# CENTRALRETAIL



# ELEVATING EXCELLENCE

# SUSTAINABLE FUTURE

Sustainability Report 2023



# **TABLE OF CONTENTS**

Message from the Board of Directors	4
Vision and Mission	8
Core Values	10
Awards and Recognition	12
About Central Retail Corporation	21
Highlight Projects in 2023	32
About This Report	35
Materiality Assessment	36
Stakeholder Engagement	43
ENVIRONMENT	46
Responsible Sourcing	48
Resource Efficiency	56
Climate Change	66
SOCIAL	74
Human Capital Development	76
Community Contribution and Local Product Development	84
Diversity, Equity, and Inclusion	94
GOVERNANCE	108
Innovation	110
Customer Relationship and Brand Management	116
Supply Chain Management	125



# MESSAGE FROM THE BOARD OF DIRECTORS



Dr. Prasarn Trairatvorakul Chairman Mr. Yol Phokasub Chief Executive Officer

# Dear Shareholders,

2023 was a year of challenges, both economic slowdown and other unforeseeable factors, for the retail, wholesale, and service sectors. The Company's Multi-Format and Multi-Category portfolio has strengthened our business to be resilient and agile amid all situations. When coupled with the efficiency in cost management and expense control, the Company concluded the year with a healthy growth with a recorded Total Revenue of 248,688 million baht and solidly uphold its financial stability resulting in a Net Profit of 8,523 million baht. This year, the Company has been rated "AA-", stable outlook, the highest rating in retail industry by TRIS Ratings. This reinforced the Company's leadership position in the retail and wholesale businesses in Thailand, Vietnam and Italy and signified the Company's focus on paralleling operational growth and upgrading all sectors to mutually grow sustainably.

# Driving towards Security, Prosperity, and Sustainability alongside All Stakeholder Groups

The Company has reaffirmed its commitment to **Green and Sustainable Retail**, positioning itself as the Asia's exemplary retailer of sustainability. The Company upholds responsibility across three dimensions namely Environment, Social, and Governance (ESG) via its "ReNEW" strategy. It places a strong emphasis on addressing the world's climate crisis and pursues the goal of achieving net zero greenhouse gas emissions by 2050. Its tangible operations include:

- 1. Reduce Greenhouse Gases: Using renewable and clean energy, the Company has been utilizing 142 solar panels systems and charging stations across its 62 department stores that can simultaneously support up to 793 vehicles. In addition, with 22 electric trucks for logistics and the use of energy-saving equipment such as refrigerators, chiller bulbs, and air conditioners already installed, the Company sets out to actively reduce greenhouse gas emissions, with the goal to increase shares of renewable and clean energy to 50% by 2030.
- 2. Navigate Society Well-Being: By enhancing livability and raising quality of life through creating jobs and supporting the community products made by more than 100,000 families. The Company also aims to increase the customers' satisfaction rate to 95% by 2030. In addition, it seeks to promote diversity, boost equality, and curb social inequalities by hiring over 1,000 elderly and physically disabled employees.
- 3. Eco-Friendly Product and Packaging: The Company promotes eco-friendly products and packaging through the distribution of its organic, vegan, health related, and eco-friendly products at over 76 green stores and health-related stores. In addition, the Company also supports the use of recyclable and eco-friendly packaging, in which currently accounted for 28% of the total packaging usage. The Company targets to use 100% eco-friendly packaging by 2030.
- 4. Waste Management: The Company has managed waste with efficiency by integrating the Circular Economy principles. Food waste, in particular, has been managed throughout the value chain. Before becoming waste, food surplus that can still be consumed will be shared to vulnerable groups or put in "Surprise Bags" to sell at promotional pricing. Meanwhile, food waste will be effectively turned into fertilizer. Some of excess food also goes to pet-snack manufacturing process, which provides insect-protein products. Used plastic bottles, on the other hand, are recycled into blankets for people in need. The Company, also encourages customers to bring their own fabric bags. It has also promoted proper waste segregation across all sectors in pursuit of the goal to reduce waste for landfill by 30% within 2030.



Thanks to its commitment to good corporate governance, the Company has won widespread recognition at both national and international levels. For example, it has won Sustainability of the Year from Retail Asia, a registered member of the Dow Jones Sustainability Indices - World Index (DJSI World) and Dow Jones Sustainability - Emerging Market Index (DJSI Emerging Market) and achieved "AAA" or the highest rating from SET ESG Rating 2023. Moreover, it has received Commended Sustainability Awards from SET Awards 2023. Importantly, the Company has earned the "excellent" recognition or "5-Star" on the Corporate Governance Report of Thai Listed Companies (CGR) Rating of 2023 for three consecutive years.

