



Responsible Sourcing

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#### CENTRAL RETAIL

## Message from the Chairman



#### Dear Shareholders,

Central Retail, Thailand's leading retail company with global standard has been committed to advance our business to become an organization that progresses with sustainability, in line with the theme "The Next Frontier of Growth" and the context of generating value together with all stakeholders to drive the business with all relevant sectors to grow stronger together in the same direction, considering the dimensions of ESG, namely Environment, Social, and Governance and Economic. These three aspects have been incorporated harmoniously into the principles of business management that the Company has always adhered to.

The result of our commitment in operating our business on the path towards sustainable development, fostering strong corporate culture, building firm mindset in being aware of the impact in all dimensions, as well as laying down the strategy to promote and initiate various work directions that are beneficial in pursuing sustainability in every step of our work, is the CRC ReNEW strategy. The strategy aims to stipulate the net zero emissions target for greenhouse gas emission by 2050. In the past year, CRC aimed to reduce greenhouse gases through the use of renewable energy such as installation of solar cells on the roofs of over 80 department stores, and the use of electric vehicles in our logistics system, as well as installation of EV charging stations to facilitate and promote the use of EVs among customers. Besides these, the Company has put a lot of emphasis on waste management through the application of circular economy principles in the Journey to Zero project that aims at supporting activities to reduce waste by installing food waste digester which compost food waste into fertilizer and biogas, upcycling products to reduce waste and create values, as well as promoting and changing the behavior of all stakeholders in a positive way.

In terms of society, the Company emphasizes equality by being committed to reduce inequality in various



aspects, focusing on creating and spreading revenue to communities, especially communities around our businesses. This is in accordance with our intention to develop every communities that we conduct businesses in a sustainable manner together with the Company. We also aim to uplift the wellbeing of persons with disabilities through enabling the disabled to earn income which will in turn allow them to live happy life. With this commitment, the Company has received an Award of Excellence for Supporting People with Disabilities from the Department of Empowerment of Persons with Disabilities, Ministry of Social Development and Human Security, for three consecutive years. Central Retail also received an Award of Excellence as a model organization in the Thai capital market on support people with disabilities, given for the first year, from the Securities and Exchange Commission.

In terms of governance, the Company values good management and good corporate governance. The Company has been operating with transparency, accountability, and measures to prevent corruption and robust punishments for offenders. These are aimed at maintaining the confidence and trust that all stakeholders have given to the Company. To this end, the Company has been endorsed as a member of the Thai Private Sector Collective Action Against Corruption: CAC and in 2022, received several prizes in good corporate governance. These include receiving "Excellent" ranking or "5 Stars" rating for two consecutive years, being in the Top Quartile of the listed companies with market capitalization of higher than 10,000 million baht from the Corporate Governance Report for Thai Listed Companies (CGR), receiving an ASEAN CG Scorecard with the type ASEAN Asset Class PLCs which was given to the listed companies with the score of 97.50 and above from the ASEAN Corporate Governance Scorecard project in 2021 in which the announcement was made in the late 2022. Moreover, the Company is still

committed to manage risks from various factors that may challenge the Company in line with the changing situations in order to protect the highest interest of all stakeholders to its full potential.

Given our approach and principles that have stressed sustainable development, Central Retail has been selected to become a member of DJSI in the Emerging Markets group. This is considered an expansion of success in being the first model organization for retail trading on Green & Sustainable Retail, based on its work that has sought to balance the three dimensions namely the Environment, Social, and Governance and Economic (ESG) and the CRC ReNEW which seeks to achieve net zero emissions by 2050 through fostering the organizational culture and mindset on sustainable development among every level of employees.

All of these form an important set of context in conducting businesses under the overall integration of the strategy for sustainable development, by growing together with all stakeholders.

**Dr. Prasarn Trairatvorakul**Chairman of the Board of Directors



## Message from the CEO



#### Dear Shareholders,

In 2022, overall retail and service businesses began to recover after the ease of COVID-19 restrictions and the full reopening of the country. However, it is still challenging because of several uncertainties in the global economy, be they the energy cost crisis, higher interest rates, or inflation that occur from time to time. Even amidst the unpredictable challenges, the goal Central to Life and our commitment to active development have led Central Retail to achieve consistent growth. The Company generated a total revenue of 236,245 million baht, an increase of 21 percent and core net profit of 7,360 million baht, an increase of 1,710 percent compared to that of 2021, thus reinforcing its leading position in Thailand's retail business.

With robust business models driven by CRC Retailligence, adjustment of operational strategies in conformity to the changing lifestyles of post COVID-19 consumers, the development of the Central Retail Ecosystem and Omnichannel platform, as well as future upgrades with digital technology, the Company is able to adapt and thrive in all situations by adhering to 3 pillars of sustainability to promote long-term growth:

Business Growth: Generating growth by expanding business portfolios, the Company has been proactively introducing new branches in all business segments and launched new business models, e.g., Thai Watsadu Hybrid Format, which showcases products from both Thai Watsadu and BnB home, Tops CLUB – a member store that gathers imported products of notable exclusive brands, and the renovations of existing branches, especially department stores, to offer world-class brands and ensure they touch the taste of customers with modern elements. Last year, we also organized an event to celebrate the 75th anniversary of Central Department Store "The Celebration of Central 75th Anniversary" to appreciate the support of all loyal customers with the memorable time. Additionally, the Company has



entered a new business sphere, adding the health and wellness segment that fulfills health needs of both humans and pets through Tops Vita, Tops Care, and PET 'N ME. On top of that, Central Retail is also committed to developing the Next-Gen Omnichannel Platform to enhance ultra-personalized shopping experience as an alternative to enjoy a seamless connection between offline and online platforms. In part of overseas business success, the Company aims at fortifying the business in Vietnam, especially in food and property segments, by expanding GO! lifestyle shopping center, go! Supermarket, and Tops market across the country to reinforce the image of the largest foreign retail leader that will achieve a leap growth alongside Vietnam's economic development.

Inclusive Growth: Build networks with business partners, both domestically and internationally, to shape new businesses and enhance sustainable growth together. In the previous year, the Company had partnered with Gulf Energy Development PCL, or GULF, Thailand's leading energy company, forging forward the solar energy production and distribution business and targeting to be a leader in clean energy for Thais by 2026. Moreover, it has entered a joint venture with MP Synergy Co., Ltd., a leader in healthcare furniture solutions under popular brand "Ergotrend" to strengthen product lines in the health and wellness segment, which potentially attain a greater growth.

Sustainable Growth: The Company has cultivated an organizational culture and mindset on sustainable development based on the ESG framework, which encompasses Environment, Social, and Governance and Economic, in employees of all levels and also integrated the same to every business process. It is determined to drive the organization to become the first "Green & Sustainable Retail" in Thailand under the CRC ReNEW strategy, which focuses on developing

businesses on the basis of sustainability to achieve tangible results. Last year, Central Retail has been selected as a "Thailand Sustainability Investment (THSI)" stock of 2022 for the two consecutive years by the Stock Exchange of Thailand and was selected as a member of the Dow Jones Sustainability Indices (DJSI) of 2022 with a score ranked in the top 3 of the retail sector out of 476 participating companies around the world.

These successes and growth achievements in 2022 reflect both strategic readiness, digital technology, and potential of personnel that will jointly soar the Company toward growth, robust investments, and business expansion through various channels and business models, becoming the sole Omnichannel leader in Thailand that represents the country in the global arena in order to become Asia's No. 1 Next-Gen Omni Retailer, driving comprehensive growth that arcs over all business segments, whether in Thailand, Vietnam, or Italy, and opening new frontiers to other new businesses in the future in a strong and sustainable manner.

Finally, I would like to take this opportunity to express my appreciation to our customers, partners, and investors for your trust, support, and confidence in cooperation for sustainable growth, and, last but not least, all employers who are key drivers that lead the organization to achieve goals and flourish as targeted, and even more strongly, and for all the unrivaled experiences you have delivered, at your fullest potential, to meet all facets of customers' lifestyle.

Mr. Yol Phokasub
Chief Executive Officer



# SUSTAINABILITY PERFORMANCE 2022

The Company's work on sustainable development encompasses governance and economic, social, and environmental dimension. Its operational direction is set in alignment with the 17 goals of the United Nations Sustainable Development Goals, in order to promote environmental quality, social well-being, sustainable economic growth, and corporate governance. Progress made and highlight projects in 2022 are as follows:



## **Environmental Quality**

To promote environmental quality and sustainable management of natural resources, the Company has prepared a response plan and formulated guidelines for reducing greenhouse gas emissions, mitigating the potential impacts of climate change, minimizing the business impact on the environment through resource efficiency, and responsible sourcing.

## Highlight Projects and Performance in 2022

- · Energy Conservation Initiatives Projects
- Forest Restoration and Green Areas Expansion Projects
- Organic Products and OTOP Products
- Healthiful Project
- Samui Zero Waste Model
- · Research and Development for Biodegradable Packaging from Agricultural Residue
- U Bag Project
- Upcycling Products from Plastic Waste



Total renewable energy consumption

79,467



Addition of green areas and forest restoration

5,519 rai



Sales of organic products and OTOP products

 $508.8\,_{\text{million baht}}$ 



Amount of food surplus used for alternative purposes

 $264_{\text{tons}}$ 



Amount of waste diverted from landfill

10,272 tons



## Social Well-Being

To enhance the well-being of society, the Company recognizes the importance of fair treatment of workers, respect for human rights, human capital development, occupational health and safety, community contribution and local product development.

## Highlight Projects and Performance in 2022

- · Talent Development
- · Leadership Development
- · Omnichannel Development
- Retirement Preparation Training Program
- Fire Emergency Evacuation Plan, Other Emergency Response Training, and Training on Basic Life-Saving Skills
- Award for the Excellent and Outstanding Enterprise on Safety, Occupational Health, and the Environment for 2022
- Enhancement of the Standards on Health and Safety of Thai Tourism Industry
- · Employee Training on Human Rights
- Measures to Promote Equality and Eliminate Discrimination at Work
- Measures to Promote Health and Well-being of Employees
- · Community Water Reservoir, Organic Farming, Surin Way 4.0 (Khok Nong Na Model Surin Province)
- · Jing Jai Farmers' Market



Percentage of employees receiving human rights training

99%



Percentage of female employees

62%



Creating jobs for people with disabilities

130 people



Training hours of employees

4.9

hrs/person/year



Work-related fatalities for employees and contractors

O person



Total income generated for farmers and communities

1,500 million baht/year



## Governance and Economic

Guided by the principles of transparency and business ethics, the Company is committed to promoting innovation and managing customer relations and brands to increase business opportunities and deliver the best customer experience. In addition, the Company has made improvement to its cybersecurity system and privacy protection, and supply chain, as well as managing risks and crises in response to stakeholder expectations.

## Highlight Projects and Performance in 2022

- Tops Tongtin Project
- · Installation of Solar Cell System on the Roof of Distribution Centers
- · Reuse and Recycle Paper Cartons
- Data Management Platform to Further Enhance Privacy and Data
- · Project to Establish an Information Management Platform to Promote Compliance with the Policy
- 75<sup>th</sup> Central Anniversary NFT Shopping Bag Collection
- Al Builders
- C-Coin Application
- Central 75<sup>th</sup> Anniversary Project
- · Gift to Gifted Project
- Certification of the Company as a Member of the Thai Private Sector Collective Action Against Corruption (CAC)
- Online Training on Business Ethics 2022
- Corporate Governance and Code of Conduct Handbook
- Risk Management Training for Directors and Executives
- Occupational Health and Safety Risk Training



Certification from the Thai Private Sector Collective Action Against Corruption data security breaches or other cybersecurity incidents

130 people



Substantiated complaints regarding breaches of customers' personal data



case



Customer satisfaction score

89%



Critical tier 1 suppliers approving and agreeing to the Supplier Code of Conduct and self-assessment on sustainability risks

100%



## Awards and Recognition

#### 1. Corporate Excellence







#### Asia's Best CSR Award 2022

The Company received the Asia's Best CSR Award from the Asian Excellence Awards 2022, a prestigious pan-Asian award. It was also awarded Asia's Best CEO, Asia's Best CFO, Best Corporate Communications, and Best Investor Relations Company.

#### 5 Star or an Excellence of the 2022 Corporate Governance Report of Thai Listed Companies

The Company received corporate governance assessment at "Excellent" level from the 2022 Corporate Governance Report of Thai Listed Companies (CGR), conducted by the Thai Institute of Directors (IOD) for two consecutive years and has listed in the Top Quartile of listed company with market capital more than 10,000 million baht.

## ASEAN CG Scorecard Award for ASEAN Asset Class PLCs

The Company was awarded the ASEAN Asset Class PLCs, which were awarded to listed companies with a score of 97.50 points or higher from the 2021 ASEAN Corporate Governance Scorecard, announced at the end of 2022.





#### 2. Sustainability Excellence







## Dow Jones Sustainability Indices (DJSI) 2022

The Company was selected for inclusion in the S&P Global's Dow Jones Sustainability Indices (DJSI) 2022, for DJSI Emerging Markets. It is a recognition of the Company's strength on sustainability, having achieved an assessment score among the top 3 from 476 assessed companies worldwide. It was also selected to be a Sustainability Yearbook Member 2022.

## THSI 2022 "Sustainable Stocks"

The Company is recognized for its success which is reflected by its inclusion in Thailand Sustainability Investment (THSI) 2022 "Sustainable Stocks" by the Stock Exchange of Thailand for the second consecutive year.

#### Global CSR & ESG Awards 2022, Best Environmental Excellence Award

The Company received the Best Environmental Excellence Award from the Global CSR & ESG Awards 2022, organized by the Pinnacle Group International, Singapore. The award is given to a global company for environmental excellence. It is the most prestigious award on CSR, recognizing companies with innovation excellence or CSR projects.









Central Retail Vietnam received the 2022 Corporate Social Responsibility Certificate from the Saigon Times newspaper for its contribution to helping the local community through corporate, socially, and environmentally responsible activities.



#### AMCHAM Corporate Social Responsibility Excellence Recognition Awards 2022

Central Food Retail received the Platinum Status in the "AMCHAM Corporate Social Responsibility Excellence Recognition Award 2022" which "Tops", the No. 1 food retailer in Thailand received this award for the 12th consecutive year.





#### 3. Business Excellence







#### Retail App of the Year Award

Central Department Store was awarded Retail App of the Year from Retail Asia award for its CENTRAL APP's outstanding performance in providing customers with Thailand's first Omnichannel shopping experience, offering seamless connection between Central Department Store, Robinson Department Store, and online channel.

#### Digital Initiative of the Year Award

The Company received the Digital Initiative of the Year award from Retail Asia for the C-Coin project, a digital currency under blockchain technology invented for employees to experiment with new technologies.

## O2O Customer Experience of the Year Award

The Company received the O2O Customer Experience of the Year award from Retail Asia, reinforcing its leadership in Omnichannel and aims to develop the platform for the Next-Gen Omnichannel to become the world's No. 1 Omni-Centric Retailer.









## Omnichannel Strategy of the Year Award

Tops Market has been awarded the Omnichannel Strategy of the Year award from Retail Asia for its leadership in creating seamless offline and online shopping experiences. This reflects the leadership of Thai supermarket retailers that have been recognized in the international arena.

## Top 10 Most Reputable Retail Companies in Vietnam Award

Central Retail Vietnam has been ranked as the Top 10 Most Reputable Retail Companies in 2022 by Vietnam Report Joint Stock based on its financial management capabilities, the Company's good reputation, and the consumer and stakeholders surveys for the second consecutive year.





#### 4. People Excellence







#### Global Best Employer Brand Awards 2022

The Company was awarded the Global Best Employer Brand Awards 2022 from Employer Branding Institute and World HRD Congress as an award to honor organizations with good internal management, empowering the potential of employees and personnel of the organization to work creatively as a team.

#### Thailand Best Employer Award 2022

B2S, Robinson Department Store, and Central Marketing Group received the Thailand Best Employer Award 2022 for the third and fourth consecutive years. Central Marketing Group was awarded the Kincentric Best Employer Hall of Fame 2022, which is given to the organization that has been awarded the Outstanding Employer Organization award for three consecutive years.

# Sustainability Model Organization Awards in the Thai Capital Market for Empowerment of Persons with Disabilities

The Company received the Sustainability Model Organization Award in the Thai Capital Market for Outstanding Support for Persons with Disabilities from the Securities and Exchange Commission ("SEC") in cooperation with the Ministry of Labour, Department of Skill Development, Department of Employment, Department of Empowerment of Persons with Disabilities, Thai Listed Companies Association, and Disabilities Thailand. This award is a guarantee of being a socially conscious organization that provides opportunities for people with disabilities to work with the organization.



## CENTRAL RETAIL

#### 5. Marketing Excellence



## People with Disabilities Promotion 2022 Award

The Company received the People with Disabilities Promotion 2022 Award for the third consecutive year, which is another award that proves the Company's commitment and determination in driving for the employment of people with disabilities.



## Thailand Corporate Excellence Awards

The Company received the Thailand Corporate Excellence Awards 2022 for Marketing Excellence, organized by the Thailand Management Association in collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University.



# Thailand's Most Admired Brand Award and Brand Maker Award

Central Department Store has been named Thailand's Most Admired Brand 2022, No. 1 department store that customers trust and win the hearts of Thai people for the 16th consecutive year. It also received a special Brand Maker Award, which is given to a leading and outstanding brand in the marketing industry as the result of the commitment to offer the best to customers and to create innovation and new things, reflecting the strength of the Central Department Store in maintaining its position as the number one department store in the hearts of Thai people.





# ABOUT CENTRAL RETAIL CORPORATION

Central Retail Corporation Public Company Limited or the "Company" is a retail business consisting of Food, Fashion, Hardline, Property, and Health and Wellness categories, with all 5 categories connected to the Central Retail ecosystem. The Company's operations are located in 3 countries: Thailand (the headquarters located in Bangkok), Vietnam, and Italy. In 2022, the Company adopted a strategy focusing on a customer-centric approach and business expansion by developing diverse and comprehensive distribution channels through the omnichannel platform to meet the needs of all customer groups.

## Central Retail Ecosystem

#### **FOOD**

## The Center of Consumer Products:

Following food trends and always making improvement to meet the demand of customers, with a wide range of products under retail brands, e.g. Central Food Hall, Tops, FamilyMart, Big C/GO! Vietnam, Lanchi Mart, Tops market Vietnam, and go!.

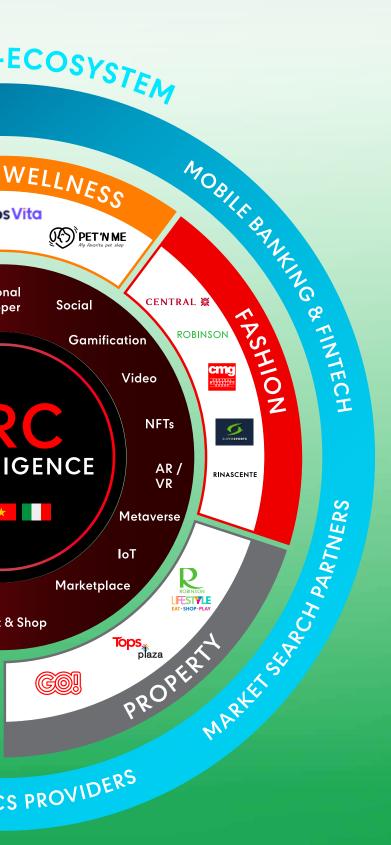
#### Hardline

## The Center of Home Improvement:

Selling products that meet every need about home improvement, including electronic goods, construction materials and equipment, DIY goods, stationery, office supplies, and e-Books under retail brands, e.g. Thai Watsadu, Baan and Beyond/BnB home, Power Buy, Office Mate, B2S, meb, and Nguyen Kim.







#### **Health and Wellness**

The Center of Good Health: Selling products to meet all health needs of customers and pets, with a variety of quality products with experts available to give advice as well as being an option for sustainable well-being, consisting of Tops Care, Tops

#### **Fashion**

#### The Center of Lifestyle:

Vita, and Pet 'N ME.

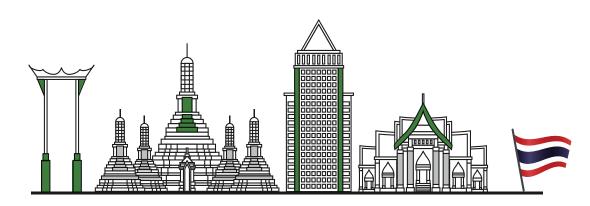
Selling fashion products from high-end brands to everyday high-street brands, fulfilling every fashion need at the Company's stores: Central Department Stores, Robinson Department Stores, Supersports, Central Marketing Group, and Rinascente.

#### **Property**

#### The Center of Living:

A pioneer and leader in commercial real estate business, under the management of retail brands, e.g. Robinson Lifestyle, Tops Plaza, and Big C/GO! Vietnam.

# Retail Business Network, Global Expansion



**Thailand** 

CENTRAL

**58** provinces

1,706 stores

32 plazas

Total Net Selling Space 2,888,350 sq.m.

Total Net Leasable Space 524,949 sq.m.



**Vietnam** 

42 provinces

**127** stores

39 plazas

Total Net Selling Space

341,736 sq.m.

Total Net Leasable Space 210,030 sq.m.



9 stores

Total Net Selling Space

60,277 sq.m.

