019	2020	2021
Trade Association	Thai Chamber of Commerce	Retail Business	<p>Membership</p> <p>The Company supports the Thai Chamber of Commerce through engaging in business networks and sharing expertise to promote sustainable development.</p> <p>Mr. Yol Phokasub, Chief Executive Officer of the Company is appointed as the President of the Retail Business and Services Group of the Thai Chamber of Commerce.</p>	1,607,000	2,607,000	2,607,000	2,604,830
Trade Association	Thai Retailers Association	Retail Business	<p>Membership</p> <p>CRC supports and is a member of the Thai Retailers Association where companies share knowledge, leading practices, collaboration and engage in addressing issues to improve the retailing industry in Thailand. Mr. Yol Phokasub, CEO of the Company, is appointed as President of the Thai Retailers Association</p>	241,000	241,000	241,000	241,000
Trade Association	Federation of Thai Industries	Manufacturing Business	<p>Membership</p> <p>The Company supports the activities of the Federation of Thai Industries to promote intelligent industries, development of innovation and sustainable growth by organizing training.</p>	336,536	5,136	9,309	82,100
Lobbying Activities	NA	NA	NA	0	0	0	0
Political Affiliations	NA	NA	NA	0	0	0	0
Others	NA	NA	NA	0	0	0	0
			Total	2,184,536	2,853,136	2,857,309	2,927,930





# Risk and Crisis and Resilience Management

GRI 103-1, GRI 103-2, GRI 102-30

In the midst of an era of change and risks of a crisis, leading to potential damage both directly and indirectly to business operations of the Company. Therefore, the Company realizes the importance of risk management in order to prepare and reduce the potential impacts as much as possible, which is the cornerstone of driving stable business growth and expansion. The Company has referenced the risk management guidelines according to international standards and has formulated the Company's risk management policy by specifying that risk management is the responsibility of employees at all levels, as well as defining the risk management process as an important part of strategic planning and the Company's business plans in the future and promoting the prevention and mitigation of risks in the Company. This is an important factor in building confidence for stakeholders that the Company are able to effectively cope under changes or critical events if they were to happen in the future.



## Management Approach

The Company has established a risk management guideline according to international standards and has business operations that are in accordance with the risk management policy. The guideline is integrated risk management into the development of strategies, setting the directions of objects, and operating to achieve goals—taking into consideration the economic, societal, and environmental dimensions under the five principles that are essential to creating value of risk management. The five principles are as follows:

**Governance & Culture**

- Establishing the structure with role and responsibility of risk management.
- Building an organizational culture that emphasizes awareness of risks.

**Strategy & Objective-Setting**

- Integrating risk management into strategic planning.
- Developing strategies in accordance with acceptable risk level.

**Performance**

- Determining risk levels and assessing risks.
- Prioritizing risks according to the level of impact and the likelihood.

**Review & Revision**

- Reviewing risk management for revisions and improvements.

**Information, Communication & Reporting**

- Promoting the use of information technology systems in risk management.
- Formulating communication and risk report to raise awareness and proper understanding.

Find information about Risk Management Policy  
from QR CODE below:





## Risk Culture

The Company aims to effectively promote Risk Culture to within the organization. This starts with raising risk awareness among employees at all levels through training on risk management which included workplace safety and personal data privacy issues; a direct impact on employees. The Company has set goals and risk indicators that will be monitored regularly. The Company also create a risk communication channel for employees to examine and improve collection of complaints to prevent impacts that could be arisen from the risks. Moreover, the Company integrates risk assessment into innovative and product design processes to reduce the potential impact of technology application which reflects the effectiveness of the risk culture strategy, leading to value creation for the Company.

## Highlight Projects

### Safety Training

The Company takes into considerations the quality of life and health of employees at all levels. Therefore, the Company aims to raise awareness of safety in the workplace and to create awareness of the risks that may cause injuries for employees. The implementations are through trainings for employees at all levels and new employees. In 2021, there were 4 training courses which consisted of 1. Committee on Safety, Occupational Health, and Working Environment of the Business Establishment 2. Safety officers at supervisor level 3. Safety officers at executive level 4. Safety, Occupational Health, and Work Environment for general employees and new employees. Over 1,500 people participated in all courses to demonstrate best practice to reduce the impact of future safety risks.

Project Name	Trainings on Safety Issues
Consistency with the organization's goals	Prevent accidents in the Company
Output	Participants in all safety training courses, totaling 1,544 participants.
Value Creation	<ul style="list-style-type: none"><li>• Safety, Occupational Health and Environment awareness for Employees in the workplace</li><li>• Reduce the risk of accidents and risk factors affecting the health of employees in the workplace</li></ul>

## Enterprise Risk Management Training and Workshop

The Company enhances risk management capabilities through hands-on training on risk management issues such how to prepare, respond to and prevent risks in order to mitigate potential impacts to ensure business continuity. Risk management integration in developing business strategy is also another key topic in the training as well as corporate governance and compliance. Representatives of the Company's Board of Director and executive management participated in this training, which was organized as a collaboration with the Siam Cement Group, a business partner of the Company in order to help both companies exchange ideas and knowledge.

Project Name	Enterprise Risk Management Training and Workshop
Consistency with the organization's goals	Enhance risk management process for board of director and executive management through collaboration with leading companies.
Output	Representatives of the board of director and executive management understand the principles of risk management in practice and can apply the principles within the company.
Value Creation	Guidelines for laying out frameworks and processes for effective short and long term risk management, and integrating risk management into business strategy.