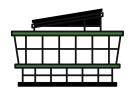


# A Limitless Omnichannel Shopping Experience

#### **Physical Platform**



Department Store



Retail Plaza



Supermarket



Hypermarket



Convenience Store



Specialty Store



Brandshop



Sales Counter

#### **Digital Platform**



Webstore



Mobile Application



Quick Commerce



Marketplace

#### Offline to Online (O2O)



Personal Shopper



Call & Shop



Chat & Shop





& Shop Social Commerce



e-Ordering

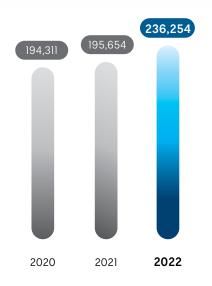


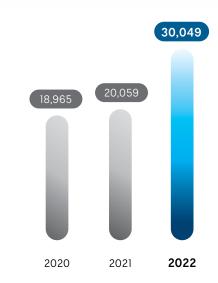
## CENTRAL RETAIL

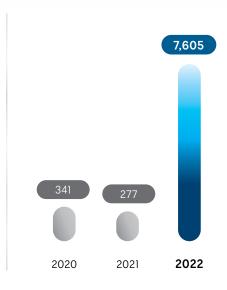
## Financial Highlights

#### 1. Total Revenue (million baht) 2. EBITDA (million baht)

#### 3. Net Profit (million baht)

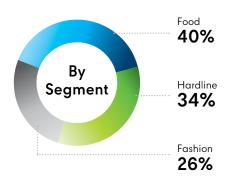


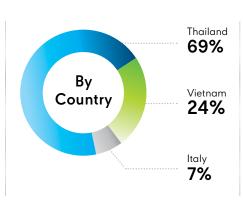


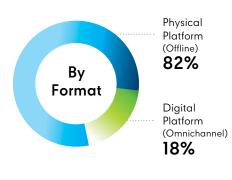


Note: EBITDA and net profit from continuing operations

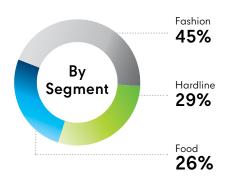
#### Sales Contribution 2022

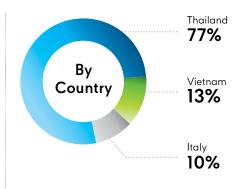






#### **EBITDA Contribution 2022**





Note: Sales and EBITDA from continuing operations contribution in Thailand include other countries.

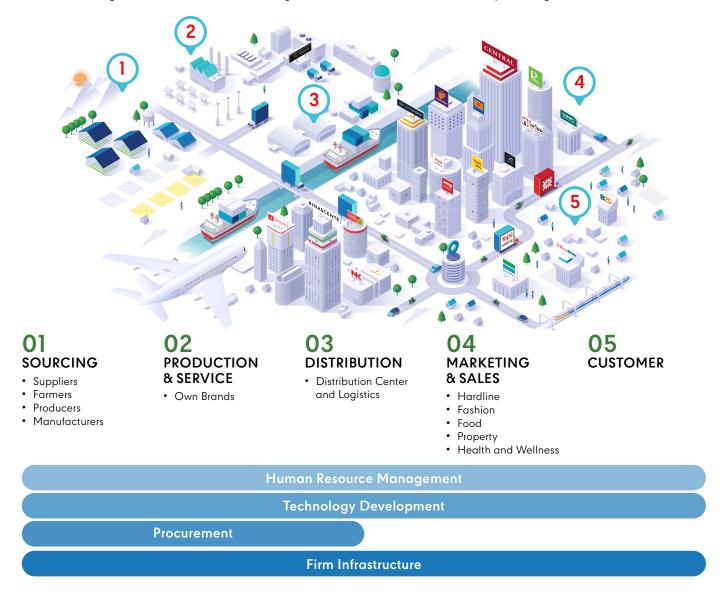


## Central Retail Value Chain

The Company's value chain consists of 5 primary elements, namely raw material sourcing, production and services, outbound transportation, marketing and sales, and customer service. The Company currently emphasizes the process of raw material sourcing through the selection of raw materials from transparent and socially-responsible supplies and manufacturers, especially in the food business group which directly purchases products from local farmers. For production and services, the Company gives priority to products produced with methods that do not affect the environment and promote good health, especially in establishing the Healthiful product group that selects only organic products and healthy products that do not affect the environment.

As for outbound transportation, the Company strives to use the most efficient transportation mode and route to reduce delivery distance and time, as well as reducing carbon emissions (carbon footprint) through the use of electric vehicles for transportation. As for marketing and sales, the Company focuses on developing sales and communication channels in the omnichannel format to increase customer reach and respond to changes in consumer behavior in the digital age.

Lastly, the Company has a dedicated unit for customer relations management, which also serves as a channel for communicating offers to customers, receiving feedback from stakeholders, and providing after-sales service.





## Core Values:

## Because we care - I-CARE

The Company's core values – I-CARE are the guiding principles for employees at all levels to adhere to and practice, ensuring that they work towards the same goal and foster a positive organizational culture.



#### Innovation

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

The Company stands ready to encourage and support all personnel in facing changes without pre-judgement, in overcoming all limitations and achieving all possibilities, inconsistently examining and exchanging knowledge, and in fearlessly innovating.



#### Customer

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

The Company listens to customers' needs and trains its personnel to understand products and customers' requirements in depth to provide service beyond expectation, all the while considering customers' points of view, even in tough times. The Company is ready to admit mistakes when they are made and find immediate solutions to respond to customers' changing requirements.



#### **Alliance**

#### Work as a team for the progress of the business group

The Company drives its personnel to work for the corporation under the same overarching goals and bases its business decisions on choices that lead to the highest benefit for all. The Company listens to and respect all viewpoints, building new knowledge networks to raise expertise standards and foster joint experiences, as well as creating cooperation between branches and business groups, to become an organization of unity.



#### Relationship

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

The Company recognizes the importance of valuing and respecting differences and diversity in age, culture, and gender to promote a workplace where care, sincerity, flexibility, and consideration of colleagues, business partners, and society are key factors. The Company emphasizes the keeping of promises to foster confidence and trust in its work, as well as creating an awareness of social responsibility for sustainable growth.



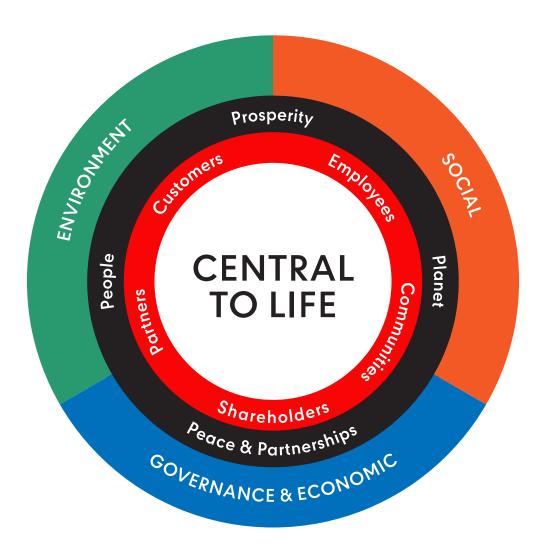
#### Ethic

#### Respect of ethics in business operations

The Company upholds ethics in all our business dealings, emphasizes good corporate governance, and promotes personnel responsibility in forging integrity and trustworthiness for oneself and others. Our employees work with transparency, full disclosure and accountability, do not tolerate wrongdoings in the Company, as well as obey all rules, regulations, and the Company's Code of Ethics.

#### Strategy and Framework to Drive Business for Sustainability

The Company has a sustainable development framework comprising 4 main pillars: People, Prosperity, Planet, and Peace & Partnerships to meet the expectations of stakeholders and to be integrated with the environmental, social, and governance and economic (ESG) operations. It serves to set the operational direction for every business group and unit under the Company to achieve long-term positive changes for the business, environment, and society.



In 2022, the Company pledged to become a green & sustainable retail business and adopted the "ReNEW" strategy, which has become a key factor in driving business growth as well as setting the 2030 targets and achieving net zero emissions in 2050.

CENTRAL



	Re	N	E	W
ReNEW Strategy	Reduce Greenhouse Gases	Navigate Well-being Society	Eco-friendly Product & Packaging	Waste Management
2030 Targets	30% reduction of greenhouse gas emissions	Generate income of 5,400 million baht/year for communities	100% eco-friendly packaging	Waste management and 30% reduction of food waste

Net Zero Emissions by 2050





	Re	N	Е	W
Proposed Actions	<ul> <li>Increase the use of clean energy. Install rooftop solar cell system at department stores and shops in Thailand and Vietnam.</li> <li>Transition to low-carbon logistics by switching to EV trucks to transport goods.</li> <li>Use various energy-saving technologies, e.g. energy-efficient chiller and EV tricycle.</li> <li>Promote the use of EVs. Install EV charging stations for customers in department stores in Thailand and Vietnam.</li> <li>Oppose deforestation by not support in g products, suppliers, and manufacturers involved in the deforestation supply chain.</li> </ul>	<ul> <li>Focus on reducing inequality. Be a leaderin promoting equality and diversity in society through employment for people with disabilities.</li> <li>Foster community economy and create a good quality of life through the Jing Jai Farmers' Market project. Central Retail is also committed to continuously improving the community and Thai society, so that all sectors can grow together in a sustainable manner.</li> </ul>	<ul> <li>Promote the use of eco-friendly products and packaging, natural materials, and quality durable materials as substitute for consumable sand single-use packaging, including reducing plastic waste.</li> <li>Introduce Tops Green, a new type store that sells high-quality eco-friendly and community-conscious products, including organic products, vegetables, and fruits. The first location was open in Chiang Mai.</li> </ul>	<ul> <li>Use resources efficiently. Reduce the amount of waste to landfills, waste burning, pollution, and contaminants in the environment throughout the supply chain.</li> <li>Reduce food loss and food waste from upstream to downstream. Pass on consumable food excess to vulnerable groups. Manage food waste by composting and producing biogas for community use.</li> <li>Improve plastic waste management with the "Upcycling Product Project" campaign to reuse and upcycle PET bottles into products which can create jobs and income for the community.</li> <li>Enhance the "Journey to Zero" campaign to reduce waste to zero. Encourage positive behaviors for customers and employees to reduce, reuse, and recycle. Designate points for waste disposal and sorting. Promote the reuse of renewable materials.</li> </ul>



## **About This Report**

Central Retail Corporation Public Company Limited prepared the 2022 Sustainability Report to communicate to stakeholders about its sustainability guidelines and performance based on the Company's material issues in accordance with the environment, social, and governance and economic (ESG) concept. To ensure transparency and the quality of information disclosure, the Company has prepared this Sustainability Report in accordance with the KPIs of the Global Reporting Initiative (GRI)'s reporting standards, which is considered an internationally recognized sustainability reporting standard.

The information scope of this report covers the operations of various business groups under the CRC Group between 1 January 2022 and 31 December 2022.

The shareholding structure of the CRC Group can be referred to from the annual registration statement and annual report 2022 (One-Report) of the CRC Group or from the website www.centralretail.com/en/investor-relations/home

# For more information about this Sustainability Report, please contact

Central Retail Corporation Public Company Limited

22 Chidlom Tower, Soi Somkid, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10300

Tel. +66 2650 3600 Email: pr@central.co.th

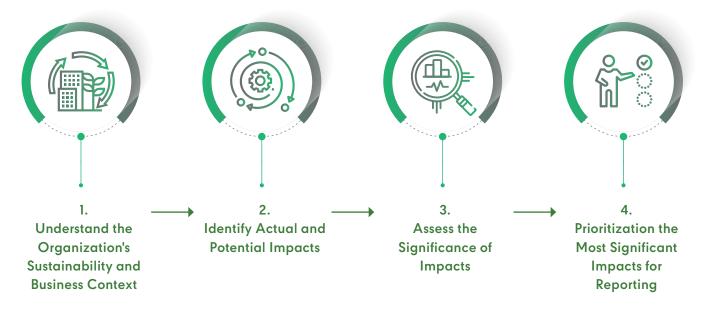
Website: www.centralretail.com



## Materiality Assessment

The Company attaches great emphasis on identifying materiality issues as it is a process that allows the Company to have an in-depth understanding on the business context throughout the value chain that can cause external impact to the economy, society, and the environment. This also facilitates the Company's assessment of impact that the economy, society, and environment can cause toward the Company. The Company conducts materiality assessment each year to ensure that material issues are being updated by taking into account global trends and context that undergo constant changes. The Company's materiality assessment aligns Global Reporting Initiative 2021 (GRI Standards 2021) which focuses on assessing and prioritizing the impacts that the organization has on the economy, society, and environment in each of the sustainability issue through engaging with relevant key stakeholders. More importantly, these material issues have been assessed by the Company to have significant impact toward the organization as well.

#### **Materiality Assessment Process**





#### 1. Understand the Organization's Sustainability and Business Context

The Company reviews the organization's sustainability and business context by analyzing activities throughout value chain and the value chain's connections with the Company's main stakeholders, namely employees, business suppliers, customers, shareholders, creditors, the government agencies, communities, and society. Moreover, the Company reviews the international standards and global sustainability trends that are related to retail businesses to gain better understanding of the sustainability and business context, as well as analyzes stakeholders' expectations that have been collected from stakeholder engagement through various communication channels.

#### 2. Identify Actual and Potential Impacts

Following the study on the context and linkage between the value chain and stakeholders, the Company identifies sustainability issues relevant to the Company through analysis of positive and negative, and actual and potential impacts toward stakeholders. More importantly, the Company has applied the frameworks of COSO Enterprise Risk Management 2017 (COSO ERM 2017), UN Guiding Principles on Business and Human Rights, and other international standards on human rights in analyzing the impact that covers human rights risks, which will be integrated in the Company's regular enterprise risk management process.

#### 3. Assess the Significance of Impacts

The Company assesses the significance of each sustainability issues materiality issues by conducting survey to collect stakeholders' perspectives on how they are affected by impacts from by each sustainability issue, which take into account scale of impact, scope of impact, likelihood of impact, and irremediable nature of impact. As a result, each sustainability issue are assessed based on the four levels of impacts: very high, high, medium, and low. Moreover, the Company has reviewed and conducted expert testing for each material issue as well as considering relevant international standards such as Global Reporting Initiative (GRI), reports published by globally recognized organizations, and sustainability indices, to ensure that the assessment is more comprehensive and inclusive of expert opinions.

#### 4. Prioritization the Most Significant Impacts for Reporting

The Company prioritizes the sustainability issues to finally identify material issues with the most significant impacts. The resulting material topics are then presented to the Corporate Governance and Sustainability Committee, and the Board of Directors to validate for alignment with the Company's context and business strategies. The validated material issues would then be endorsed by the Board of Directors to be regarded as the Company's material issues.



## Materiality Assessment Results 2022

Materiality Issue	Type of Impact	Impact	Relevant Stakeholders	UNSDGs
Innovation	Positive, Already occurred	Promotion of and support for innovations to be applied to businesses such as development of online applications and the use of technology in operations will help improve the quality of services for customers and increase efficiency of employees' performance.	Shareholders, Employees, Business Partners, Customers, Debtors, Government Agencies, Communities, and Society	9===
Responsible Sourcing	Positive, Already occurred	Responsible sourcing will help prevent deterioration of biodiversity and deforestation, as well as enhance the well-being of surrounding communities. Products and services from responsible sourcing can promote good health and respond to the customers' expectations.	Shareholders, Employees, Business Partners, Customers, Debtors, Government Agencies, Communities, and Society	3 mmm 12 mm 12 mm 14 mm 15 mm 15 mm
Human Capital Development	Positive, Already occurred	Encouraging employees to continually develop new skills that are in line with business strategies such as marketing skills and online sales will help increase the efficiency of the work and capabilities of employees.	Shareholders, Employees, Business Partners, Customers, and Government Agencies	4 mm.  8 mm man.  ***********************************
Customer Relationship and Brand Management	Positive, Already occurred	Efficient development of customer relationship and the brand by providing services that respond to the expectations of customers will lead to customer loyalty towards the brand and increase confidence among stakeholders.	Shareholders, Employees, Business Partners, Customers, Government Agencies, Communities and Society	9===
Resource Efficiency	Positive, Already occurred	The reduction of resources through designing packaging that is environmentally friendly or processing plastic waste is to add value to the products, thus lower costs and impacts on the environment of the production process. These approaches also promote sustainable consumption and increase access to products that are environmentally friendly for customers.	Shareholders, Business Partners, Customers, Debtors, Government Agencies, Communities, and Society	12

CENTRAL RETAIL

Materiality Issue	Type of Impact	Impact	Relevant Stakeholders	UNSDGs
Community Contribution and Local Product Development	Positive, Already occurred	Helping to generate economic values of communities and enhance local products in order to have higher value through support on knowledge, selling skills and distribution channels will lead to increase in income for communities, and better relationship between communities and the Company.	Shareholders, Customers, Government Agencies, Communities, and Society	3 months and a second a second and a second and a second and a second and a second
Climate Change	Negative, Possible	Long-term greenhouse gas emissions may result in climate change seen in intensified natural disasters such as floods, storms or draught. The impact may become more severe to the point that it affects the surrounding businesses and communities as well as results in the loss of confidence among stakeholders.	Shareholders, Employees, Business Partners, Customers, Debtors, Government Agencies, Communities, and Society	8 more too as a large to as a large too a large too as a large too
Cybersecurity and Privacy Protection	Negative, Possible	Cybersecurity systems that are not efficient may open up the possibility of the Company being targeted for cyber attacks which may in turn lead to suspension of business and personal data leakage, resulting in legal proceedings and loss of confidence among stakeholders.	Shareholders, Employees, Business Partners, Customers, and Government Agencies	9===
Corporate Governance and Business Ethics	Negative, Possible	Inefficient corporate governance and the lack of business ethics may lead to corruption and business operations that are not transparent, as well as unfair treatment towards stakeholders, leading to loss of confidence.	Shareholders, Employees, Business Partners, Customers, Debtors, Government Agencies, Communities and Society	16 minum
Labor Practice and Human Rights	Negative, Possible	Unfair labor treatment and violation of human rights may result in complaints submitted to the regulators. This may eventually result in business obstruction that causes damage to the confidence of stakeholders.	Shareholders, Employees, Business Partners, Customers, Debtors, Government Agencies, Communities and Society	8 EXPRESSION (\$\frac{10}{4}\$)



Materiality Issue	Type of Impact		Impact		levant eholders	UNSDGs
Occupational Health and Safety	Negative, Possible	and safety can increase the risks of accidents or danger in department stores, leading to obstruction in operations and loss of confidence among stakeholders.  Employers  Custor Government Stores, leading to obstruction in Custor Government Stores and loss of confidence Agency Comm		Custom Govern Agenci	rees, es Partners, ners, Debtors, ment es, unities and	3 ments and
Supply Chain Management	Negative, Possible	chains, busine negativ and soo submitt further i	ut risk assessment of the supply s, activities of the Company's ess partners may cause ive impact on the environment ociety, leading to complaints tted to the regulators. This may r result in delays in the supply and loss of confidence among		rees, is Partners, ners, and ment	8 100 400 100 100 100 100 100 100 100 100
Risk and Crisis Management and Resilience	Negative, Possible	inefficie as train manag Compo with risk might b the Cor	rgement may lead to the Custome coany being unable to cope Governowsks and crises. As a result, there Agencie		ees, s Partners, ners, Debtors, ment es, unities and	9 *************************************
Environmo	Environment Dimension		Social Dimension			ince and Economic Dimension
<ul><li>Responsible Sourcing</li><li>Resource Efficiency</li><li>Climate Change</li></ul>		<ul> <li>Human Capital Developm</li> <li>Community Contribution of Local Product Developme</li> <li>Labor Practice and Human Rights</li> <li>Occupational Health and</li> </ul>	and ent in	<ul> <li>Innovation</li> <li>Customer Relationship and Brand Management</li> <li>Cybersecurity and Privacy Protection</li> <li>Corporate Governance and Business Ethics</li> <li>Supply Chain Management</li> <li>Risk and Crisis Management and Resilience</li> </ul>		



## Stakeholder Engagement

Sustainable business operations need to take into account the impact and expectations of all relevant stakeholder groups. Therefore, stakeholders are divided into 7 main groups: 1) shareholders; 2) employees; 3) business partners; 4) customers; 5) creditors; 6) government agencies; and 7) community and society. As the expectations of each group of stakeholders are different, the channels for participation, communication and response must be appropriate for each group. These factors are crucial for the development of strategies and business plans of the organization.

Stakeholder Groups	Expectations	Meeting Stakeholder Expectations	Communication Channels
Shareholders	<ul> <li>Sustainable business growth and profits</li> <li>Corporate governance</li> <li>Transparent management</li> <li>Ability to create opportunities amid challenges</li> <li>Effective risk management</li> </ul>	<ul> <li>Transparent and verifiable business operations and adherence to good governance principles</li> <li>Effective management, creating trust and maximizing returns</li> <li>Complete and continuous information disclosure</li> <li>Provide accurate and complete financial information</li> <li>Uphold commitments in accordance with legal criteria and contexts</li> </ul>	<ul> <li>Quarterly investor briefing meeting</li> <li>Sustainability Report (website)</li> <li>Information disclosure through the Annual Report</li> <li>News notification through the Stock Exchange of Thailand</li> <li>Shareholders meeting</li> </ul>
Employees	<ul> <li>Decent remuneration and welfare benefits</li> <li>Job security and career advancement</li> <li>Capacity, knowledge, and skill development</li> <li>Organizational participation in expressing opinions</li> </ul>	<ul> <li>Provide decent remuneration and suitable welfare benefits. Consider promotions and transfers</li> <li>Use an equal and fair performance assessment system</li> <li>Organize training courses that meet business needs and keep up with changes</li> <li>Listen to opinions and suggestions for making improvement</li> </ul>	<ul> <li>Annual vision         announcement meeting</li> <li>Online social media/email</li> <li>Annual Report/         Sustainability Report         (website)</li> <li>Suggestions or complaints</li> <li>Annual employee         satisfaction and         engagement survey</li> </ul>



Stakeholder Groups	Expectations	Meeting Stakeholder Expectations	Communication Channels
Business Partners	<ul> <li>Equality in business practice</li> <li>Transparent business dealing</li> <li>Capacity building for mutual growth</li> <li>On-time administration and payments</li> </ul>	<ul> <li>Fair and transparent competition</li> <li>Transparent and fair business agreements</li> <li>Organize capacity building training courses</li> <li>Accurate, full, and on-time payment schedule</li> <li>Secure storage of business partners' information</li> </ul>	<ul> <li>Organize an annual meeting</li> <li>Organize knowledge training courses for business partners and activities to build good relations between the Company and business partner networks</li> <li>Online social media/email</li> <li>Suggestions or complaints</li> <li>Annual Report/Sustainability Report (website)</li> </ul>
Customers	<ul> <li>Quality and standardized products and services</li> <li>On-time product and service delivery</li> <li>Good quality after-sales service</li> <li>Personal data protection</li> </ul>	<ul> <li>Good quality and responsible service</li> <li>On-time product delivery</li> <li>Deliver a good experience and service beyond expectation</li> <li>Develop a customer information management system to store and safeguard personal data in accordance with international standards</li> </ul>	<ul> <li>Direct customer contact</li> <li>Customer service center</li> <li>Online social media/email</li> <li>Annual customer satisfaction survey</li> <li>Suggestions or complaints</li> </ul>
Creditors	<ul> <li>Corporate governance</li> <li>Transparent management</li> <li>Effective management strategies</li> <li>Ability to create opportunities amid challenges</li> <li>Accurate financial information management</li> <li>Full and on-time payments</li> </ul>	<ul> <li>Transparent and verifiable business operations and adherence to good governance principles</li> <li>Effective management, creating trust and maximizing returns</li> <li>Complete and continuous information disclosure</li> <li>Uphold commitments in accordance with legal criteria and contexts</li> <li>Provide accurate and complete financial information</li> <li>Full and on-time debt repayment and maintain the quality of collateral securities</li> </ul>	<ul> <li>Quarterly investor briefing meeting</li> <li>Sustainability Report (website)</li> <li>Online social media/email</li> <li>Suggestions or complaints</li> <li>Annual Report</li> </ul>



Stakeholder Groups	Expectations	Meeting Stakeholder Expectations	Communication Channels
Government Agencies	<ul> <li>Legal compliance and promotion of corporate governance in accordance with good governance principles</li> <li>Equitable and fair competition</li> <li>Support and cooperate in various activities</li> <li>Efficient handling of complaints</li> </ul>	<ul> <li>Conduct business with transparency, accountability, fairness, and legal compliance</li> <li>Information disclosure that is transparent, complete, and verifiable</li> <li>Compliance with laws and regulations to ensure confidence</li> <li>Maintain quality management and build credibility</li> <li>Support and cooperate in various activities</li> </ul>	<ul> <li>Regularly listen to and exchange opinions</li> <li>Organize activities with government networks</li> <li>Online social media/email</li> </ul>
Community and Society	<ul> <li>Value community feedback</li> <li>Prioritize safety and environmental impact seriously</li> <li>Handle complaints fairly</li> <li>Support and promote activities that benefit the community</li> </ul>	<ul> <li>Study, understand, listen to community feedback, and respond directly</li> <li>Coordinate cooperation to respond to the needs of the community</li> <li>Foster acceptance as part of the community</li> <li>Create jobs, careers, and income for the community</li> </ul>	<ul> <li>Publish Sustainability Report (website)</li> <li>Online social media/email</li> <li>Suggestions or complaints</li> <li>Organize activities with community networks</li> </ul>



# Environmental Quality





The Company recognizes the importance of sustainable management of natural resources to prevent the Company's business operations from affecting the environment and quality of people's life in society. As environmental issues have become more complex, the Company issued the Environmental Policy in 2022 as a commitment to adhere to laws, regulations, social responsibility, and sustainable development goals. The Company has set up several management and board oversight to drive the Environmental Policy, and drive the policy, namely the Corporate Governance and Sustainability Committee which the Chief Executive Officer (CEO) is also a part of, Presidents of Subsidiaries or Associates or Business Units, and Environmental Working Team. They have a duty to continually improve the Company's environmental undertakings in the following areas:

- · Reducing greenhouse gas (GHG) emissions
- Minimizing ecological footprint
- Moving towards zero waste
- Sustainable sourcing
- Offering of eco-friendly products and services
- Promotion of sustainable transportation and distribution
- Advancing sustainable consumption and production patterns
- Due diligence process

In 2022, the Company focused on material issues in the environmental dimension, namely 1. Climate Change; 2. Responsible Sourcing; and 3. Resource Efficiency, in line with the commitment to become green and sustainable retailer and the UN's Sustainable Development Goals. The Company's undertakings in the abovementioned aspects will help the business, value chain, and relevant stakeholders to be prepared for risks and create business values from the opportunities.



Further details on CRC's environmental policy can be found at: https://www.centralretail.com/storage/document/cg-policy/crc-environmental-policy-en.pdf or from the QR Code on the left.



Climate Change









Responsible Sourcing









Resource Efficiency





# CLIMATE CHANGE







#### **Importance**

It can be clearly seen that climate change has a tendency to produce increasingly high impact as reflected in more damaging and frequent natural disasters. Such incidents affect the Company both directly and indirectly such as crucial infrastructures that may be damaged by natural disasters, the higher costs from carbon taxes and higher prices of commodities and transport. The Company has adjustments to its greenhouse gas data collection methodology in 2022, and has established 2022 as the base year for tracking its progress against achieving its target of 30 percent greenhouse gas reduction within 2030. The Company also created cooperation with stakeholders and entrepreneurs to in line with the long-term goal of the Company to achieve Net Zero Emissions by 2050.

#### Impact on Stakeholders

Climate change results in an increase of frequency and severity of natural disasters and its impact such as injuries and losses, damage to buildings and infrastructure, as well as higher production costs, widely affecting stakeholders including employees, business partners, customers, community, and society. This means that the whole society and economy will be adversely affected whereby the government is responsible for. Additionally, in terms of business, the impact from climate change can affect the ability of business partners to procure and deliver goods and services, causing suspension of supply chains, affecting the confidence of customers which in turn can lead to loss in revenue and confidence of shareholders and investors.

# **Management Approach**

#### Climate Change Management

The Company's climate change management is focused on reducing greenhouse gas emissions across its supply chain. In 2022, the Company produced Greenhouse Gas Inventory which covers greenhouse gas emissions scope 1<sup>1</sup>, 2<sup>2</sup>, and 3<sup>3</sup> encompassing activities related to employee commuting, business travel, and the downstream distribution and transportation. The Greenhouse Gas Inventory has helped the Company identify the key sources of greenhouse gas emissions across the whole value chain in order to precisely and efficiently manage and monitor emissions in a continuous manner in line with GHG Protocol.

<sup>&</sup>lt;sup>1</sup>Greenhouse gas emissions scope 1 refer to greenhouse gases emitted directly by the Company.

<sup>&</sup>lt;sup>2</sup> Greenhouse gas emissions scope 2 refer to greenhouse gases emitted indirectly from the burning of fossil fuels to produce energy for consumption within the organization.

<sup>&</sup>lt;sup>3</sup> Greenhouse gas emissions scope 3 refer to greenhouse gases emitted indirectly by stakeholders within the value chain.



In the short term, the Company focuses on investment in the installation of energy-conserving equipment to increase efficiency of energy usage and replacement of the use of fossil fuels with renewable energy such as solar energy to help reduce greenhouse gas emission and the expenses on energy. Moreover, the Company is part of the founding members of RE100 Thailand Club, an association of renewable energy that has been established to advance and drive renewable energy of the Thai industry to cover the whole country.

In the long term, the Company places great importance on nature-based solutions in capturing and storing of greenhouse gases through increasing green space and forest restoration projects, as well as raising awareness of employees, business partners, and customers through various activities so that they are part of the solution on climate change.

#### Climate-related Financial Disclosures

The Company assesses the risks of climate change in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), comprising assessments of physical risks due to severe climate conditions and transition risks due to various incidents that may occur during the transition towards low-carbon economy. Results of the assessments have been adapted to the corporate risk management as well as the development of strategies to adjust and cope with the impact of climate change. These strategies include emergency plans to tackle the incidents that may occur in the future.



Detailed information on the climate-related financial disclosures report can be found at https://www.centralretail.com/storage/document/esg-reporting/tcfd-report-2022-en.pdf or from the QR Code on the left.



# **Performance**

Energy Consumption	2019	2020	2021	2022
Total Energy Consumption (MWh)	1,046,470	1,079,532	1,245,916	1,031,482
Total Non-Renewable Energy Consumption (MWh)	1,039,855	1,062,284	1,194,350	952,015
Total Renewable Energy Consumption (MWh)	6,615	17,248	51,566	79,467

Remark: Data coverage in 2022 covers the business operations in Thailand and Vietnam.

Energy Consumption	Unit	Thailand	Vietnam	Total			
Total Fuel Consumption from Non-Renewable Sources							
Gasoline	MWh	32,063	2,580	34,643			
	GJ	115,424	9,289	124,714			
Diesel Oil	MWh	768	8,888	9,656			
Diesei Oii	GJ	2,764	31,996	34,761			
LPG	MWh	18,200	2,182	20,382			
LFG	GJ	65,518	7,855	73,374			
Total Fuel Consumption from Renev	vable Sources						
Biodiesel	MWh	55	639	694			
biodiesei	GJ	199	2,301	2,500			
Bioethanol	MWh	2,388	255	2,643			
bioethanoi	GJ	8,596	919	9,515			



Energy Consumption	Unit	Thailand	Vietnam	Total	
Electricity Consumption					
Non-renewable Source	MWh	643,110	244,224	887,334	
	GJ	2,315,196	879,206	3,194,402	
Renewable Source	MWh	58,799	17,331	76,129	
Renewable Source	GJ	211,675	62,391	274,066	
Total Energy Consumption within the Organization					
Total Energy Consumption within	MWh	755,382	276,100	1,031,482	
the Organization (Fuel and Electricity consumption)	GJ	2,719,373	993,958	3,713,332	

Greenhouse Gas (GHG)	2010	2020	2021	2022		
Emissions	2019 2020		2021	Thailand	Vietnam	Total
Scope 1 (Tons CO <sub>2</sub> e)	6,522	6,898	39,527	59,381	13,593	72,974
Scope 2 (Location-Based) (Tons CO <sub>2</sub> e)	507,786	518,306	384,588	321,491	114,419	435,910
Scope 2 (Market-Based) (Tons CO₂e)	507,786	518,306	384,588	321,491	114,419	435,910
Scope 3 (Tons CO <sub>2</sub> e)	65,029	112,451	37,183	82,099	ND	82,099
Biogenic CO2 Emissions (Ton CO2e)	ND	ND	ND	623	228	851
GHG Emissions Intensity (Scope 1 and 2) (Tons CO2e/Baht)	ND	ND	ND	2.34 x10 <sup>-6</sup>	2.26x10 <sup>-6</sup>	2.15x10 <sup>-6</sup>

Remark: 1. Data coverage in 2022 covers the business operations in Thailand and Vietnam.

2. ND refers to unknown data



Detailed information on the Performance data can be found at https://www.centralretail.com/storage/document/esg-reporting/crc-performance-data-2021-en.pdf QR Code on the left.



# **Highlight Projects**

#### **Energy Conservation Initiatives Projects**

The Company has undertaken energy conservation initiatives to reduce non-renewable energy consumption and increase energy-efficiency in its business operations which will result in the decrease in energy cost and the reduction of greenhouse gas emissions. The Company's projects include:

1. Solar Rooftop Installation In 2022, the Company has installed solar rooftop systems at 43 branches of our department stores, thus reaching a total of 83 branches (38 branches of Thai Watsadu - BnB home in Thailand, 24 branches of Robinson Lifestyle, and 1 branch of Robinson Department Store in Thailand, and 20 branches of Big C/GO! Mall in Vietnam). The project has produced 76,130 MWh of electricity from renewable energy for use within the Company.





2. Electric Vehicle Charging Stations This project aims to develop the Company's infrastructure to be able to accommodate and support the use of electric vehicles of customers. In 2022, electric vehicle charging stations were set up in 58 branches (1 branch of Thai Watsadu, 16 branches of Robinson Lifestyle, and 2 branches of Central Department Store in Thailand, and 39 branches of Big C/GO! Mall in Vietnam), accommodating 790 electric vehicles in total.





3. Promote the Use of Electric Vehicles in the Company's Transport System In 2022, the Company started to use electric vehicles to deliver products in Phra Nakhon Si Ayutthaya and provinces in the East. Of these, 6 cars belong to Thai Watsadu and 1 car belongs to Central Food Retail. The Company is determined to expand the coverage of electric vehicles all over Thailand. It seeks to increase the number of electric vehicles by 30 cars within 2023.



4. Energy-Efficient Chilling System This helps reduce the use of energy in the food business. Tops supermarket has installed additional 217 refrigerators and energy-saving cooling systems representing a reduction of greenhouse gas emissions by 630 tons of carbon dioxide equivalents.







#### Forest Restoration and Green Areas Expansion Projects

The Company's forest restoration and green areas expansion projects, and the project to promote organic agriculture and diverse plantation aim at being part of the solution and reducing the impact of climate change through nature-based solutions to store greenhouse gases. The Company has determined the goal to increase green space to 50,000 rai within 2030 through Central Tham Love The Earth Projects including organic agriculture in Mae Tha, Chiang Mai, Phu Chee Duen Coffee Project in Chiang Rai, Bua Yai organic agriculture in Nan, Khok Nong Na Model at Nong Sanit in Surin, and Bang Ka Jao environmental management in Samut Prakan.

The aforementioned projects resulted from cooperation between the Company and its network such as Department of Forestry, World Wildlife Fund (WWF), the Federation of Thai Industries, the Thai Chamber of Commerce, Thai Com Company Limited, and the Forest Industry Organization. The projects focus on restoring the ecosystems together with communities in each respective area through promotion of sustainable agriculture such as organic agriculture rather than monoculture to reduce the use of chemicals, and mixed-forest agriculture "three forests: four benefits" whereby perennial plants and wild woods are used to produce food, herbs, multi-use plants, and plants used in construction. These projects not only help increase the green space to enhance the ability to store greenhouse gases, but they also provide a number of benefits to the local communities through revenue generation and the development of clean food for communities, which are the basic factors for the uplifting of well-being of people in the community. Moreover, apart from gaining knowledge on sustainable agriculture, production factors, food processing, marketing, and value creation, communities also cultivate good relations with the Company. In 2022, the Company reforested and increased green space by a total of 5,519 rai.





Detailed information on the projects can be found at the URL or QR Codes below.



Phu Chee Duen Coffee Project

https://www.centraltham.com/projects/phu-chee-duen-coffee



Mae Tha Sustainable Living Project

https://www.centraltham.com/projects/mae-tha



# **RESPONSIBLE SOURCING**









#### **Importance**

Consumers and stakeholders have become more aware of the impact of their consumption of goods and services on the environment, society, and health. They therefore have a growing expectation on the Company's role, as a retail business, regarding responsible sourcing. For this reason, the Company is committed to pursuing responsible sourcing of raw materials to ensure that the Company's goods and services comply with relevant laws and international standards on quality, society, and environment. It also helps prevent impacts on the environment, biodiversity, and deforestation. Moreover, goods and services that have gone through the processes of responsible sourcing can enhance the recovery of the ecosystem, natural resources, and well-being based on organic agriculture. Consumers also have access to goods and services that are safe and healthy as well as with added value to the Company.

#### Impact on Stakeholders

Responsible sourcing of raw materials helps the Company to meet customer expectations and increase confidence among customers who are interested in sustainability and health, especially from raw materials sourced from organic agriculture, with certificates, standards, and tracing mechanisms. Shareholders and business partners are also provided with business opportunities and support to comply with laws and sustainability standards to add value to products and services. Responsible sourcing also contributes to the development of environmental qualities and enhancement of quality of life and income for communities in the area, preventing any obstacles to business operations from complaints submitted to government agencies citing negative impact. In the long term, this will lead to business growth for shareholders and investors and foster pride for employees, leading to continuous improvement of goods and services.

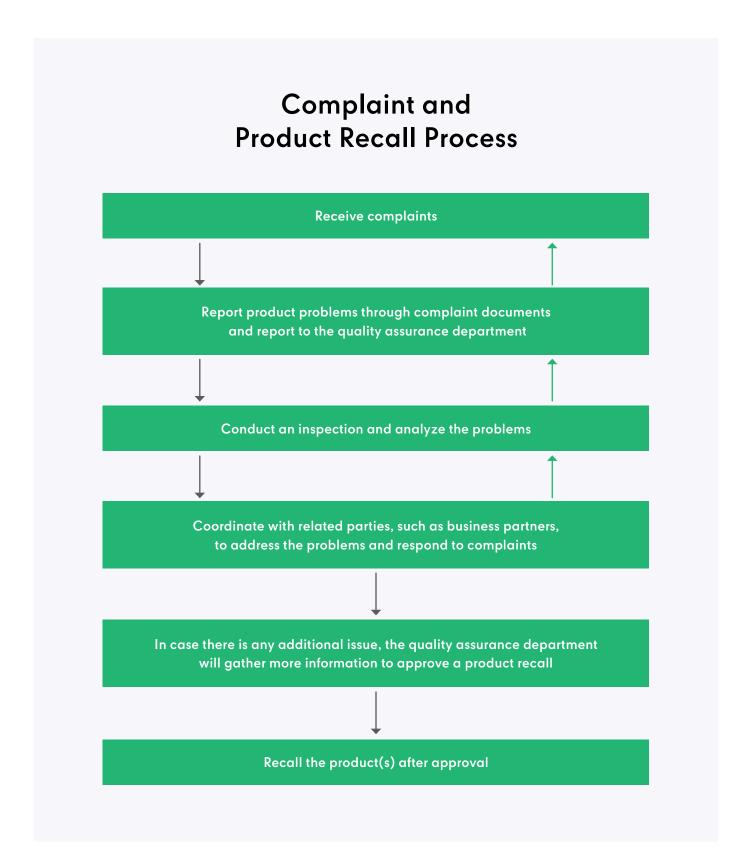
### **Management Approach**

The Company has adopted the Supplier Code of Conduct as a guideline for its suppliers on responsible sourcing. The Code sets environmental and social criteria for supplier selection to be used in monitoring the conduct of suppliers, covering issues of resource utilization and discharge of waste and pollution from production processes. The monitoring is carried out through self-assessments of suppliers and regular on-site visits to assess the impact.

At the same time, the Company has implemented sustainability and safety controlling measures based on international certification such as Food Safety System Certification (FSSC) 22000 at fresh food product distribution centers. Inspections on compliance with domestic law and regulations issued by entities and institutions such as the Food and Drug Administration, National Bureau of Agricultural Commodity and Food Standards, Thai Industrial Standards Institute, Office of the Consumer Protection Board, Department of Agriculture, Department of Livestock Development, Department of Fisheries, Department of Intellectual Property, Central Bureau of Weights and Measures at the Department of Internal Trade.



In order to communicate these measures and increase access to information for consumers, the Company has displayed labels to certify various standards and applied the traceability principle to certain products that are ready to be traced to demonstrate transparency and promote consumer confidence. The Company has tasked the quality assurance department to set up complaints and product recall processes to continuously improve the quality of products and services.





In 2022, the Company announced its Management Commitment on Biodiversity Conservation and No-Deforestation. It pledged to achieve no net loss (NNL) of biodiversity, supported net positive impact (NPI) projects, and committed to a no net deforestation target. The principle of mitigation hierarchy is applied in the prevention, avoidance, and mitigation of severe impacts from business operations in the vicinity of areas of outstanding biodiversity value.



Detailed information on the Management Commitment on Biodiversity Conservation and No-Deforestation can be found at https://www.centralretail.com/storage/document/esg-reporting/biodiversity-management-commitment-en.pdf or from the QR Code on the left.

#### Performance



Sales revenue of organic agricultural products and OTOP products in 2022

508,780,956 baht



Percentage of critical tier 1 suppliers passing the environmental supplier selection criteria in 2022

100%

Product Recall	2019	2020	2021	2022
Product lines for which products were recalled (number of product lines)	57	33	32	30
Cost from Product Recall (baht)	2,026,796	2,587,139	800,972	272,690

Remark: The scope of data collection in 2022 covers only the businesses in Thailand.



# **Highlight Projects**

#### **Organic Products and OTOP Products**

The Company has implemented a project to promote organic products and OTOP products with the main objective of supporting high quality raw materials and a production process that does not affect the environment and society, as well as being a driving force for local economic development. Under this project, the Company has promoted new generation of farmers and communities to improve their agricultural produce and add value and modernity by providing promotion in terms of production process knowledge, including product design and development, eco-friendly product preparation and packaging, selling products in modern trade, and finding distribution channels. Sourcing of organic raw materials helps the community to preserve forest areas and conserve plant species according to geographical indication (GI). In 2022, the Company's sales revenue of organic products was 365,054,246 baht, and the sales revenue of OTOP products was 143,726,710 baht.





#### **Healthiful Project**

The Company initiated Healthiful Project in 2019 to make the Food Business Category become the center for health products that are safe, of good quality, and healthy by putting up labels of relevant international certifications. Products sold under the Healthiful Project must pass the following 3 steps of the selection process, namely 1) products have a seal of approval from the Food and Drug Administration and have production processes that are up to standard; 2) products are aimed at promoting health and well-being of consumers; and 3) products are qualified to be considered health products in 5 categories; organic, natural, vegan and vegetarian, health specifics, and high nutrients products.

The Company set a goal of expanding the Healthiful project to cover 119 branches of department stores by 2025. In 2022, the project covered 60 branches. When compared to the statistics in 2021, the amount of sales of products in the organic category increased by 10 percent while the sales of products in the food for health category increased by 41 percent.