## Emerging Risk

To effectively manage risk, the Company assesses and prioritizes the severity of risks that affect the Company, where risks tend to become threats, may have a significant impact on the business, which is classified as an emerging risk. Three emerging risks are as follows:



## Emerging Risk on Cybersecurity Threats and Digital Infrastructure Capabilities

Risk Category	Technology Risk
Description	<p>The Company's business strategy focuses on the application of information technology into various operational processes, consisting of distribution, product management, procurement, and supply chain management. In addition, the implementation of Omnichannel strategy and Central Application that a significant growth, leading to an increased risk of cybersecurity threats, potential theft of customer personal information, leakage of confidential business information of the Company, as well as the capabilities of digital infrastructure that may not be sufficient for the growth of online business operations. Currently, sales through Omnichannel account for more than 24%. Therefore, technology risks such as identity theft and cyber breaches will lead to an impact on the Company's credibility and revenue of more than a quarter of the Company's sales.</p>
Impacts	<ul style="list-style-type: none"> <li>• Fines in case of the violation of law</li> <li>• Compensation to injured customers</li> <li>• Loss of revenue from data leaks</li> <li>• Loss of customer to competitors</li> <li>• Loss of money invested in marketing expenses</li> <li>• Loss of reputation and confidence from stakeholders</li> </ul>
Duration of Impacts	3-5 Years
Impact Level	High
Risk Management Approach	<ul style="list-style-type: none"> <li>• Promote high potential employees in information technology security.</li> <li>• Hire consultants to provide suggestions on compliance with international standards and laws.</li> <li>• Take technology risk issues into consideration in formulating business strategies (Resilience Reimagined).</li> <li>• Continuous assessment and improvement of IT capabilities in line with business strategy (Resilience Reimagined).</li> <li>• Prepare a plan to optimize the information technology system.</li> <li>• Prepare an emergency plan and Backup Restoration testing.</li> <li>• Improve Network Infrastructure.</li> <li>• Develop the e-Tax system for tax invoice documents secure.</li> <li>• Establish Disaster Recovery Center.</li> </ul>





## Emerging Risk from Epidemic

Risk Category	Social Risk
Description	<p>The epidemic of COVID-19 clearly reflects the risk of emerging epidemics. Due to the spread of the virus and more severe cases of infected people, the government had set measures to control the epidemic, which has a direct and indirect pressure to the Company. The Company has the need to adjust the scope of work of business and adjusting to the consumers' changing lifestyle. This leads to the risk of business interruption due to employee hygiene concerns, and the safety of consumers that cannot be avoided.</p>
Impacts	<ul style="list-style-type: none"><li>• Declining demand and production capacity of the Company</li><li>• Shortage of human resources in business</li><li>• Loss of positive image and all customers' confidence due to the outbreak of new disease within the organization</li><li>• Loss of revenue due to changing consumer behavior</li></ul>
Duration of Impacts	3-5 Years
Impact Level	High
Risk Management Approach	<ul style="list-style-type: none"><li>• Take emerging epidemic risk issues into consideration in formulating business strategies (Resilience Reimagined).</li><li>• Increase the proportion of online business through Omnichannel to reduce the risk of exposure to disease.</li><li>• Develop guidelines to prevent emerging disease outbreaks.</li><li>• Change the way of work for employees to Work from Home.</li><li>• Conduct ATK testing to screen for risks before entering a workplace.</li><li>• Encourage all employees to receive vaccination.</li><li>• Promote social distancing measures in the workplace.</li><li>• Establish guidelines for visitors to follow DMHTTA (DMHTTA Monitoring).</li><li>• Establish proactive preventive measures such as disinfection and cleaning measures in business premises.</li><li>• Support and assist suppliers and communities in preventing the spread of emerging epidemic.</li><li>• Cooperate and facilitate locations as a vaccination center.</li></ul>



## The Impact of Climate Change on Supply Chain Management and Logistics

Risk Category	Environmental Risk
<b>Description</b>	<p>The impacts of climate change can lead to natural disasters, such as dangers from floods or sudden floods that have made a widespread impact to the Company's product distribution, manufacturing operations of suppliers throughout the supply chain, as well as consumers' changing behaviors and lifestyles. Especially in dimensions of transportation, distribution, and logistics all of which are critical to operating a business that is highly vulnerable to natural disasters, including government regulations on climate change that lead to restrictions on domestic and international business operations that may affect the Company's revenue.</p>
<b>Impacts</b>	<ul style="list-style-type: none"> <li>• The shortage of products may lead to an increase in product prices</li> <li>• Delay in product delivery to customers</li> <li>• Higher supply chain management costs</li> <li>• Physical damage from natural disasters</li> <li>• Fines or costs of damages from Climate change measures set by governments</li> <li>• Loss of positive image and all stakeholders' confidence towards the Company</li> </ul>
<b>Duration of Impacts</b>	3-5 Years
<b>Impact Level</b>	High
<b>Risk Management Approach</b>	<ul style="list-style-type: none"> <li>• Take the issue of climate change risk into consideration in formulating business strategies (Resilience Reimagined) to ensure that transportation and business operations both inside and outside the supply chain have no interruption caused by the impact of climate change.</li> <li>• Provide climate-related financial disclosures that are aligned to Task Force on Climate-related Financial Disclosure (TCFD). This leads to the adjustment of the regulatory structure in accordance with the problem of climate change.</li> <li>• Formulate strategies and goals in business operations involved in low green gas emission.</li> <li>• Develop emergency response plan to respond to potential emergency situations from natural disasters.</li> <li>• Revise fundamental structure of distribution centers to be able to withstand natural disasters.</li> <li>• Prepare alternative distribution centers to reduce risks in situations of natural disasters.</li> <li>• Organise trainings on emergency response for employees.</li> </ul>