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











# RESOURCE EFFICIENCY



#### **Importance**

Inefficient use of limited resources will result in environmental degradation and low quality of life, as well as rapid depletion of resources. Issues that require attention from all sectors include waste and single-use plastic waste. As a retailer, the Company is committed to apply the circular economy to its business operations to reduce the use of resources, recycle resources in an efficient manner, and dispose the remaining waste with methods that yield highest benefits. The Company's resource management covers water management, and litter and waste management including food and plastic waste, as well as waste from other packaging. Not only will this reduce the impact on the environment, reduce the risk of being complained or losing good image and confidence from wasteful use of resources, but resource management also helps reduce costs and create business opportunities for the Company.

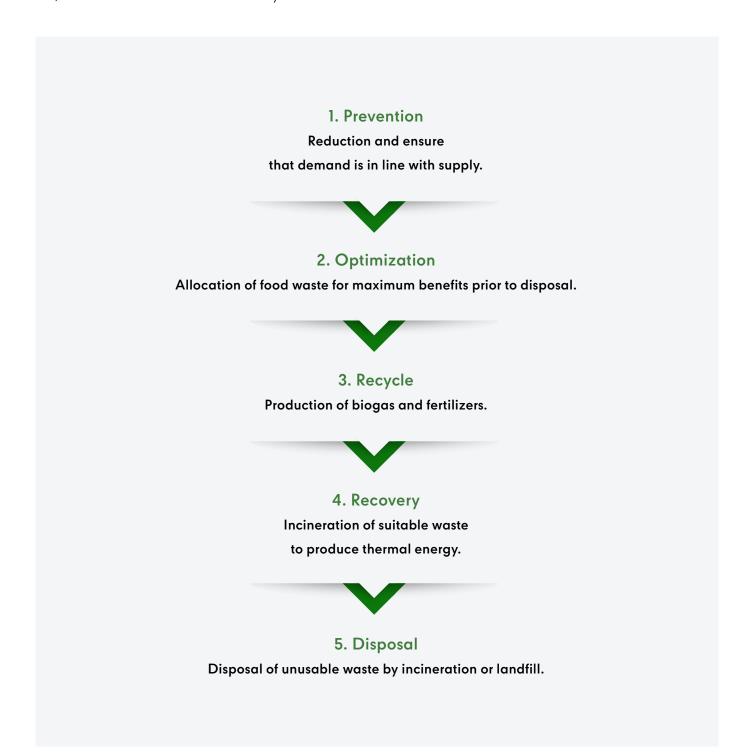
#### Impact on Stakeholders

From the analysis on the impact of the Company's use of resources to stakeholders, it has been found that the main impact is caused by solid waste, food waste, and plastic waste from packaging which emerge in high amount across the supply chain. This results in contamination of the environment in cases where appropriate and efficient waste management is lacking. For instance, water and soil may be polluted and incorrect burning of waste results in air pollution. These have affected people in community and society, leading to complaints made to government agencies. The Company will lose good image and confidence of customers, shareholders, and investors. Therefore, resource efficiency will help lower the impact on stakeholders. Reusing of waste by transforming it into various products has opened up business opportunities for the Company, suppliers, and communities. It also helps the Company to satisfy demands of customers who place great importance on environmentally-friendly products.



### **Management Approach**

The Company has established a policy framework to manage resources efficiently by focusing on waste reduction and waste management optimization before disposing it with methods that do not affect the environment according to the circular economy principles. In this regard, the Company implements 1) Food Loss and Waste Reduction Guidelines, 2) Solid Waste Segregation Guidelines, and 3) Plastic and Packaging Reduction Guidelines, in order to achieve the goal of reducing food waste by 30 percent and the goal to promote environmentally-friendly packaging by 100 percent by 2030. In 2022, the Company adjusted its data collection method on food waste and packaging use, and established 2022 as the base year.





#### Performance Assessment

The Company maintains a record of resource management and waste management in order to monitor the progress and implementation on a regular basis. Digital technology is utilized to collect data automatically.



More details on resource management practices can be found in the following URL or QR Codes below.



Food Loss & Waste Reduction Guidelines

https://www.centralretail.com/storage/document/esg-reporting/crc-food-loss-and-waste-reduction-guidelines-en.pdf



Solid Waste Segregation Guidelines

https://www.centralretail.com/storage/document/esg-reporting/crc-solid-waste-segregation-guidelines-en.pdf



Plastic and Packaging Reduction Guidelines

https://www.centralretail.com/storage/document/esg-reporting/crc-plastic-and-packaging-reduction-guidelines-en.pdf



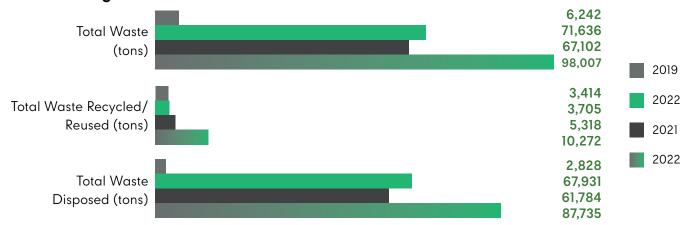
#### **Performance**

#### Water Consumption

ปริมาณการใช้น้ำ	2019	2020	2021	2022		
บรมหนหารเอนา		2020		Thailand	Vietnam	Total
Water Withdrawal from All Areas (Megaliter)	6,940	6,800	6,670	5,413	1,951	7,364
Water Withdrawal from All Areas with Water Stress (Megaliter)	ND	ND	ND	4,766	563	5,329
Water Consumption from All Areas (Megaliter)	1,388	1,360	1,334	1,083	390	1,473
Water Consumption from All Areas with Water Stress (Megaliter)	ND	ND	ND	953	113	1,066

Remark: 1. The scope of data collection is within 2022 and covers the businesses in Thailand and Vietnam.

#### Waste Management



# Total weight of food surplus used for alternative purposes in 2022



### **Packaging**





Detailed information on the Performance data can be found at https://www.centralretail.com/storage/document/esg-reporting/crc-performance-data-2021-en.pdf QR Code on the left.

<sup>2.</sup> The operation does not have water storage. 3. ND refers to unknown data.



# **Highlight Projects**

#### Samui Zero Waste Model

Samui Zero Waste Model aims at reducing the impact of solid waste in Samui, Surat Thani province through circular economy which focuses on efficient recycling of resources and waste. This project begins with waste sorting at the origin in the Company's department store in Samui. The Company's employees sort organic waste into 1) edible waste which will be processed into animal feed and 2) non-edible waste which will be turned into compost and cooking gas for household uses. Moreover, the Company has supported communities to establish "Sustainable Samui Community Enterprise", to use the compost to grow fruit and vegetables which are sold in Tops supermarket. Furthermore, this project has helped reduce solid waste, especially organic waste by processing and making the most out of waste in communities to reduce costs and generate income for communities. In 2022, Samui Zero Waste Model helped reduce 41.7 tons of food waste through the process of bio-decomposing. This amounted to the reduction of greenhouse gas emission of 105.51 tons of carbon dioxide equivalent. It has generated income for community enterprises totaling 233,437 baht.

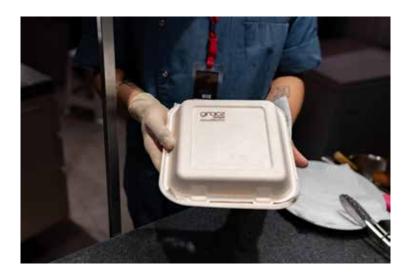






#### Research and Development for Biodegradable Packaging from Agricultural Residue

The Company aims to drive the Company to fully become Green & Sustainable Retail. It places importance on trying to solve the problem of plastic waste that affects the environment. In this regard, the Company has collaborated with the Biodegradable Packaging for Environment Public Company Limited (GRACZ) and Kasetsart Agricultural and Agro-Industrial Product Improvement Institute to conduct a study on compostable packaging from agricultural leftovers with the research capital of 7 million baht. This packaging has a special quality in expanding food storage life, thus reducing the amount of leftover food. The Company has a plan to use the packaging from this project by 2024. The study has also generated income for rice farmers who have sold rice straws and bagasse to the Company to be processed into environmentally-friendly packaging.



#### **U Bag Project**

The Company sees the opportunity in recycling plastic waste into value-added products in accordance with the principles of circular economy. In this regard, the Company has collaborated with employees, partners in Samui and Sustainable Samui Community Enterprise to initiate U Bag Project. This project gathers used sunscreen nets that are leftovers from the production in factories on Samui island. The nets are sent to communities to add value by processing them into U bags for department stores, hotels, and restaurants under the Company, and other stores in order to raise awareness on the environment among communities and customers. The project has generated income to Sustainable Samui Community Enterprise from sales of 1,050 U bags, totaling 94,000 baht.





#### **Upcycling Products from Plastic Waste**

To reduce plastic waste and its environmental impact, the Company initiated a project to make products from plastic waste. The objective is to achieve resource utilization efficiency in accordance with the circular economy model, as well as creating shared value between the Company and community. The Company and Wat Jak Dang community in Phra Pradaeng District, Samut Prakan Province, work together to create different products from PET plastic bottles through the process of upcycling or transforming discarded items and waste into materials or products with added value for reuse.

In 2022, the project helped raise awareness among customers about the problem of waste, its environmental impact, and waste management approach according to the circular economy. 900,000 baht of income was generated for the Wat Jak Dang community. The Company made 1 million baht from the sale of cloth bags under the brand good goods. The project also helped reduce plastic bottle waste by 67,628 bottles, which were used to produce 3 product types: 1. 2,157 cloth bags (made from 8,628 plastic bottles); 2. 5,000 blankets (made from 55,000 plastic bottles); and 3,500 vests (made from 4,000 plastic bottles).

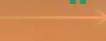






# Social Well-Being





The Company believes that social well-being, reduced inequalities, fairness, diversity, and delivery of good value to customers and stakeholders are crucial to driving business towards sustainability. In order to promote social well-being and advance business towards sustainability, the Company must take good care of employees and stakeholders across the supply chain, including labor practice and human rights, human capital development in ways that are in line with the direction of the organization, training on occupational health to ensure the safety of employees at work and safety of stakeholders such as customers and contractors, as well as providing appropriate and fair compensations. The Company views that such efforts will not only foster good relationships between the organization and employees, but also attract skilled individuals to work with the Company. CRC also wishes to deliver good value to customers by offering safe and standard products and services and creating economic values together between the Company and communities through several support projects that will help develop local products, helping communities to generate income and foster long-term relationships with the Company.

In 2022, the Company focused on certain aspects of social sustainability, namely 1) Human Capital Development; 2) Occupational Health and Safety; 3) Labor Practice and Human Rights; and 4) Community Contribution and Local Product Development. These are in line with the United Nations Sustainable Development Goals to align the Company's sustainability performance with international practice. Moreover, CRC is determined to be a good corporate citizen and create jobs for communities, as well as preserve local culture. These efforts have stemmed from the Company's intention to create value together with every party to drive society towards sustainability, which is a key to long-term business success.









Labor Practice and Human Rights









Occupational Health and Safety







Community Contribution and Local Product Development









# **HUMAN CAPITAL DEVELOPMENT**





#### **Importance**

The constantly changing economic, social, and environmental contexts create new business opportunities. Therefore, the Company must review its organizational direction to take advantage of such opportunities. Human resource development that goes in the same business direction is one of the factors that drive this change. The Company recognizes the importance of human capital development, especially in the areas of technology and consumer needs, e.g. marketing and online sales skills. Enhanced agility and flexibility in how our employees work ensures that the Company will continue to grow and maintain its competitive advantage in any situation.

#### Impact on Stakeholders

The fast-changing nature of business often leaves employees with a skills gap. The support provided by the Company is thus a good opportunity for employees to learn new skills which are currently in demand and improve the quality of products and services. It also responds to customer expectations that will lead to profits and create confidence for shareholders and investors. Furthermore, human capital development can lead to the dissemination of knowledge to suppliers, thereby enhancing the efficiency of the operations of both the Company and the suppliers, which is the improvement of the labor market and increased employment in accordance with the expectations of government agencies.

## **Management Approach**

#### Personnel Development Policy

The Company sets a Personnel Development Policy to guide the human capital development for employees based on the customer-centric approach through omnichannel strategy. In addition, in developing human capital development training courses, the Company conducts analysis to identify the skills required for achieving the organizational goals but are still lacking in the employees, and then clearly define the objectives and indicators of the course to evaluate the effectiveness and value in a concrete manner. In addition, the policy also supports the establishment of a training database, in order to use the statistical data to further strengthen the capacity of employees.



Encourage skill development through working



Promote training for employees at all levels



Assess the need for skill development



Build good relationships between management and employees



Detailed information on the personnel development policy can be found at https://www.centralretail.com/storage/document/cg-policy/crc-policies-human-resources-development-policy-en.pdf or from the QR Code on the left.



#### **Human Capital Development Framework**

The Company's human capital development framework consists of

#### 1. Talent Development

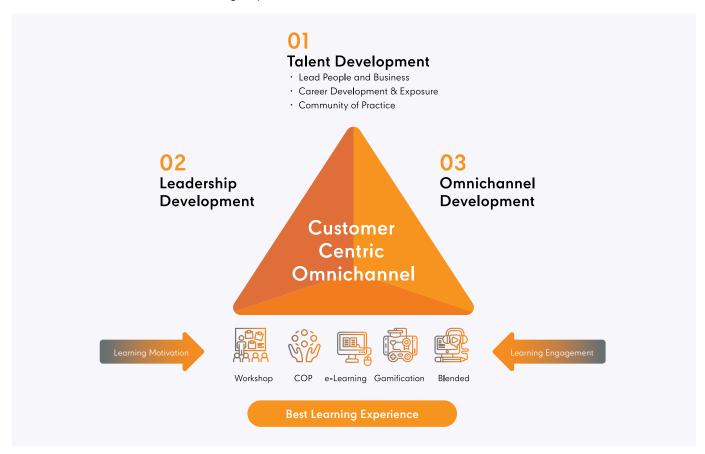
Talent development is promoted to prepare high potential employees for growth and succession within the Company. Emphasis is placed on expanding the omnichannel operations and learning about various types of business groups to stimulate innovation and business value creation.

#### 2. Leadership Development

Employees receive leadership skill training so that they can apply them to work at all levels, including training in project management skills and teamwork as well as developing the capacity of employees under supervision.

#### 3. Omnichannel (Omnichannel Development)

Omnichannel skills are promoted by emphasizing the application of modern technology to suit different job characteristics of each business group.



#### **Central Retail Performance Management**

At Central Retail, we emphasize the importance of performance management to promote and foster high-performing employees. Performance management covers all employees based on an annual cycle. Each cycle starts at the beginning of the year with employees establishing clear goals that align with the Company's corporate strategy and team objectives. Then at regular mid-year reviews, supervisors sit together with each employee to facilitate discussions on progress, support needs, and development opportunities. Finally, year-end reviews and evaluations recognize accomplishments, provide constructive feedback, and identify areas for further employee improvement. Therefore, following these milestones within each performance management annual cycle, employees are reviewed twice a year based on a combination of the following approaches:



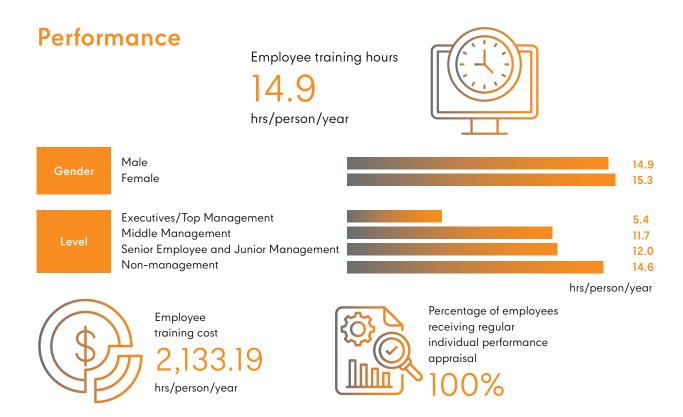
Objectives-based Appraisal: Central Retail applies an objective-based KPIs concept that emphasizes integrating the 'Objectives' (i.e., purpose and direction) and 'KPIs' (i.e., measurable targets) of the Company at the corporate level and of the business unit to each employee's performance metrics to ensure alignment and collaboration group-wide. Central Retail's objectives are cascaded down to operational levels, ensuring that team leaders and employees understand their roles in achieving the organizational goals. Our objectives cover three key categories: 1) Financial, 2) Strategic Operational Focus (Customers, Operations, and Sustainability), and 3) People.

By aligning the objectives and KPIs of the Company and the business units, Central Retail promotes unified efforts towards achieving shared goals through collaboration, efficiency, and enhancement of synergies across all levels of the organization.

Team-based Performance: Central Retail evaluates the team-based performance by setting team-based key performance objectives and targets (e.g. financial) that are cascaded down to the employees comprising the team. This approach not only recognizes team achievements but also the contributions of each individual employee to promote an understanding of strategic collective goals and emphasize that each employee is key to the broader team and organizational achievement.

Multidimensional Appraisal: Central Retail evaluates employees by considering various factors beyond just the targets set by the supervisors. An employee is assessed based on how well they align with the values and objectives of the Company or department. In addition, feedback is gathered from different sources, including peers, direct reports, and even clients or external parties, to provide a comprehensive review. This approach allows for a more holistic assessment that takes into account different perspectives and aspects of the employee's contribution to the organization.

Additionally, Central Retail actively encourages ongoing coaching and continuous feedback between supervisors and employees throughout the year, "promoting agility" in response to evolving challenges and allowing timely adjustments and improvements. By integrating these essential components, Central Retail empowers the employees to unlock their full potential and make meaningful contributions to the company's long-term growth.





### **Highlight Projects**

#### **Talent Development**

The Company organizes the Omnichannel Commerce Program (OCP) for employees who have been selected for top talent and outstanding performance. The aim is to foster an in-depth understand of the omnichannel platform, with a view to driving exponential growth, understanding today's evolving customer behavior, and enhancing the skills and expertise in digital technology and omnichannel platform. The OCP program consists of courses on theoretical learning, operational skills and tools relating to the omnichannel platform, and big data analysis and linkage. The program also includes practical learning by assigning participants to complete group projects to create products or services that can be applied to improve the Company's actual business operations, while also integrating the principle of Design Thinking to solve problems and address painpoints. An example of a project under the OCP program includes a workshop on personalized promotion and marketing campaigns. Participants must learn and understand the principles of how to design and plan for promotional campaigns that are effectively targeted toward specific groups of customers. Then the participants are assigned a project to applying their ideas into developing an online application that are targeted toward the Company's top spending customers. In 2022, there were 26 talented employees participating in the program.





#### Leadership Development

The Human Resource Department promotes leadership skills for employees. In 2022, the Company organized the People Manager Program, which is a leadership development program for employees at the manager level focusing on team management skills and harnessing the potential of employees under supervision. The program encourages good working experience for employees, enhances their capacity and builds on their existing potential, reduces employee turnover rate, and retains outstanding employees. The program emphasizes employee skill development according to 5 main roles: 1) recruitment and induction of new employees; 2) performance management; 3) human capital development; 4) taking care of and building relations between employees and the organization; and 5) maintaining good relations with employees even after leaving the organization. In 2022, there were 56 percent of all employees participating in the program.



Percentage of participating employees

56% of all employees











#### **Omnichannel Development**

The Human Resource Department organizes training to develop omnichannel skills to suit diverse work requirements of each business group, be it food, fashion, hard line, property, and health and wellness. A notable omnichannel development program in 2022 is the New Sales Channel Project. The project aims at training salespeople to understand the needs of customers using the omnichannel platform and learn about various channels of retail sales, including training on the strengths and limitations of each retail sales channel, be it Chat & Shop, Facebook Live, and telemarketing. As a result, they can better understand customers to be able to offer suitable products and service channels, which will lead to increased sales for the Company. In 2022, there were 7,710 employees participating in this program.



Number of participating employees

7,710 employees















#### **Retirement Preparation Training Program**

The Company organizes "Retirement Warm Up" training for employees over 50 years to prepare and plan their retirement. The topics include welfare benefits, mental healthcare, finance, and skill development for a supplementary career. In 2022, 69 employees participated in the training, of which 52 attended online and 17 attended on-site.









# OCCUPATIONAL HEALTH AND SAFETY





#### **Importance**

The Company places great importance on occupational health and safety in order to promote good well-being and foster confidence among related stakeholders. Neglecting occupational health and safety may result in accidents and injuries in the workplace. There may be damage to assets and employees from such incidents, which in turn may result in delays or disruption of the Company's operations. CRC also needs to implement measures to control the spread of diseases in a strict manner to prevent impacts on business operations, promote health, and foster confidence among stakeholders.

#### Impact on Stakeholders

Good management of occupational health and safety will allow the Company to operate with safety, continuity, and efficiency. Otherwise, there may be cases of injuries or illness among employees and contractors which may result in fatalities. Moreover, accidents or risks may cause stakeholders to lose confidence in the Company which may be seen through complaints made to government agencies, resistance from customers, or indirect impact on surrounding communities such as the spread of diseases or emergency incidents like fire hazards.

# **Management Approach**

The Company has stipulated Occupational Safety, Health and Work Environment Policy with the Head of Human Resource Department and Head of Loss Prevention, and Head of Safety, Occupational Health and Work Environment from each business unit to be responsible for supervising and developing the occupational health and safety management system which applies to every employees and contractors are under the Company's supervision operating in the office, department stores, rental space, and warehouses. The occupational health and safety management system is in line with the following laws and international standards:

- 1. Machinery Registration Act, B.E. 2514 (1971)
- 2. Machine Registration Act (No. 2), B.E. 2530 (1987)
- 3. Ministerial Regulation, B.E. 2535 (1992) Issued under the Factory Act, B.E. 2535 (1992)
- 4. Building Control Act, B.E. 2535 (1992)
- 5. Labour Protection Act, B.E. 2541 (1998)
- 6. Occupational Safety, Health, and Environment Act, B.E. 2554 (2011)
- 7. Promotion of Labour Skills Development Act (No. 2), B.E. 2557 (2014)
- 8. Ministerial Regulations and Notification of Departments under Various Acts of Thailand
- 9. Occupational Health and Safety Standard ISO 45001

To ensure strict compliance with the policy and system of management of occupational health and safety, the Head of Human Resource Department and Head of Loss Prevention from each business unit has a duty to conduct an annual internal audit and external audits to ensure that the business operations comply to domestic laws, and the ISO 45001 standard. Moreover, to continue promoting the development of the occupational health and safety management system, the Company has stipulated that relevant agencies must set annual quantitative targets, develop action plans to achieve the targets, and report the performance to the executives or the Board of Directors on a quarterly basis.



More importantly, the Company has set up the Occupational Safety, Health and Work Environment Committee stationed at each mall department store to support the practical work on occupational health. The Committee consists of one branch manager and at least two employee representatives. It can be seen that the Company includes employee representatives in the Committee to promote the participation and engagement of employees in the implementation, evaluation, and improvement of the occupational health and safety management system. The Committee is responsible for the planning of accident prevention and promoting safety through Safety Walks within the respective branch, monitoring the work progress, conducting inspections should there be cases of work-related injury and illness, and address comments and complaints gathered from employees. The Committee meets every month to summarize the outcomes of their work. Apart from communicating issues relating to occupational health and safety and work environment through representatives of employees in the Committee, each employee can be informed of the policy, guidelines, and news through the online channels and notifications on the Safety Board in each branch and office. In addition, the Company ensure that suppliers and contractors adhere to the same occupational health and safety standards as the Company. The Company select suppliers and contractors who prioritize safety and have OHS management systems in place by including OHS criteria and requirements in procurement process. These criteria may include compliance with OHS Regulations, having safety training and providing personal protective equipment. This enables the Company to mitigate risks, prevent workplace incidents, and create a safer working environment throughout the supply chain.



More details on the Occupational Safety, Health and Work Environment Policy can be found at https://www.centralretail.com/storage/document/cg-policy/occupational-safety-health-and-work-environment-policy-en.pdf or from the QR Code on the left.

#### Hazard Identification, Risk Assessment, and Incident Investigation

Safety officers are crucial in driving, implementing, and improving the occupational health and safety management system. The Company has selected safety officers who are qualified and have direct experience and direct experience. Moreover, the Company encourages safety officers and other relevant employees from other departments to enroll in the ISO 45001:2018 Hazard Identification & Risk Assessment and other related training every year.

The Company's safety officers have a duty to set up the processes for hazard identification and risk assessment to serve as a guideline to assess risk levels or potential impacts that may occur at work. In cases of work-related injury or illness, the Company will be responsible for the appropriate medical treatment, while safety officers will need to investigate such incidents to find causes. The results of hazard identification and risk assessment as well as incident investigation are then used to develop an action plan that focuses on reducing risks and preventing reoccurrence. Such action plan needs to have concrete indicators and targets for continuous improvement of occupational health and safety management system.

The Company encourages employees and contractors to be involved in these processes through regular communication and training. Processes are in place to ask employees and contractors to stop any action should it be deemed to have risks, and can report those risks through supervisors, line managers, and Help Center to seek assistance and coordination with relevant departments. Identity of the employees will remain anonymous to

#### Hazard Identification and Risk Assessment Process



#### Investigation of Work-Related Injuries and III Health















Investigating the Cause

**Establishing Prevention Measures** 

**Corrective Actions** 



After conducting hazard identification and risk assessment following the processes described above to determine hazards, the Company has established the hierarchy of controls to systematically eliminate the safety hazards. With this approach, broad range of hazards can be reduced prioritizing on the most effective methods starting with prevention, substitution, engineering and administrative control, and investment in personal protective equipment. As a result, the Company achieves zero case of high-consequence work-related injury in 2022. Examples of measures using the hierarchy of controls to mitigate common hazards in the Company that can cause work-related injuries and ill-health are the following:

Hazard	Work-related Injury/III- Health	Prevention Measures	Substitution Measures	Engineering and Administrative Control Measures	Personal Pr otective Equipment
Slip and fall	Ankle sprain	Custodians regularly clean wet surfaces     Fix source of leakages	Keep the walkways clear from obstruction     Use non-slip mats or rugs in areas prone to moisture or spills	Replace slippery flooring materials     Lighting: Ensure that all areas are adequately lit     Spill management:Establish protocols for immediate and effective spill management     Signage and warnings: Use clear signage to indicate wet or slippery surfaces	• Wearing non-slip shoes
Falling off ladders, and	Broken arm and	Automation if applicable	Switching to a mobile	<ul> <li>Installing guard rails and</li> </ul>	Wear head protection
falling objects in storage rooms	head injury	Proper ladder selection:     Use the right ladder for the task at hand     Regularly inspect ladders for any defects	elevating work platform     Use stair nosing with anti-slip material	Installing guard rails and pedestrian aisles     Training on the use of storage rooms     Warning signs: Use signage to indicate heavy or fragile items and remind employees to handle objects with care     Display signs reminding employees to wear appropriate personal protective equipment (PPE) when working in storage areas	• Wear safety shoe
Lifting heavy objects	Injuries on the back and legs	Avoid lifting heavy objects without support	Increase use of forklifts     Provide mechanical aids and equipment to assist with lifting heavy objects, such as forklifts, dollies, pallet jacks, or hoists     Encourage team lifting for heavy or bulky objects that cannot be safely lifted by one person     Workplace ergonomics: Design workstations and storage areas to minimize the need for heavy lifting	Training on ergonomics Have frequent breaks Establish weight limits for manual lifting tasks based on industry guidelines and ergonomic standards Implement job rotation strategies to minimize prolonged or repetitive lifting tasks Proper lifting techniques: Train employees on proper lifting techniques to minimize the risk of injuries	Wear back support     Wear safety shoe     Use lifting belts
High mental demand of certain tasks	Work- related stress and mental health issues	Prevent long working hours for tasks with high mental demand	Encourage work-life balance by promoting flexible working arrangements	Provide training for supervisors on how to detect mental health issues in employees and how to reduce stress in the workplace Initiate activities to improve wellbeing and reduce stress	Provide training for employees to promote mental health awareness Provide employees with access to resources and support for mental health
Infectious diseases	Getting symptoms of infectious diseases, and increase risk of infecting to other employees	Clean the area at the specified frequency. Work from home arrangements as appropriate Regular vaccination of employees	• Remote work, or social distancing	Use screening equipment such as individual test kit or thermal scanner.     Install UVC system and air purification system to disinfect work areas     Use digital payment to minimize physical contact     Apply epidemic prevention measures from public health departments of the Disease Control Division.     Ministry of Public Health	Use hand sanitizer     Wear face masks

### Promotion of Occupational Health and Safety at Workplace

Human Resource Department, Loss Prevention Department, and each business unit collaborate to organize occupational health and safety trainings for employees in the form of online classroom and actual practice. The curriculum includes both mandatory and voluntary parts. Examples of training topics include hazard identification



and risk and danger assessment, work safety manual, and warehouse case studies. Moreover, the Human Resource Department, Loss Prevention Department, Safety, and Occupational Health and Work Environment Department of each business unit are tasked with recording statistics on occupational health and safety. The data will be used to improve the training. In 2022, a total of 4,105 employees attended the training.

The Company facilitates access to services related to occupational health and safety services as well as medical and healthcare services for employees and contractors. There is a first-aid room at each of the Company's premises. Employees are entitled to reimburse their health welfare. A Help Care Center which is a channel to provide advice on health from professional nurses and to request further assistance has been established. Moreover, employees and contractors also have other health aspects taken care of, such as COVID-19 insurance and eye examination. Furthermore, the Company places importance on reducing the risks to the occupational health and safety of suppliers and contractors by extending strict compliance to the Company's occupational health and safety protocols, for instance, requirement for suppliers and contractors to wear personal protective equipment (PPE) as appropriate. There is also a training course on safe driving/riding for drivers and delivery staff.

### **Performance**

	2019	2020	2021	2022	Target for 2022
Work-related fatalities – employees (case)	0	1	0	0	0
Work-related fatalities – contractors (case)	0	0	0	0	0
Lost-Time Injury Frequency Rate (LTIFR) - employees (Case per 1 million hours worked)	0.50	1.61	1.03	0.56	0.50
Lost-Time Injury Frequency Rate (LTIFR) - contractors (Case per 1 million hours worked)	0	0.98	0.18	0.20	0.50
Recordable Work-Related III-Health - Employees (case)	8	1	0	18	N/A
Recordable Work-Related III-Health - Contractors (case)	0	0	0	0	N/A

Remark: The scope of data collection in 2022 covers employees in Thailand, Vietnam, and Italy or 100 percent of the total employees.

Coverage of the occupational health and safety management system	Employees	Contractors
Occupational health and safety management system	100 percent	100 percent
Occupational health and safety management system covered by Internal Audit	100 percent	100 percent
Occupational health and safety management system covered by External Audit	100 percent	100 percent



Detailed information on the Performance data can be found at https://www.centralretail.com/storage/document/esg-reporting/crc-performance-data-2021-en.pdf QR Code on the left.



Cause of Injury	Details of Injury	Preventive Measure
Slip and fall	Ankle sprain	Janitors regularly clean the floor to prevent the floor from getting wet.
Falling off ladders in storage rooms	Broken arm	Training on the use of storage rooms
Falling objects in storage rooms	Head injury	Training on the use of storage rooms
Lifting heavy objects	Injuries on the back and legs	Training on ergonomics in lifting heavy objects
High mental demand of certain tasks	Work-related stress and mental health issues	Promote work-life balance and flexibility to prevent excessive mental workload.
A long period of constant work	Office Syndrome	Organize the working space to Ergonomic design

### **Highlight Projects**

### Fire Emergency Evacuation Plan

The Company organizes fire extinguishing and fire evacuation drills once a year for employees at every branch with additional training for employees working in the food business since they are at greater risk of dealing with fire compared to others. Practical training includes the evacuation of people during emergency situations and the execution of fire extinguishers. In 2022, fire training covered every employee in the Company.

### Other Emergency Response Training

The Company has conducted training for employees to cope with other emergency situations such as a suspicious package, customers in an accident, elevator malfunctions, collapsing ceiling, riots, floods, robberies, escalators clipping on some of one's clothes, and the cases when the customers wanted to commit suicide. In 2022, the training covered every employees of the Company.

### Training on Basic Life-Saving Skills

The Company has organized the training for Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillators (AED). The training is aimed at employees in the Loss Prevention Department, Customer Service, manager of a group of products, and Central and Robinson sales managers totaling 623. One hundred percent of those attending the training had passed a test with a minimum of 80 percent of the total score.



### Award for the Excellent and Outstanding Enterprise on Safety, Occupational Health, and the Environment for 2022

The Company is committed to creating standards on occupational health and safety at its premises to foster confidence among employees, suppliers, and customers. In 2022, the Department of Labour Protection and Welfare, Ministry of Labour, awarded Robinson Lifestyle, which had 7 branches, for its outstanding achievement on safety, health, and the environment. Robinson Lifestyle had to obtain at least 90 percent in terms of score and at least 80 percent for 12 branches in other provinces. The Company has put in place plans for further development in the future.





### Enhancement of the Standards on Health and Safety of Thai Tourism Industry

Through the new standards on Health and Safety to cope with the influx of tourists following the relaxation of measures to control the COVID-19 pandemic, provide confidence to stakeholders, and prevent any obstacles in the conduct of business, the Company has strictly implemented public health measures and standards of quality services at every premise of the Company. In 2022, 27 of the Company's department stores were qualified and were given the SHA and SHA+ awards.







# LABOR PRACTICE AND HUMAN RIGHTS







### **Importance**

Labor Practice and Human Rights are basic principles in sustainable business operations which the Company places its importance on "people". Apart from supporting the well-being of people in society, adhering to the labor practice and human rights also reduces the risks of human rights violations across the supply chain, which prevent litigations and obstacles in business operations, and maintains the confidence of all stakeholders in the organization. Furthermore, the Company places importance on the promotion of diversity and equality of employees in response to the expectations of new generation of employees, and on the corporate culture which is open to the views and opinions of all employees, encouraging creativity at work.

### Impact on Stakeholders

Fair labor practice and human rights across the supply chain will enable the Company to respond to various groups of stakeholders, resulting in employees receiving appropriate remunerations, equal welfare, and opportunities for career advancement in line with the factors on knowledge, capabilities, and performance which will provide incentives and foster good relations among employees. Moreover, business partners and communities are supported and treated fairly. Activities are modified to be in line with human rights. Apart from preventing complaints to government agencies and obstacles to the conduct of business, consumers will be confident in the standards of products and services, leading to sustainable growth and confidence among shareholders and investors.

### **Management Approach**

### **Human Rights Policy**

The Company operates with its Human Rights Policy that is in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs). The Company's Human Rights Policy covers the whole supply chain and includes a number of human rights elements such as forced labor, human trafficking, child labor, restriction of rights to collective bargaining, unfair compensation, and discrimination and intimidation in all forms. Moreover, the Company has conducted training on human rights, discrimination, and intimidation in various forms for employees at all levels to raise awareness of the principles and practice on how to submit complaints, in order to foster a corporate culture that respects human rights and supports diversity.



### Assessment of Impact Relating to Human Rights

In order to support the policy on human rights, the Company regularly assesses the risks to human rights across the supply chain, focusing on groups that are vulnerable in terms of human rights, namely females, children, indigenous groups and local minorities, migrant workers, contractors, and the LGBTQ. The Company has a plan to establish a task force on human rights due diligence. When the study is done, activities or business partners at high risk of violating human rights will need to develop plans to implement measures to prevent and provide remediation for the victims. The Company will communicate the results of such assessment to raise awareness among stakeholders and analyze the results to improve the training courses for employees to increase efficiency and continue the development in this area. The Company has set up whistleblowing channels for human rights violations and the Welfare Committee. Groupings of employees are encouraged in order to negotiate or discuss about welfare and various remunerations. In 2022, 100 percent of the total employees were members of the Welfare Committee in business establishments.

### Whistleblowing Channels for Human Rights Violations

1) Inform via email at CRCWhistleblower@central.co.th or postal mail at

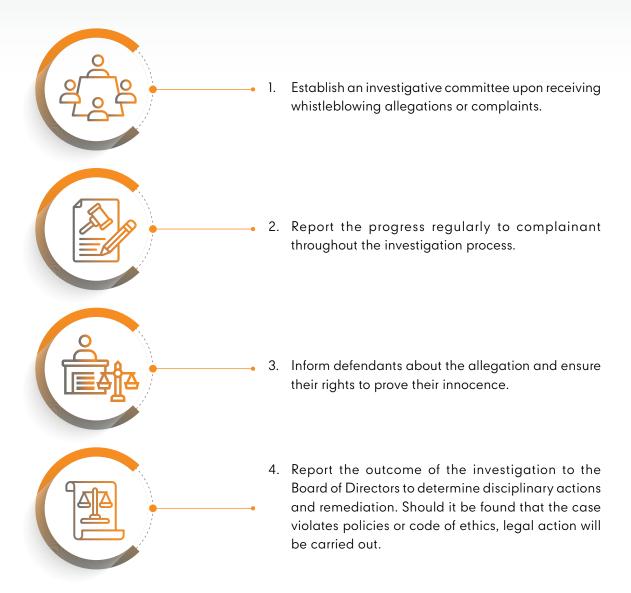
Head of Internal Audit Central Retail Corporation Public Company Limited 22 Soi Somkid, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

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

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



### Process of Investigation on Cases of Whistleblowing and Complaints



### Talent Attraction and Retention

Apart from respect for labor practice and human rights, the Company has determined I-CARE value to create a corporate culture that is open and places importance on stakeholders, attracting skilled employees to apply for positions in the Company and promoting good well-being for employees at present.



### I-CARE Value



**Innovation** 

Use creativity to come up with new products



Customers

Be sincere and take care of customers



Allies

Advance together as a business group



Relations

Relationships that connect various people together



Ethics

Aim to maintain ethics in business operations

The Company's strategies to attract skilled employees are based on respect to human rights, fairs and equal treatment, and creation of environment and culture that offer some challenges and openness for diversity and differences. Details are as follows:

Strategy for Talent Attraction and Retention	Approach
Career	CRC covers a number of business groups which help to attract a wide range of employees to work with the Company.
Opportunity	CRC is a global corporate that operates in many countries. This is a distinctive strength that attracts employees from different corners of the world.
Challenge	Working in an environment that is prone to changes attracts new generations and those who like challenges.
Growth	Assigning employees to work on challenging tasks while equipping them with up-to-date training courses helps attract individuals who have the passion for learning and developing themselves. The Company also has succession plans in place.
Work Environment	Open environment and corporate culture attract new generation of employees and those individuals who possess unique qualities.

Under the I-CARE corporate value, the Company has determined every employee to be entitled to wellbeing benefits including life and health insurance, maternity and paternity leaves, and retirement package. The Human Resources Department is responsible for the assessment of each employee's capabilities to determine commensurate remuneration that is based on equal remuneration. Each employee is to be regularly involved in their self-development plan with support from the respective supervisor. Succession plans are to be made for employees who are advancing to become the next generation of leaders of the Company. Most importantly, the Company regularly conducts the assessment on employees' loyalty towards the Company, improves, and determines projects and programs to further support employees in the future.



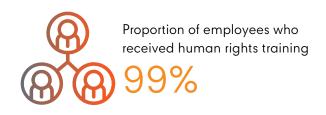
### **Performance**

### **Human Rights Training in 2022**



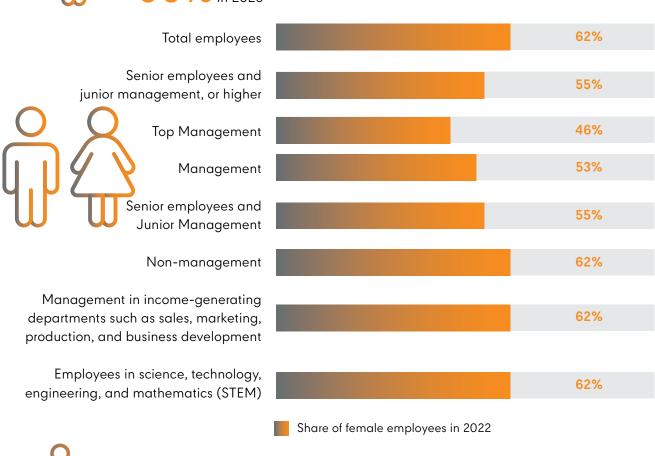
Number of hours of human rights training for employees

41.79 hrs/person/yec



### **Diversity and Equality**









### Ratio Between Average Compensation of Female to Male Employees

	Thai	Vietnam	Italy	Total		
Executives/Top Management						
Base Salary	0.86	0.31	1.19	0.83		
Base Salary and Other Cash Incentives	0.81	0.32	ND	0.69		
Senior Employees and the Management						
Base Salary	0.94	1.01	0.91	1.12		
Base Salary and Other Cash Incentives	0.94	0.99	ND	0.88		
Non-management						
Base Salary	1.01	1.18	0.86	1.08		
Base Salary and Other Cash Incentives	0.98	1.00	0.86	1.03		

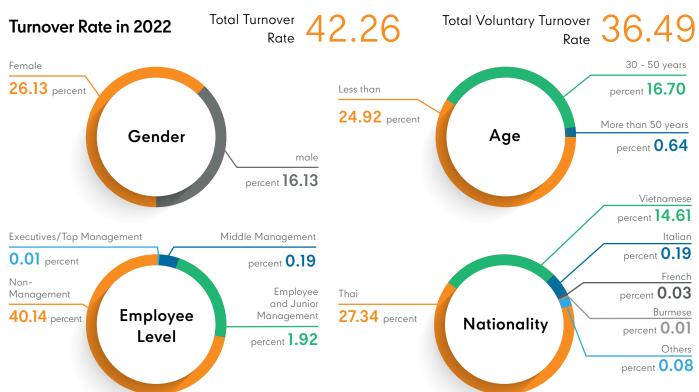
Remark: 1. The definition used for 'significant locations of operation' of Central Retail Corporation. 2. ND refers to unknown data

	2019		2021		2022	
Provident Fund	13.40 percent		17.17 percent	13.99 percent		
	2019	2020	2021	2022	Target for 2024	
Employee Engagement*	71 percent	71 percent	73 percent	72 percent	80 percent	

Remark: 1. The survey on employee engagement was conducted using a questionnaire with 7 levels of Likert Scale, namely

1 = no engagement at all 2 = no engagement 3 = little disengagement 4 = neutral 5 = little engagement 6 = engagement and 7 = large engagement.

2. The scope of data collection of employee engagement covers business operations in Thailand.





Detailed information on the Performance data can be found at https://www.centralretail.com/storage/document/esg-reporting/crc-performance-data-2021-en.pdf QR Code on the left.



### **Highlight Projects**

### **Employee Training on Human Rights**

The Company organized a training course on basic human rights knowledge for the Human Resources Department, covering a number of human rights issues such as human rights in an organization, the importance of human rights to business, ways and points to consider on human rights when managing an organization, and appropriate and equal treatment of relevant stakeholders in accordance with human rights principle. In 2022, 25 employees from the Human Resource Department, covering every business line under CRC, attended the training. The assessment was done online. It was found that employees were confident in the subject matter of human rights in the average range of 80 percent.





### Measures to Promote Equality and Eliminate Discrimination at Work

CRC promotes equality and tries to eliminate discrimination at work through a number of measures including allowing employees to dress according to their gender identity, preventing the use of sardonic language to devalue diversity, and preventing behavior and the use of language that lead to various types of harassment. The Company has communicated these measures through a number of channels to raise awareness among employees regularly.





### Measures to Promote Health and Well-being of Employees

### 1. Work From Home

In 2022, Central Department Store Group allowed employees to work from home one day a week, according to the suitability of the respective unit to help employees save transport time and costs as well as reduce the impact on the environment.

### 2. Facilitating and Assisting Employees in Raising Children

The Company facilitates employees in raising children at work by allocating breastfeeding rooms that are clean and safe. Daycare rooms that are fully furnished with play areas and toys that help in the development of children are also available.







### 3. Support for Employees in Raising Children

The Company wishes to lighten the financial burden of employees by providing scholarships for the children of employees who meet the criteria. They have to have been working for the Company for at least 3 years and receive the salary of less than 20,000 baht. Their children must receive at least a GPA of 2.5 and not have any unwanted behavior. In 2022, the Company provided 1,366 scholarships, with a total value of 10 million baht.

### 4. 45 Days Fit Challenge

The Company organized a 45 Days Fit Challenge to encourage employees to realize the importance of looking after their own health through sharing knowledge on health in the aspects of exercising and diet. The competition was also held to award prizes to employees who were able to keep their body mass indices within the normal range. There were 908 employees registered for the competition, of which 97 submitted their body mass indices. Following the competition, it was found that 94 percent of employees were satisfied with this activity and had a positive attitude towards looking after their health.



#### 5. Talent Attraction on Metaverse

The Company conducted a program to attract new talents on Metaverse. It is an online platform where applicants are able to apply and attend interviews for jobs, as well as participate in activities through their avatars. This program opened up opportunities for prospective applicants who lived in other areas or who are disabled to apply for jobs in a more convenient manner by reducing limitations in terms of transportation, weather, space, and hearing issues as sign language was available. Moreover, the whole process was made more efficient as the total time was reduced from 7 - 14 days to just 1 day. The related costs, including space rental, operational fees, and document fees, have also been reduced by more than 100,000 baht a year. It has also increased the number of applicants during the COVID-19 pandemic.



### 6. Dual Vocational Education Program

The Company conducts Dual Vocational Education Program to provide scholarships to students at the levels of High Vocational Certificate (HVC) and Bachelor's Degree with the aim of promoting equality in education, leading to value creation for society. The Dual Vocational Education Program aims to develop employees at the level of supervisors and in the area of product specialists. The program helps the Company to develop high-skilled labor that is in line with the demand of the labor market. From 2012 - 2022, there were 2,261 students who joined the program and have since been admitted to work with the Company.

	HVC S	tudents	Bachelor's De	gree Students
	2021	2022	2021	2022
Value of Scholarships Granted	6.2 million baht	9.5 million baht	6.6 million baht	8.2 million baht
Number	990 people	992 people	424 people	559 people
Proportion of Students Admitted to Work with the Company	70%	80%	30%	20%

### 7. Massage by Blind Program for Employees

The Company organized massage therapy sessions for our employees with the aim to reduce fatigue and help employees manage workplace stress. Through this program, the Company also aim to generate income to people with disabilities by specifically train and hire visually impaired therapists to give massage to its employees. In 2022, this program was offered to employees working in the headquarter and in the food business unit for 4 times each month with up to 2,832 employees participating.

#### 8. Flexible working hours

The fashion business category 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 views 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.

#### 9. Paid parental leave

Paid parental leave for both the primary and non-primary caregiver is crucial to support well-being for employees. The Company has offered 45 days paid parental leave for primary caregiver and 3 days paid parental leave for non-primary caregiver. Paid parental leave helps the Company retain valuable employees and create a more inclusive and diverse workforce. Overall, paid parental leave for both caregivers are an investment in the employees and for the long-term success of the Company.



# COMMUNITY CONTRIBUTION AND LOCAL PRODUCT DEVELOPMENT



### **Importance**

The Company is committed to working with local communities to create shared value, help narrow the inequality gap, and improve the living standard of the people. Local communities are provided with various technical supports, e.g. product design, production, and sales channel, to raise the standard of local products and community economy. The Company takes into account the impact of a project and community participation, ensuring that any project undertaken will truly benefit the community. Consequently, being able to generate revenue and having strong community relations are factors that contribute to the long-term success of the projects.

### Impact on Stakeholders

Community economic value creation helps the Company to gain community trust and generate income for the community. Employees, directly involved in these projects or volunteering, take pride in their participation. Certain customer groups, with strong preference for local products, would have their expectations met. Community economic value creation contributes to the reputation and positive image of the Company, leading to more trust and confidence in the Company by government agencies, shareholders, and investors.

### **Management Approach**

Creating Shared Values (CSV) is the Company's main strategy on community relations, with the primary objective of community economic value creation through local product development. Prior to any project, the Company strictly follows the procedure of community participation, including creating questionnaires and holding meetings to listen to the views of residents, ensuring that the project will truly benefit the community. During project implementation, the Company supports the community by lending its knowledge and expertise in the retail business, from working together with the community to build on local wisdom and come up with a new product design, to elevating existing local products by making them more interesting, more consumer-centric and with added value. Moreover, the Company organizes knowledge and skill training; supports necessary production equipment and infrastructure, e.g. plant house and machinery used in production and packaging; and importantly provides marketing training and sales outlets for community products, including department store and various online platforms belonging to the businesses under Central Group.



### **COMMUNITY CONTRIBUTION**





**PRODUCT** 



**MERCHANDISING** 



PRODUCT AND PACKAGING DESIGN



🖺 LOGISTICS



FACILITIES IMPROVEMENT



DISTRIBUTION CHANNEL



BUSINESS KNOWLEDGE SHARING



COMMUNICATION CHANNEL

To reduce direct and indirect negative impact on society and community, the Company conducts an opinion survey on present and potential future impact of the Company's business operations and business projects. The survey results are used to make improvement and the Company has put in place a safeguard procedure for concerned communities and societies, even when no problems are found.



### **Performance**

### Community and Social Support in 2022



Cash contribution

17,748,463 baht



Employees' volunteering service during working hours

28,675,528 baht



Value of donation of goods and services

42,334,258 baht 36,967,830 baht



Management cost

### Type of Community and Social Support in 2022



Donation to charitable causes 36.1% Community and social investment 35.7% Commercial activities 28.2%

### Generate an Income for Farmers and Communities



Performance 2022

1,500 million baht



### **Highlight Projects**

### Community Water Reservoir, Organic Farming, Surin Way 4.0 (Khok Nong Na Model Surin Province)

The Company supports Nongsanit Organic Vegetable Farmer Cooperative, Surin Province, which comprises of 96 households and has a combined farming area of 60 rai, in transitioning from traditional farming to organic farming. Farmers receive advice on the process of applying for organic certification and on crop planning based on the market demand as well as ensuring year-round harvests. This project will help improve crop yields. Not only do community members earn more from selling organic products, their health and the health of their customers would also benefit from using less chemicals.

In 2022, the Company provided funding of 600,000 baht to build 100 reservoirs to address the issue of water deficiency in agricultural areas. It helped Nongsanit Organic Vegetable Farmer Cooperative to obtain organic certification for 22 products. The Company also provided assistance on raising laying hens, and raising organic chicken with a total value of 350,000 baht for the construction of a chicken coop, procuring 1,100 laying hens, and installation of chicken feed mixing device. The Company helped create an organic egg brand and provided retail space in its department stores for the products to be sold through the Jing Jai Farmers' Market project. In 2022, income totaling 1,109,484 baht was generated for the farmers.





### Jing Jai Farmers' Market

One of the problems facing Thai farmers is limited number of product distribution channels, which directly connect them to consumers without going through middlemen. Therefore, the Company initiated the Jing Jai Farmers' Market project to help farmers with additional sales channel, to better the quality of life for the community and people as well as promoting the local product development that are both healthy and environmentally friendly. Jing Jai Farmers' Market project aims to give farmers an opportunity to sell their vegetables, fruits, and well-known local products themselves in the Company's department stores, which encourages direct dialogue and exchange of ideas between farmers and consumers. Besides, Jing Jai Farmers' Market project uses natural packaging materials to reduce plastic waste and encourages customers to reuse their cloth bags.

In 2022, Jing Jai Farmers' Market project expanded to 32 branches in 28 provinces nationwide. It has created business opportunities that are consistent with the expectation of our customers who value local community products. Over 38,000 farmers have taken part. More than 250 million baht of income has been generated for the Company and community of 9,696 households. It can be said that Jing Jai Farmers' Market is a driving force of the community's economy in a sustainable manner.





# Governance and Economic





The Company is aware of the changing direction in the global trends that place great importance on business operations that continue to generate profits and develop the economy, taking into account the impact of the business on stakeholders based on the principles of transparent corporate governance and business ethics. As a retailer, the Company has played a part in developing innovations that can satisfy the customers' expectations. Quality products and services lead to good relationships with customers and strengthen the brand. Moreover, the Company places importance on enhancing cybersecurity to ensure that the information system continues to work and prevent a leak of personal data. The Company has put its efforts to ensure that the supply chain is efficient and flexible, reduce risks that the activities of suppliers will affect stakeholders, and determine measures to cope with future risks and crises.

In 2022, the Company focused on certain aspects of sustainable economic growth and corporate governance, namely 1) Supply Chain Management; 2) Cybersecurity and Privacy Protection; 3) Innovation; 4) Customer Relationship and Brand Management; 5) Corporate Governance and Business Ethics; and 6) Risk and Crisis Management and Resilience. These are in line with the United Nations Sustainable Development Goals to ensure efficiency and align the Company's internal management and efforts to satisfy stakeholders' expectations with international practice.



Supply Chain Management











Customer Relationship and Brand Management





Cybersecurity and Privacy Protection





Innovation





Corporate Governance and Business Ethics





Risk and Crisis Management and Resilience



### RETAIL

CENTRAL

# SUPPLY CHAIN MANAGEMENT









### **Importance**

The foundations of good supply chain management are operational efficiency and agility to reduce costs and meet all stakeholders' expectations. However, current stakeholders' 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 sustainability of the entire supply chain, particularly the impact from activities of suppliers. Hence, the Company places great emphasis on sustainable supply chain management in the aspects of governance and economic, social and environment through the promotion and assessment of sustainability risks of suppliers, in line with the Supplier Code of Conduct. 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 stakeholders.

### Impact on Stakeholders

The Company's supply chain management focuses on increasing the efficiency of the delivery system and warehouse operations to achieve continuity and preparedness for emergency situations such as floods or pandemics that affect the transport of goods. Without efficient supply chain management, there may be obstacles in the transport of goods or the coordination with suppliers causing delays in the delivery of goods to customers and shortages. Moreover, supply chain management needs to take into account the sustainability of activities of suppliers, including human rights or occupational health and safety. The Company therefore conducts an assessment of risks and impacts from these risk factors to prevent and alleviate the potential impacts and to prevent cases of complaints submitted to government agencies that may cause a suspension of business which may affect the employees' ability to serve our customers. The Company may lose revenues and the confidence of stakeholders. Ultimately, there may be more inspections and monitoring from government agencies.



### **Management Approach**

### **Supply Chain Management Strategy**

The Company has established the 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 1) customer-centric, 2) agility, and 3) cost-competitive.



Customer-Centric	Establish a reputation for excellence in satisfying customer needs and providing the best delivery services.	
Agility	Enhance supply chain capability to adapt to rapidly changing market trends.	
Cost-Competitive	Increase operational efficiency to enable customer services at most competitive costs.	

To integrate sustainable development with supply chain management, the Company has prepared and issued the Supplier Code of Conduct to be a guideline for its suppliers. CRC has also set a target to reduce greenhouse gas emissions to reflect its commitment to reducing the impact of climate change. The Company has expanded the installation of solar rooftops at warehouses and changed delivery vehicles into electric vehicles. Not only has this initiative helped replace the use of fossil fuels with renewable energy, but it has also reduced energy costs. In addition, the Company has set out the goal to reduce the cases of injury in the supply chain to help improve the well-being of employees and suppliers.

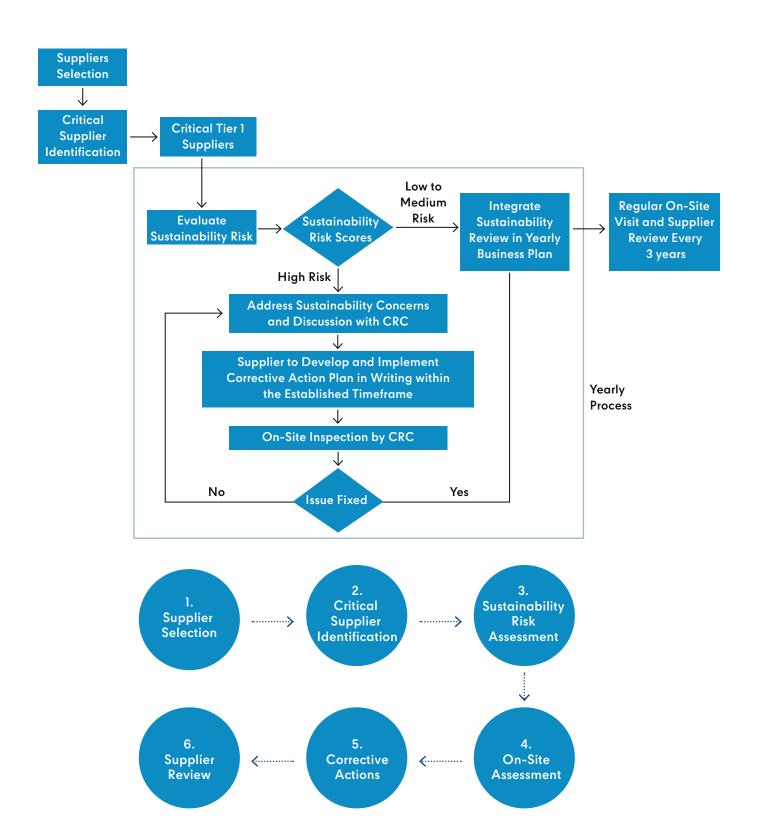


More details on the Supplier Code of Conduct at https://www.centralretail.com/storage/document/cg-policy/crc-supplier-code-of-conduct-en.pdf or from the following QR Code on the left.



### Supply Chain Risk Identification and Assessment

The Company has developed the process to identify and assess sustainability risks throughout its supply chain. In the first phase, the Company focuses on the assessment of sustainability risks prioritizing on Critical Tier I Suppliers, or suppliers who offer to procure products and services directly to the Company before expanding the scope of risk assessment to cover other groups of suppliers in the future.





### 1. Supplier Selection

The Company has stipulated that compliance with the Supplier Code of Conduct is the minimum criterion for supplier selection and constitutes 15 percent of the total criteria. This can be measured from the self-assessment form and social listening, a process of monitoring public opinions about suppliers by analyzing relevant keywords. Every supplier candidate must, in the first instance, pass this criterion as the minimum in order to proceed to later steps of the risk identification and assessment process.

### 2. Critical Supplier Identification

Critical supplier identification will help the Company identify suppliers that are most significant to the business operations. This will enable the Company's sustainability efforts to achieve the highest benefits. The Company defines critical suppliers as; 1) suppliers with a high volume of sales; and/or 2) suppliers who provide products that are important to the Company's business operations; and/or 3) non-substitutable suppliers. The Company only conducts business with Tier 1 suppliers, which cover critical Tier 1 suppliers and Non-Critical Tier 1 suppliers.

### 3. Sustainability Risk Evaluation

Upon identification of critical suppliers, the Company will conduct an annual sustainability risk assessment that focuses on critical suppliers. The factors that are included in the sustainability risk assessment include:

- Self-assessment results
- Social listening results
- Countries with high sustainability risks
- Quotations
- Sustainability standard certification
- Sustainability and Social Responsibility Operations

Each supplier will be categorized according to the level of risks. Suppliers with medium and low sustainability risks are considered to have passed the sustainability risk assessment for 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.

### 4. On-Site Assessment

Suppliers who have been assessed as having high sustainability risks will be further assessed by either the Company's personnel or external entities. They will conduct the assessment at the suppliers' premises to assess in depth with primary data.

### 5. Corrective Actions

Suppliers need to develop an action plan to resolve and improve pending issues within the specified timeframe prior to a confirmation assessment. Afterwards, suppliers will be able to work with the Company again. Suppliers who need to complete corrective actions have to do so until successful completion.

### 6. Supplier Review

In order to establish confidence for stakeholders, all suppliers will require in-depth risk assessments every 3 years.

Overview

### **Performance**



12,698 suppliers
Tier 1 suppliers composed of
100% of total suppliers



1,136

Critical Tier 1 Suppliers



Tier 1 Suppliers acknowledged and complied to the Supplier Code of Conduct and responded to questionnaires on sustainability risks by themselves

Remarks: 1. The number of vendors covers the Company's businesses in Thailand and Vietnam.

2. Top trading partners that have been assessed are only those related to the Company's businesses in Thailand.

### **Highlight Projects**

### **Tops Tongtin Project**

At present, there are a large number of small and medium-sized enterprises with potential and interesting products that are wanted by customers. However, they faced the challenge of accessing modern trade distribution channels since they have high entry fees. The processes to screen suppliers, apply for licenses, and certify for standards are complex. With these challenges in mind, the Company has developed "Tops Tongtin" which is an online platform in 2022 to facilitate SMEs in contacting and presenting their products, thereby becoming suppliers for the Company with a view to promote SMEs and the local economy, generating income for communities, as well as diversifying suppliers. SMEs will gain benefits such as access to distribution channels and a large customer base of the Company both online and offline. They will also be granted a waiver for entry fees and advice from the Company on product design, application for licenses and certifications, marketing, and access to capital to expand their businesses. Participating SMEs have to be qualified as per the criteria of the project such as having agricultural standard certifications such as organic agriculture and GAP. They have to have certification in quality and food safety such as GMP and HACCP as well. This project has helped the Company to develop its supply chain to include more diverse suppliers, enhancing the business efficiency of local suppliers, and responding to customers who are interested in local products. In 2022, there were more than 230 SMEs participating in the project from across the country.







### Installation of Solar Cell System on the Roof of Distribution Centers

The Company has a plan to install the solar cell system on the roof of distribution centers in 2023 to reduce the impact on society and the environment from the supply chain while reducing energy costs. It is expected that the energy cost can be reduced by approximately 600,000 baht per year. It can help reduce the emissions of greenhouse gases by up to 700 tons of carbon dioxide equivalent a year.



### Reuse and Recycle Paper Cartons

Online retailers have become more popular, leading to an increase in the use of paper cartons for packaging. In order to reduce the impact on the environment from the Company's supply chain, the Company has initiated a project to reuse and recycle paper cartons. The distribution centers have worked with department stores to sort garbage in order to recycle papers and reuse paper cartons that are still in good condition. In 2022, the Company reused 506,000 paper cartons and recycled 1,427 tons of cartons. The Company has also received benefits from reduced packaging costs. The efforts have reduced the amount of waste generated, thus reducing the landfill area by 12,846 cubic yards and saving 24,000 trees that would have been cut down by 24,000 a year.





# CYBERSECURITY AND PRIVACY PROTECTION



### **Importance**

The Company is now in the process of digital transformation whereby digital technology has been used to change how the Company conducts its businesses. This includes the use of information technology to connect data across the organization or the development of omnichannel platform to enhance the experience of customers in choosing products and services in a way that links up the department store and online channel together. At the same time, risks of cybersecurity breaches, cyber attacks, and violation of personal data privacy that has become more complex and severe that may lead to disruptions of the Company's information system has to face suspensions of information system which cause damage to the business as well as the Company's image, confidence, and trust of consumers, business alliances, and other stakeholders. These factors will affect the financial status and eventually the performance. The Company is aware of such threats and emphasizes the need to ensure cybersecurity and stability of the information system, which includes respect for the right and privacy of owners of personal data. The Company has reviewed laws and regulations which include notifications or new acts to ensure that the Company will be able to design, amend, and lay down policy frameworks, regulations, guidelines, and risk management, in line with the relevant laws and regulations.

### Impact on Stakeholders

The risk of cyber attack, data breach, or inappropriate use of personal data affects the confidence of all stakeholder groups. Leakage of personal data, especially financial information, and information system disruption that renders the Company unable to provide uninterrupted services may cause the customers to turn to our competitors and the suppliers to terminate their business relationship with the Company, further denting the confidence of shareholders and investors. More importantly, personal data breach by an employee, resulting in personal data leakage, may result in filing complaints to authorities or even a lawsuit and widespread reputational damage. As such, effective privacy protection and cybersecurity are a matter of great significance for the Company.

### **Management Approach**

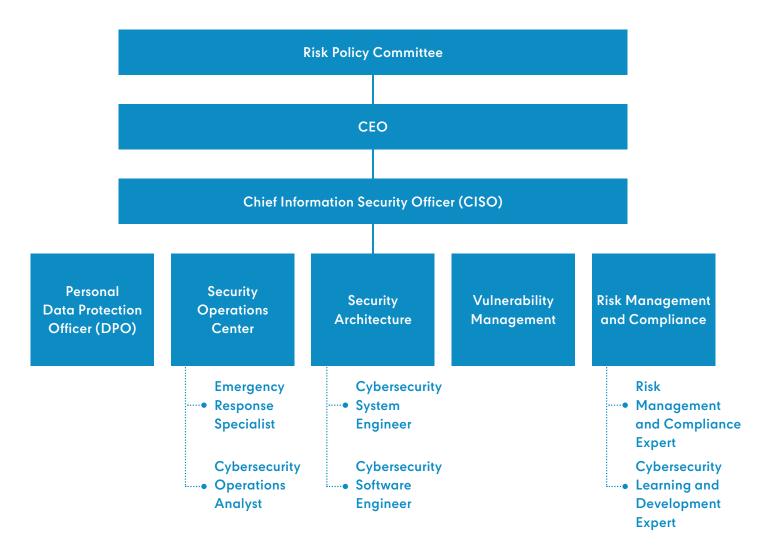
### Cybersecurity

The Company has formed a cybersecurity and privacy protection unit responsible for ensuring the stability of information system, under close supervision by the Risk Policy Committee, Chief Executive Officer, Chief Information Security Officer (CISO), and senior-level employees. The Company has installed a security system at its data center to prevent possible physical damage from emergency incidents such as flood, fire, and unauthorized access to the system. In addition, the Company has determined guidelines and operational frameworks for the management of information technology which employees and those involved must strictly follow. The guidelines and frameworks must be in line with relevant international laws and standards, namely the Center for Internet Security Control (CIS) and National Institute of Standard and Technology Cyber Security Framework (NIST-CSF) which has been verified



by external party. In addition to this, the Company conducts training for employees, including new employees, and executives to communicate, raise awareness, and promote understanding on the importance of maintaining cybersecurity according to the aforementioned standards.

### Governance Structure of Cybersecurity and Privacy Protection



In 2022, the Company established a unit on vulnerability management, directly responsible for proactive prevention of situations which may lead to cyber attacks. The Company has conducted vulnerability analysis of its cybersecurity system by an external party to enable constant monitoring and quick response to incidents. Simulated hacker attacks are also carried out by the external party to identify address and utilize the system's vulnerabilities, which will help prevent potential data breach incidents and increase the stability of information technology.

### **Cybersecurity Process**

CENTRAL



### **Monthly Meeting**

Organize a monthly Security Committee Meeting (SCM) between the working group and IT executives from all sub-business groups.



### **Risk Assessment**

Gather and exchange information on cybersecurity to assess the risk of cyber threats and prepare appropriate responses.



### **Operational Framework**

Improve guidelines and operational frameworks, ensuring compliance with standards or practices of the Center for Internet Security Control (CIS) and National Institute of Standard and Technology Cyber Security Framework (NIST-CSF).



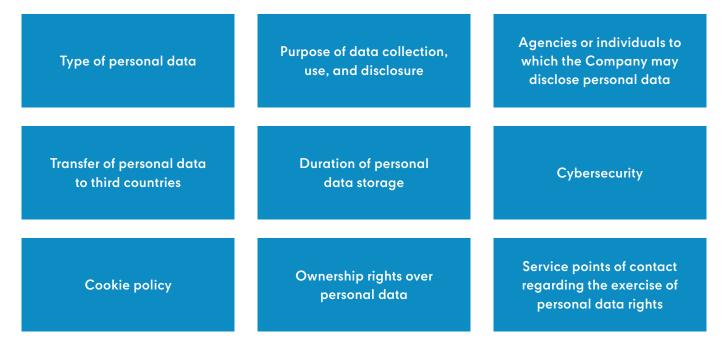
Detailed information on the governance structure and management of cybersecurity and privacy protection can be found at https://www.centralretail.com/storage/document/prosperity/crc-cybersecurity-and-privacy-protection-governance-structure-en.pdf or from the QR Code on the left.



### **Data Privacy Protection**

The Company attaches importance and is committed to the protection of rights and privacy as well as the prevention of breaches of personal data belonging to customers, business alliances, employees, and relevant stakeholders. The Company has formed a specific team responsible for personal data protection and appointed a Data Protection Officer (DPO), who is responsible for formulating an operational framework that is consistent with the Personal Data Protection Act (PDPA). Thus, the Company has announced the Data Handling Policy for internal use as a guideline for employees and relevant parties to follow during business operations to prevent and ensure no personal data breach. Moreover, the Company has publicized its Privacy Policy to the public on the Company's website, department stores, and other points with the collection of personal data to ensure transparency of the use of personal data.

The personal data policy encompasses the following issues:



The Company has in place process and control to manage activities that use personal data to ensure compliance with the law, regulations, and the Company's Privacy Policy. The Company determines PDPA Representative from each department, conducts online PDPA training, produces Record of Processing Activity, develops Consent Management system, develops Data Subject Rights Management, determines Data Retention Policy, produces relevant legal documents such as Data Processing Agreement, and issues Personal Data Breach Procedure.



Moreover, the Company attaches importance to the privacy of customers, business alliances, and stakeholders by establishing channels for owners of personal data to make enquiries and complaints about the Privacy Policy via online system and call center. This is in order to provide advice and confidence on personal data protection. Complaints relating to personal data are reviewed by the Audit Committee to identify their causes and corrective actions as soon as possible. If the Company is found to be the cause of the complaint, it is ready to take full responsibility and compensate the complainant as appropriate.

# CENTRALRETAIL

### **CONTACT**

**Central Retail Corporation Public Company Limited** 

Central Chidlom Tower, 14<sup>th</sup> Floor, 22 Soi Somkid, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Call Center: +66 2650 3600, +66 2730 7777

e-mail: pr@central.co.th, contact@central.co.th



Detailed information on personal data procedure and management can be found at https://www.centralretail.com/storage/document/prosperity/crc-privacy-protection-management-and-procedures-en.pdf or from the QR Code on the left.



### **Performance**

Cybersecurity	2019	2020	2021	2022
Number of information security breaches <sup>1</sup> or other cybersecurity incidents <sup>2</sup>	0	0	2	4
Number of data breaches <sup>3</sup> comprising data leakage, theft, and loss	0	0	0	1
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents (baht)	0	0	0	0

Privacy Protection	2019	2020	2021	2022
Number of substantiated complaints <sup>4</sup> regarding breaches of customer data	0	0	1	0
Complaints from third parties (cases)	0	0	1	0
Complaints from regulatory bodies (cases)	0	0	0	0
Number of identified leaks, thefts or losses of customer data (cases)	0	0	0	1

<sup>1</sup> Information security breach is defined as authorized access to data, applications, networks, devices, data, and network security systems.

<sup>&</sup>lt;sup>2</sup> Other cybersecurity incident is defined as a cybersecurity breach other than unauthorized data access or disclosure, e.g. a perpetrator taking control of an information system that controls the organization's power generation or transport system.

<sup>&</sup>lt;sup>3</sup> Data breach is defined as a consequence of cybersecurity breach leading to an unwanted situation or unlawful action, data leakage, unauthorized change or disclosure of personal data, as well as sorting and processing of personal data or confidential information which affects cybersecurity.

<sup>&</sup>lt;sup>4</sup> Substantiated complaint is defined as a complaint letter drafted by a customer or a government regulatory body related to a breach of customer personal data, or a third-party complaint, which is consistent with the Company's personal data criteria or policy.



### **Highlight Projects**

### Data Management Platform to Further Enhance Privacy and Data

The Company attaches importance to developing employees' capabilities through "Cybersecurity E-learning" online training to raise awareness of the principles and importance of personal data and security of the organizational information system. Each employee plays a role in generating positive contribution to the work process, customer service, and social sustainability.

The substance of the training focuses on the understanding of the security of information system at work, including protection from physical threats, phishing, and how to prevent personal data breaches. The contents increase their complexity depending on the different units where employees come from. The training follows up with employees and uses the training results as one of the performance indicators to further raise awareness of the guidelines on information security and ensure that employees correctly use the information system to protect and limit the risks of cyber threats.

## Project to Establish an Information Management Platform to Promote Compliance with the Privacy Protection Policy

The Company is of the view that sustainable protection of customers' data is not possible without effective data management and governance. Hence, in order to elevate the process of information management and establish a framework to supervise information within the organization in accordance with international standards. In 2022, the Company invested in creating an information management platform for business undertakings, in line with the determined policy, rules, and regulations as well as to display the Record of Processing Activities (RoPA) in a format that is easy to understand as it is a key infrastructure in the supervision of the work process that collects, compiles, uses, and discloses personal data. It allows those involved to have a good understanding of the data work circuit. This not only helps them to supervise the utilization of data in an accurate and precise manner, but also facilitates effective evaluation of risks on privacy violation, suppliers' risks, and response to data-related incidents in cases of personal data breach in accordance with PDPA.

The Company has identified a privacy representative for each department to be responsible for activities that utilize personal data. The representatives work with personal data protection officers to inspect and provide advice to the operations to limit the risks that may have an impact on privacy. The platform supports departments in the Company to develop their work processes as well as utilize relevant information system to ensure that the Company not only operates in line with the law but also builds confidence for customers, business alliances, and stakeholders which will in turn support the Company's undertakings in the future in a sustainable manner.



### **INNOVATION**



### **Importance**

Current technological advances have significantly contributed to change in consumer behavior. The Company recognizes the importance of applying technology to develop into innovations that can meet customer expectations, leading to competitive advantage that will generate exponential growth for the Company. Moreover, the Company is aware of the impact of emerging technological disruption. Therefore, the Company is committed to developing and adapting modern innovations to the organization's business strategies, e.g. the development of online service channels and product sales platforms together with omnichannel marketing that focuses on reaching customers of all genders and ages specifically, including the development of innovation to increase efficiency and speed of operations throughout the supply chain to build the confidence of shareholders, investors, and suppliers.

### Impact of Stakeholders

New innovations will help strengthen the Company's competitiveness and enable it to cope with changes in global trends. As a result, stakeholders such as customers would receive better quality and more convenient services. Employees and suppliers will have higher operational efficiency, leading to higher profits and higher employee remuneration which are crucial to the confidence of investors and shareholders. Furthermore, the Company's innovations can be transferred or adapted for the benefit of communities and society, leading to economic growth and improving economic competitiveness, which will help meet the expectations of government agencies.

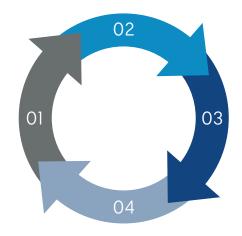
### **Management Approach**

Central Retail Digital is a subsidiary of the Company responsible for overseeing the process of creating new innovations. Its focus is on innovations which are customer-centric where customers are at the center of the innovation process. This principle will be applied to the omnichannel platform as well as enhancing operational efficiency. Moreover, the Company emphasizes communication with employees at all levels about the process of innovation consisting of 1) design; 2) prototype; 3) performance testing; and 4) analysis of problems and challenges. Central Tech Retail Lab was founded to test and develop innovations internally and through joint investment with potential start-ups.

01.
Design
Identify the needs, challenges, and pain points

### 04. Assess Problems and Challenges

In case of failure, identify new pain points or discontinue the project.



### 02. Pilot

Gauge the market and users' interests.

03.
Efficiency
Scale up to drive
commercialization.



### **Highlight Projects**

### 75<sup>th</sup> Central Anniversary NFT Shopping Bag Collection

The Company has launched the 75th Central Anniversary NFT Shopping Bag Collection project that will give away 3,575 NFTs to customers who have registered on The 1 App. Customers will be chosen from their purchase amount and visits to different locations of significance to the Company's history. These factors are used to determine which NFTs they will receive. The NFTs are categorized into 3 tiers: common, rare, and legendary. They come with various perks depending on the NFT rarity. In addition, the Company uses Web3 technology to create a C-Collectibles feature on The 1 App that helps customers conveniently store and access their NFTs. This project has generated 33 million baht of sales for the Company, up 49 percent compared to last year's sales from NTF-holding customers, and it has increased The 1 App registration to 3 percent.





Detailed information on the 75<sup>th</sup> Central Anniversary NFT Shopping Bag Collection can be found at https://www.central.co.th/en/nft or from the QR Code on the left.



#### **Al Builders**

The AI Builders project was launched in 2021 as a result of a collaboration between the Company and partners from the public and private sectors. The objective is to develop knowledge in data science and artificial intelligence (AI) for interested secondary school students free of charge and will further support those with such skills. AI Builders is a 9-week program and takes place at the end of the school semester each year. It features both online learning and learning by doing experience. Participants have an opportunity to form a team, with guidance from a mentor, to build AI models and applications to solve real-life problems as well as understand the importance of open source networks in knowledge-sharing with society. There have been more than 50 projects originated from youth who attended the AI Builders project. The AI Builders project itself was selected to be featured in the IEEE International Conference on Engineering, Technology & Education (TALE) in 2022.





Detailed information on the Al Builder can be found at https://ieeexplore.ieee.org/ document/9678620 or from the QR Code on the left.



#### **C-Coin Application**

C-Coin Application is a platform that promotes the participation of the Company's employees. It was launched in 2021 to award C-Coins to employees who participate in departmental events, share knowledge, or volunteer to help in various special projects. Employees can use the coins obtained to exchange for goods and services offered by the Company's business group. In 2022, more business units adopted and used C-Coin application, resulting in an increase in the number of users from 270 to 24,000, and the total value of coins awarded to the employees was over 1 million baht.









# CUSTOMER RELATIONSHIP AND BRAND MANAGEMENT



#### **Importance**

Customers are the most important stakeholders that influence the Company's revenue and sales. Hence, the Company places great emphasis on customer relationship management in order to satisfy and meet the expectations of customers and deliver the best experience for our customers. Moreover, building a good and memorable brand is one approach that the Company can use to project positive branding, communicate its identity, and position its brand to impress upon the stakeholders. With successful customer relationships and brand management, the Company will generate more revenue and increase its potential to compete in sales, marketing, and public relations.

#### Impact on Stakeholders

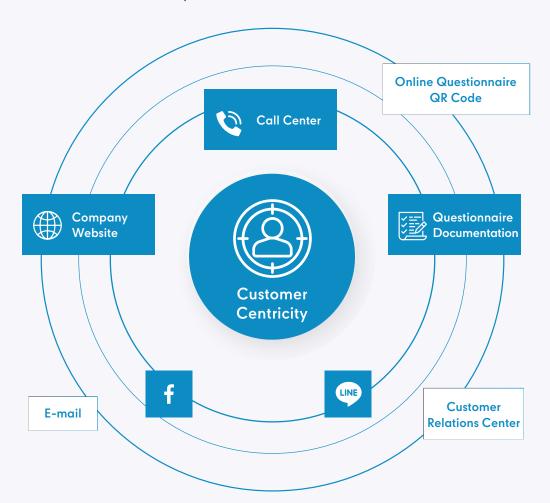
Effective customer relationship and brand management results in customers receiving tailor-made services in line with their needs, thus leading to higher satisfaction and brand loyalty. Brand loyalty can also make employees more loyal to the organization. It also increases the confidence of business partners, communities, and government authorities. Sustainability-related brands also make stakeholders remember their projects and businesses that focus on the Company's efforts to support the environment and society.





# **Management Approach**

The Company is committed to developing effective customer relationship management to create highest customer satisfaction and deliver 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. The data will then be analyzed and applied in the development of goods and services to be in line with the needs and expectations of the customers. In addition, the Company also evaluates its performance through customer satisfaction survey, a method for the collection of feedback.



To manage the brand, the Company has applied customer-centric Omnichannel strategy as the core concept in strengthening the Company's brand, allowing it to communicate to all stakeholders through a variety of channels such as social media, promotional events, articles, movies, and music. Sustainability has been integrated as part of the brand through publicizing projects and the Company's sustainability performance. The Company also increases access to healthy and environmentally-friendly products raises income and well-being of the communities in order to meet the expectations of stakeholders who place greater importance on sustainability issues.



# **Performance**

	2019	2020	2021	2022	Target for 2022
Customer Satisfaction Score	87%	88%	89%	89%	89%

Suggestions from Customers in 2022	Proportion	Response Measures
Delivery service	16.1%	Monitor the duration of delivery service, determine KPIs for retail contractors, and conduct training for employees who are tasked to inspect the conditions of goods.
Product Quality	18.6%	Inspect the conditions of goods, inform suppliers of complaints to improve their quality and consider terminating contracts should there be any more complaints, and develop the quality standard of goods.
Service Quality	17.6%	Conduct training for employees, enter into Service Level Agreement between service providers and customers and monitor the quality of service.
Availability of Products/Free Gifts	27.6%	Suspend the sales at every channel and coordinate with the product management units to purchase more of the goods.
Payment/Refund	8.4%	Increase ways to pay to be more inclusive, including online payment, credit card, transfer, direct payment at the store, and Dolfin.
Website	9.3%	Accept customers' suggestions to improve and develop the website.
Others	2.4%	



# **Highlight Projects**

#### Central 75th Anniversary Project

To show our appreciation to customers, Central Department Store held activities to commemorate 75th anniversary of excellent success in terms of services and response to the expectations of customers through adhering to the principle of customer centricity. This principle applies to the selection of products, investment in infrastructure, distribution channels, and communication. The Company has analyzed Big Data database of The 1 Card in selecting products and choosing promotional campaigns that are in line with the behavior and needs of each customer so that the service is as personalized as possible. For instance, Chat Commerce has as many as 184,404 customers using the service and Live Commerce has as many as 91,755 customers in 2022. Last but not least, the Company communicates with customers through a variety of channels with several activities to allow customers to engage with the Company both at the local and national levels. Such activities include Floral Festival which is a flagship activity of Central Department Store that is held to express thanks to every customer. This year, the Floral Festival was held at Central @ Central World, Central Chidlom, and Central Embassy. The Central Memory Bank Exhibition compiled good memories of our valuable customers and brought everyone to learn about the birth of Central at Central The Original Store, Charoen Krung Road. CRC also joined hands with Thai designers to create outfits and special collection of home decorations from products and handicrafts of local communities across Thailand. They were showcased at Central Department Stores in Chiang Mai, Lad Phrao, Phuket, and Chidlom. Customers could also shop online via Central App. Also, Central Department Store is being transformed to become a retailer of the future. The special privilege was given through a new CRM by launching an NFT (Non-fungible Token) Arts Collection. Central is the first department store in Southeast Asia that comes up with this innovation.







#### Gift to Gifted Project

The Company is committed to enhancing our branding in the area of sustainability to reflect and raise awareness that the Company places great emphasis on promoting the good well-being of people in society. In 2022, the Company initiated Gift to Gifted Project which seeks to present stories of potential and dreams of youth through short video clips with the aim of creating inspiration for people in society to take part in making the dreams of youth with great potential but lacking funding and opportunities come true through the donation to the Equitable Education Fund (EEF) by scanning QR Code. The video clip reached 11 million views within only 2 weeks after the launching of the clip. At the end of the campaign, the clip had more than 16 million views and almost 9 million reaches through influencers' pages. This helped communicate the Company's sustainability branding, while increasing opportunities to access quality education in an equitable manner through the EEF.





# CORPORATE GOVERNANCE AND BUSINESS ETHICS



#### **Importance**

The Company is committed to corporate governance and business ethics as a guideline for conducting business with transparency and accountability to all stakeholders. This prevents the risk of complaints of misconduct and unethical business practice, which could lead to reputational damage and profit loss resulting from the stakeholders losing confidence or compensation paid to complainants. Moreover, the Company is determined to be an organization free from corruption and other forms of illegal acts, setting a good example for society.

#### Impact on Stakeholders

Corporate governance and business ethics are the foundation of stakeholder trust. They ensure that all groups of stakeholders are not taken advantage of or have their rights infringed; that employees are treated with respect and fairly, deterring dissatisfaction and resignation; that customers and trading partners are fairly treated in accordance with business ethics, causing no abuse of rights that may affect the Company's business operations and profit; and that communities, government agencies, creditors, shareholders, and investors would have good relations with and trust in the Company, fostering long-term sustainable business growth.

## **Management Approach**

In conducting business in accordance with the principles of good governance and business ethics, the Company's directors are appointed based on their diverse retail business knowledge and experience, ensuring that our business operations are transparent and accountable to the stakeholders. The Company also appointed the Corporate Governance and Sustainability Committee to mobilize issues of good governance and sustainable development. The Company has announced policies on corporate governance, anti-corruption, and other related policies. In addition, there is a handbook on corporate governance and code of conduct for communication with and training of the Company's directors and employees at all levels to foster a corporate culture. The Company has a whistleblowing policy entailing a procedure for filing complaints to encourage all stakeholders to report and fight against corruption, and most importantly protect them against any reprisal to ensure confidence in the stakeholders.

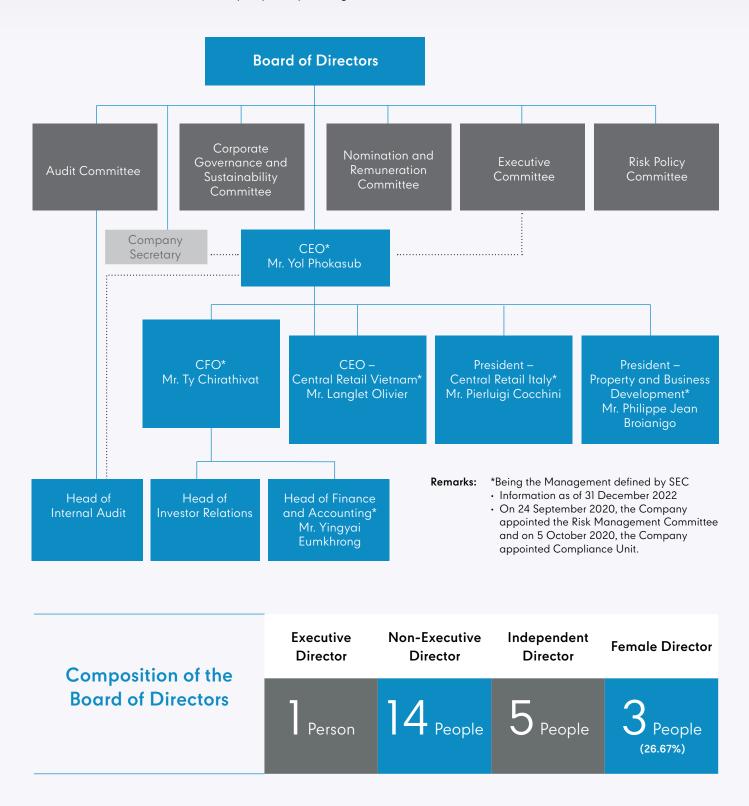


Detailed information on the coroporate governance policy can be found at https://www.centralretail.com/storage/document/cg-policy/crc-policies-good-corporate-governance-policy-en.pdf or from the QR Code on the left.



#### **Corporate Governance Structure**

As of 31 December 2022, the Company's corporate governance structure is as follows:





### **Performance**

In 2022, the Company and its subsidiaries received a total of 48 complaints of breach of business ethics. There were 8 cases of corruption, bribery, or fraud committed by our employees, which resulted in losses for the Company. There were no cases of corruption with significant impact on the Company as they neither involved a government agency or an external organization nor resulted in the imposition of regulatory fines on the Company. The employees who were involved in the cases of corruption, bribery, and fraud were accordingly punished: 1) termination of employment; 2) notifying the concerned employee of the investigation procedure and result as well as remedial measure; 3) the concerned employee made responsible for the remedial cost; and 4) considering taking a legal action to prevent any future wrongdoings. The Company has put in place prevention measures, updated its internal control process, and added training on business ethics. In case of a wrongdoing concerning a customer, the Company would directly get in touch to apologize and offer compensation for any damage caused.

Reported Breaches of Business Ethics (Cases)	2019	2020	2021	2022
Breaches of Business Ethics	85	89	80	48
Corruption/Bribery	0	0	2	0
Fraud	42	35	22	11
Conflict of interest	0	3	1	0
Internal regulatory non-compliance	43	51	55	37
Anti-competitive practices	0	0	0	0
Other Types of Breaches to Business Ethics	3	8	7	2
Society and community	0	0	0	0
Environment, and occupational health and safety	2	2	1	1
Products and packaging	1	5	0	0
Human rights violations	0	0	1	0
Discrimination and all types of harassment	0	0	0	0
Others	0	1	5	1

Remark: The scope of data collection covers only the businesses in Thailand.



Breaches of Business Ethics under Investigation (Cases)	2019	2020	2021	2022
Breaches of Business Ethics	0	1	0	2
Corruption/Bribery	0	0	0	0
Fraud	0	0	0	1
Conflict of interest	0	0	0	0
Internal regulatory non-compliance	0	1	0	1
Anti-competitive practices	0	0	0	0
Other Types of Breaches to Business Ethics	0	0	0	0
Society and community	0	0	0	0
Environment, and occupational health and safety	0	0	0	0
Products and packaging	0	0	0	0
Human rights violations	0	0	0	0
Discrimination and all types of harassment	0	0	0	0
Others	0	0	0	0

Remark: The scope of data collection covers only the businesses in Thailand.



Substantiated Breaches of Business Ethics (Cases)	2019	2020	2021	2022
Breaches of Business Ethics	77	62	49	28
Corruption/Bribery	0	0	]*	0
Fraud	38	25	15	8
Conflict of interest	0	3	0	0
Internal regulatory non-compliance	39	34	33	20
Anti-competitive practices	0	0	0	0
Other Types of Breaches to Business Ethics	3	6	1	0
Society and community	0	0	0	0
Environment, and occupational health and safety	2	1	0	0
Products and packaging	1	5	0	0
Human rights violations	0	0	0	0
Discrimination and all types of harassment	0	0	0	0
Others	0	0	1	0

<sup>\* 1</sup> case of corruption involving an employee causing damage to the Company. There were no cases of corruption involving a government agency or an external party. There were neither cases of fines being imposed nor settlement of disputes by a local or overseas authority.

Remark: The scope of data collection covers only the businesses in Thailand.



Resolved Cases of Breaches of Business Ethics in 2022	Breaches by employees	Breaches by suppliers
Termination of employment/termination of contract with supplier/no renewal of contract with supplier	13 cases	1 case
Warning/disciplinary action	8 cases	0 case
Transfer	0 case	0 case
Send back	4 cases	0 case
Corrective action taken as per complaint/suggestion	l case	1 case
No action taken	0 case	0 case

Remark: The scope of data collection covers only the businesses in Thailand.

Training on Anti-Corruption Policy and Process	2022
Board of Directors	100%
Employees	69%
Executive/Top Management	74%
Middle Management	90%
Senior Employees and Junior Management	95%
Non-Management, including temporary staff	67%

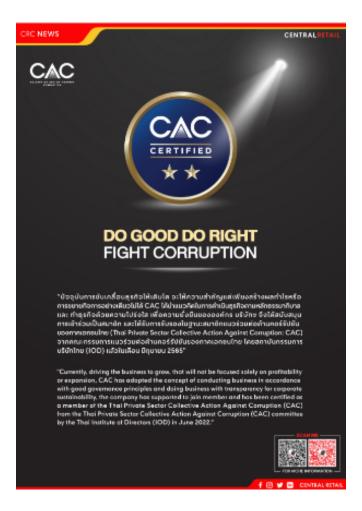
Remark: The scope of data collection covers only the businesses in Thailand and Vietnam.



## **Highlight Projects**

# Certification of the Company as a Member of the Thai Private Sector Collective Action Against Corruption (CAC)

In order to enhance the confidence of stakeholders, in 2022, the Company received a certification from the Thai Private Sector Collection Action Against Corruption (CAC). Efforts on this aspect in the previous year include continued communication with and training of employees on anti-corruption through various channels, such as public website, internal website, email, and online training. In addition, the Company has communicated ethics for suppliers and the anti-corruption policy to every supplier for compliance.





#### Online Training on Business Ethics 2022

To help all employees understand about compliance with business ethics and the Company's code of conduct as well as ensure corporate governance, the Company organizes training for and communicates with the employees on business ethics on the following topics:

- 1. Work responsibility
- 2. Customer relations
- 3. Safeguarding the Company's interest
- 4. Social relations
- 5. Whistleblowing

There were 37,500 employees who participated in the Speedy Quiz on CNEXT platform. Among them, 13,140 employees were managerial level or above and 24,360 were general employees. Every employee or 100% of the participants passed the test.





#### Corporate Governance and Code of Conduct Handbook

To ensure that the Company's directors, executives, employees, and relevant persons conduct themselves with responsibility, integrity, transparency, accountability, and ethics towards all stakeholders, the Company has produced a Corporate Governance and Code of Conduct Handbook. The handbook contains ethics, corporate governance policies, and codes of conduct in writing. It is also publicly available on the Company's website and reviewed annually. The handbook is disseminated via various channels, e.g. email, Intranet, and training sessions. Employees are required to acknowledge and sign their names to strictly comply with the handbook.



Detailed information on the Corporate Governance and Code of Conduct Handbook can be found at https://www.centralretail.com/storage/document/cg-policy/crc-coc-en.pdf or the QR Code on the left.

#### **Contributions Provided to External Organizations**

One of the areas covered by the Company's anti-corruption policy is political participation, which prohibits the Company from rendering political support or expressing political inclination to demonstrate our business transparency. However, the Company may make donations or provide sponsorships to external organizations only if they are lawful and consistent with the Company's business ethics objectives, e.g. sustainable development and social benefits. The Company can support trade associations only in terms of membership fees and expenses for organizing activities. As for the benefit, the Company may receive are in terms of business network in the retail industry as well as reputation and credibility. The Company is currently a member of the Thai Chamber of Commerce and the Federation of Thai Industries.



Type of	External	A	Support Provided	Contributions (Baht)			
Organization	Organization	Activity	by the Company	2019	2020	2021	2022
association	Trade Association: Thai Chamber of Commerce	Retail business	Membership The Company supports the Thai Chamber of Commerce engaging in business networks and sharing its expertise to promote sustainable development. Mr. Yol Phokasub, CEO of the Company, is appointed as the President of the Retail Business	2,607,000	2,607,000	2,604,830	2,975,969
	Thai Retailers Association	Retail business	and Services Group of the Thai Chamber of Commerce  Membership The Company supports the Thai Chamber of Commerce engaging in business networks and sharing its expertise to promote sustainable development.  Mr. Yol Phokasub, CEO of the Company, is appointed as the President of the Retail Business and Services Group of the Thai Chamber of Commerce	241,000	241,000	241,000	233,000
	Federation of Thai Industries	Retail business	Membership The Company supports the activities of the Federation of Thai Industries to promote intelligent industries, development of innovation and sustainable growth by organizing training.	5,136	9,309	82,100	921,852
Lobbying activities	N/A	N/A	N/A	0	0	0	0
Political parties	N/A	N/A	N/A	0	0	0	0
Others	N/A	N/A	N/A	0	0	0	0
			Total	2,853,136	2,857,309	2,927,930	4,130,821



# RISK AND CRISIS MANAGEMENT AND RESILIENCE



#### **Importance**

Risk management is an important basis for sustainable business growth amidst the current and future world of multitude of risks, e.g. environmental, social, and technological risks. In our preparation for responding to such risks, mitigating their short-term and long-term impact, as well as ensuring business continuity, the Company provides risk management training to the Company's directors, executives, and employees, to foster a risk culture at all levels of the organization. Risk prevention and mitigation measures are in place and the adoption of modern technology is encouraged to manage the Company's risks.

#### Impact on Stakeholders

Effective risk and crisis management ensures business continuity, no disruption and the confidence of customers in uninterrupted service. It also reduces income loss suffered by trading partners, impact on employees resulting from disruption in the supply chain, and indirect impact on local communities, e.g. a fire or an outbreak of a disease. More importantly, business continuity enables the Company to generate profits and returns to the stakeholders and investors in a sustainable manner as well as boosting confidence in all stakeholder groups.

# **Management Approach**

The Company manages its risks according to international standards and laws, ensuring that its business operations are in accordance with the risk management policy. It adopts an integrated approach to enterprise risk management, taking into consideration the development of strategies, objective direction setting, and target-driven work approach. It also puts in place a risk management performance evaluation, encompassing the economic, social, and environmental dimensions, under the following 5 principles, which are essential for an organization to benefit from risk management:





#### **Governance & Culture**

- Establishing a structure, roles, and responsibilities of risk management
- Fostering an organizational culture of risk awareness



#### **Strategy & Objective-Setting**

- Formulating an integrated strategy on risk management
- Developing strategies in accordance with an acceptable risk level and risk appetite



#### **Performance**

- Setting and assessing risk level, risk appetite, and sensitivity analysis
- Prioritization of risks based on magnitude and likelihood of potential risks



#### **Review & Revision**

- Regularly monitoring of operating results and review of risk exposure
- · Review risk mitigation measures for continuous improvement



#### Information, Communication, and Reporting

- Promoting use of information technology system in risk management
- Raising awareness through proper communication and reporting



Detailed information on the risk management policy can be found at https://www.centralretail.com/storage/document/cg-policy/crc-risk-management-policy-en.pdf or from the QR Code on the left.



#### Risk Culture

The Company strives to foster a risk culture within the organization. This starts with awareness raising by providing risk management training for employees at all levels, encompassing issues of workplace safety and personal data protection, with a view to highlighting their direct impact on the employees. The Company has set targets and indicators on risk management for relevant employees, with a monthly follow-up and an annual performance evaluation. Qualified employees receive special remuneration as an incentive to achieve the targets. In addition, the Company has a risk communication channel for employees and has integrated risk assessment in the process of innovation and product design to reduce the potential negative impact of technology application.

# **Emerging Risks**

To effectively manage risks, the Company assesses and prioritizes their impact severity on the Company. Risks with the potential to become a threat causing severe damage to the Company's business operations are categorized as emerging risks, comprising:

#### Risk from changing consumer demand caused by climate change awareness

More countries become better aware of the importance of the environment and the increasingly severe impact of climate change on a global scale. This can be gleaned from attendance at international conferences to jointly set work plans, announce policies, formulate strategies, issue laws on the environment, and raise awareness of the public. They serve as guidelines on how to reduce and put a stop to carbon dioxide and greenhouse gas atmospheric emissions, to control the impact of climate change.

Although Thailand's greenhouse gas emissions are low in the context of global greenhouse gas emissions, they are unavoidably among the causes of Thailand's environmental crisis. Thus, Thailand has pledged to achieve carbon neutrality by 2050 and net-zero greenhouse gas emissions by 2065. These targets are catalysts that have prompted the public sector to lead the way in environmental protection and directly take preventive or remedial actions to address climate-change-related problems. It is also necessary for the private sector to wake up to this problem and start setting targets and work plans on climate change according to their respective business capacity and sizes.

The public can also join in these efforts by changing their consumption patterns and activities, to reducing greenhouse gas emissions and achieving more efficient resource utilization. This issue is also a crucial factor in shifting consumer behavior and business operators towards green products and services. Another factor is the expectation of stakeholders regarding the contribution to addressing environmental problems and business sustainability.



#### **Prevention Approach**

- Announce a policy and formulate a strategy on net-zero greenhouse gas emissions by 2050 to reduce the amount of greenhouse gas emissions in the business operations, contributing to the efforts to addressing the problem, mitigating the impact and safeguarding the entire supply chain of the business against such risks, e.g. higher cost of energy, shortage of natural resources which are necessary to the processes of production and transport, and high tax rates on activities that emit greenhouse gases.
- Undertake projects on energy management, supply chain management and waste management, and an awareness raising campaign on environmental conservation:
  - 1. Installation of a solar rooftop system to increase the share of electricity produced from renewable solar source and reduce the use of electricity produced from fossil fuels.
  - 2. Campaign on business operations energy saving by using a cooling innovation that does not require ozone-depleting chemicals and reduces unnecessary energy loss.
  - 3. Installation of EV vehicle charging stations to reduce greenhouse gas emissions of the customer group stakeholder.
  - 4. Project on reforestation to serve as carbon sinks, enhancing and conserving biodiversity as well as promoting local economy.
  - 5. Project on promoting organic agricultural products which use farming techniques that trap greenhouse gases, do not harm biodiversity, prevent environmental and product contamination as well as promoting the production and enhancing the value of community farming products, thereby reducing the environmental impact, supporting the community economy and narrowing inequality.
  - 6. Project on raising the quality and safety standards of products and supply chain.
  - 7. Increasing the percentage of green packaging to 100% by 2030 and reducing the use of single-use plastic products to 0.
  - 8. "Journey to Zero" project promoting waste reduction at the source, collection and recycling of waste, hazardous waste management, and food waste reduction by using excess food waste and food waste sorting to produce organic fertilizer and biogas for the community. In addition, the Company also encourages our employees stationed at the Head Office, branches, and service areas to sort their waste. Other projects include producing personal protective equipment (PPE) from used plastic bottles, producing new products from plastic waste, and donating out-of-fashion clothes.
- Focus on decarbonization of the entire supply chain through 3 operational scopes: 1) internal direct greenhouse gas emissions; 2) internal indirect greenhouse gas emissions from energy consumption; and 3) external indirect greenhouse gas emissions from various stakeholder groups.
- Assess the risks and made adjustments to relevant strategies in response to the impact of climate change through the disclosure of information on climate-related financial risks, in accordance with the guidelines of the Task Force on Climate-Related Financial Disclosure (TCFD).
- Raise awareness among trading partners and initiated projects on energy and climate change management under the theme of creating shared value for business and society.
- · Conduct business continuity planning (BCP) which encompasses climate-related risks.



#### Risk from increasing presence of e-commerce business

Technological advancement and changed consumer behaviors have contributed to the growth of e-commerce in consumer products. The cost advantage from not having a physical storefront and sales employees can attract more traders with low cost of sales to the online marketplace. Other advantages which have caused e-commerce businesses to expand rapidly and become very popular nowadays include 24-hour financial transactions; access to global customers; possibility for consumers to circumvent retailers and buy directly from manufacturers; and ease of contact and product and service customer satisfaction assessment, which can be done simply and quickly over the internet.

Although e-commerce businesses may not be the Company's direct competitors, they are changing consumers' behavior, shifting them away from buying products/services from traditional physical storefronts to online purchases. While the Company's business operations of selling products through physical storefronts have not been disrupted by e-commerce businesses, necessary change may have to be implemented to create a better customer experience, e.g. providing advice on product/service selection, better facilitation at product testing point and integrating online and offline sales channels into an omnichannel, to meet the demand of the present-day consumers.

#### **Prevention Approach**

- Online channels, e.g. Central, Supersports, OfficeMate, Tops, and GO! Applications which respond to multitude of consumer needs; Webstores under product brands of Central Group; Quick Commerce; and online marketplace.
- Social commerce, e.g. Facebook, LINE, and e-ordering; sales via Call & Shop and Chat & Shop to enhance the omnichannel experience.
- Expand the network via the omnichannel platform to cover Central Group businesses in areas with no physical stores.
- Focus on consumer-centric approach and consumer participation by developing new shop and sales channel models which cover Central Group's various business types, e.g. go! WOW, go! Power, Tops Vita, and others, which can deliver diverse shopping experience to consumers;
- Modify the structure of department store to better suit the consumer groups in each area; launch applications
  for different business groups to better serve the consumers; and collect relevant data of the consumers who are
  The 1 members, which has enabled the Company to know and forecast consumer preferences.
- Form partnerships with and get trusted by world-renown and popular brands; forge long-term relationships with the trading partners who have enabled the Company to conclude product sales agreements with the flexibility to differentiate the products being sold from those of the competitors.



# **Highlight Projects**

#### Risk Management Training for Directors and Executives

The importance of risk management cannot be overstated especially in times of economic volatility. Therefore, the Company organized a special training session by experts for the directors and senior executives from all business units under the theme "Thailand Economic Outlook and Risk Factors to Watch Out for Revising the Strategy of Thai Business Sector and Retail Business". The training featured the presentation of case studies on the Thai economy, global economy, prospects, risk concerns, and factors which may impact the future of the retail sector. It was attended by 20 directors and executives.

#### Occupational Health and Safety Risk Training

The Company recognizes the importance of safety risk and danger awareness, taking into consideration the quality of life and health of the employees at all levels.

Therefore, the Company organizes online and one-on-one safety training sessions. The focus of the training is safety risk prevention and impact mitigation, comprising: 1) basic first aid; 2) safety, occupational health, and working environment for general employees and new employees; 3) Committee on Safety, Occupational Health, and Working Environment; 4) safety officer at a supervisor level; and 5) safety officer at an executive level. In 2022, over 2,900 employees participated in the training with their safety awareness score going up from 40 percent to 90 percent.













# LRQA Independent Assurance Statement

### Relating to Central Retail Corporation Public Company Limited's Sustainability Report for the calendar year 2022

This Assurance Statement has been prepared for Central Retail Corporation Public Company Limited in accordance with our contract but is intended for the readers of this Report.

#### Terms of engagement

LRQA was commissioned by Central Retail Corporation Public Company Limited (CRC) to provide independent assurance on its sustainability report 2022 ("the report") against the assurance criteria below to a limited level of assurance and at materiality of the professional judgement of the verifier using LRQA's verification procedure. LRQA's verification procedure is based on current best practice, is in accordance with ISAE 3000 and uses the following principles of - inclusivity, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered CRC and their subsidiaries' operations and activities in Thailand and specifically the following requirements: (1)

- Evaluating the reliability of data and information for only the selected indicators listed below: \*\*.
  - GRI 302-1 Energy consumption within the organization (2016)
  - GRI 303-3 Water withdrawal (2018)
  - GRI 303-5 Water consumption (2018)
  - GRI 305-1 Direct (Scope 1) GHG emissions (2016)
  - GRI 305-2 Energy indirect (Scope 2) GHG emissions (2016)
  - GRI 305-4 GHG emissions intensity (2016)
  - GRI 403-9 Work-related injuries (2018) (2) and Lost Time Injury Frequency Rate (LTIFR) (2)
  - GRI 403-10 Work-related ill health (2018)
  - GRI 405-2 Ratio of basic salary and remuneration of women to men (2016)

#### Note:

- Our assurance engagement for GRI 403-9, LTIFR, GRI 403-10 and GRI 405-2 covered CRC's and their subsidiaries operations and activities in Thailand, Vietnam and Italy.
- (2) Reporting boundary of work related injuries, and LTIFR, does not include some groups of contractors which are delivery workers, salesperson of fashion items, salesperson of hard line business and construction contractors of property business.

LRQA's responsibility is only to CRC. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CRC's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of CRC.

#### **LRQA's Opinion**

Based on LRQA's approach nothing has come to our attention that would cause us to believe that CRC has not, in all material respects:

Disclosed reliable performance data and information as no errors or omissions were detected.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

a https://www.globalreporting.org/standards/

GHG quantification is subject to inherent uncertainty.



- Auditing CRC's data management systems to confirm that there were no significant errors, omissions, or
  misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, and systems,
  including those for internal verification. We also spoke with those key people responsible for compiling the data
  and drafting the report.
- Verifying data and information remotely via ICT application for a selection of CRC's Business Units i.e.
  - Robinson Public Company Limited ("ROBINS")
  - CRC Thai Watsadu Co., Ltd. ("CTD")
  - Central Food Retail Co., Ltd. ("CFR")
  - Central Department Store Co., Ltd. ("CDS")

#### Observations

Further observations and findings, made during the assurance engagement, are:

- Reliability:
  - The exact type of fuel used should be collected and reported by each site and business unit. This will further improve the reliability of reported data of fuel consumption and scope 1 GHG emissions as uncertainty in the assumption of representative fuels will be reduced. Currently the assumption is that Gasohol 95 is considered a representative fuel for gasoline engines and B7 as a representative fuel for diesel engines, based on these fuels being the most widely used in the country of operation.
  - To improve reliability of reported electricity consumption and scope 2 GHG emissions data, all small business units should report kWh of electricity consumed rather than the current practice which first collects invoiced electricity and then converts expenses to kWh by using a default averaged electricity price. This current practice has uncertainties from different price rates across the various facilities and electricity price rate fluctuations. Direct kWh report by small business units will also ensure a uniform data approach, as kWhs are reported direct by the large business units.
  - We believe that more vigorous and systematic internal verification by each business unit will improve the
    reliability of reported data and information as it will prevent errors, being disclosed at the corporate level.

#### LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The data verification is the only work undertaken by LRQA for CRC and as such does not compromise our independence or impartiality.

Paveena Hengsritawat

29 June 2023

LRQA Lead Verifier

On behalf of LRQA (Thailand) Limited No.9, G Tower Grand Rama 9, 30th Floor, Room H14, Rama 9 Road, Huaykwang Sub-District, Huaykwang District Bangkok, 10310 Thailand

LRQA reference: 00000878

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#### CENTRALRETAIL

Central Retail Corporation Public Company Limited



+66 2650 3600