# Pursuing New-High Business Growth, Proactively Entering Wholesale Market

In 2023, uncertainties prevailed to the point that the overall situation was not favorable to business operations. Yet, the Company's DNA allowed it to adjust fast and grow its core businesses continuously, for example, the launched of Robinson Lifestyle Center's Chalong branch in Phuket and Central Westville in Western Bangkok. New records were also scored for two of its core businesses, Thaiwatsadu achieved its highest expansion of fourteen new branches in the past year, underlining its status as Thailand's DIY Home Retailer Leader, while Rinascente department stores in Italy, celebrated its historic record-breaking sales of EUR 1,000 million and continued to improve its branches to response to customers' and tourists' needs. In addition, the Company has spread its wing to new business by fully stepping into wholesale industry with the launch of "GO Wholesale" or food wholesale business. In the fourth quarter of 2023, four GO Wholesale branches were launched. They were Srinakarin Branch, Chiang Mai Branch, Amata Nakorn Branch, and Pattaya Branch. Beyond our expectation, GO Wholesale has received positive feedback and warm welcomes from customers. With this, GO Wholesale is set to serve as the Company's new growth engine. As for the businesses in Vietnam, the Company continued to pursue growth by strengthening GO! Hypermarket, GO! Mall, and go! supermarket to expand its Food businesses to cover the whole Vietnam. In this regards, Vietnam Report has recognised Central Retail Vietnam as Vietnam's No. 1 retailer for three consecutive years. Such recognition underlines the Company's strengths as Vietnam's biggest foreign retailer. The Company has held the biggest market share in Vietnam's Hypermarket and Family Mall. Aside from pursuing its business growth, the Company has consistently placed importance to employee care to ensure its staff can prosper alongside its businesses. The Company seeks to be 'A Great Place to Work', creates happy workplaces, and become an employer of choice. To date, it has already won international awards in the field such as Best Companies to Work for in Asia from HR Asia and Global Best Employer Brand Awards 2023 from the Employer Branding Institute and World HRD Congress for two consecutive years.

# Boosting Growth to Fly High in the Year of the Dragon

In 2024, the Company aims to achieve leading excellence and advancing sustainability while embracing resilience. It will continue to be flexible, agile, and adaptive as it carefully operates its businesses in the face of opportunities and risks. It is determined to move ahead with stability despite economic turmoil. With the determination to strengthen its core businesses, the Company will continuously pursue business growth, for example, the Company will renovate its Central Flagship Store, Central Chidlom into Southeast Asia's New Luxury Landmark. In addition, the Company will move forward with the expansion of Thaiwatsadu and GO Wholesale. Furthermore, the Company is committed to operating its businesses in accordance with CRC Care philosophy. It will foster business growth while driving all sectors under its care across seven dimensions, economy, customers, partners, employees, communities, the environment and corporate governance for all to grow sustainably together.

On this occasion, on behalf of the Company's Board of Directors, we would like to express our sincere gratitude to our shareholders, customers, suppliers and investors for their constant trust in and support for Central Retail. The Company will continue to strive to be the Platform of Trust for all sectors and mutual growth. We would like to also extend an appreciation to our employees of all levels for their dedication to delivering the best experience to customers and enabling the Company to achieve solid and sustainable success.



# **VISION AND MISSION** PRINCIPLES AND PURPOSE





# CORE VALUES BECAUSE WE CARE...I.CARE

The Company has defined I · CARE as the core values that need to be transferred and instilled in all employees to ensure that its operational goals are aligned, contributing to good organizational culture. I · CARE comprises:



# 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.



# 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.



### 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.



# 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.



# 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 trust worthiness 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.

# Guided by the Business Philosophy "CRC Care,"

Central Retail has grown alongside the Thai people for over 80 years



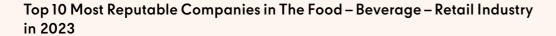
# AWARDS AND RECOGNITION

# 1. CORPORATE EXCELLENCE



### Corporate Excellence Award

The Company was awarded the Corporate Excellence Award from Asia Pacific Enterprise Awards (APEA) 2023, a forum for global competition, to reward companies from the Asia Pacific region with excellent and fair management, outstanding innovation, clear growth, and social responsibility, truly contributing to economic stimulus over the entire continent of Asia. This is chosen according to efficient management in line with the organization's visions and goals, which leads to consistently positive business results.





Central Retail Vietnam was ranked No. 1 in the "Top 10 reputable companies in the retail industry" for the third consecutive years. This ranking is conducted by Vietnam Report (VNR), a leading company specializing in reporting, evaluating, and ranking businesses, products, and services in Vietnam. The recognition of Central Retail Vietnam as the best retail company is attributed to Central Retail Vietnam's robust financial standing and its enduring positive reputation among media and Vietnamese people. This award reflected on being Platform of Trust, earning the trust of Vietnamese's consumers and business partners alike through product and service quality with a mission to enhance the quality of life for the local communities.

# **Excellence in Data Governance**



The Company received Excellence in Data Governance Award from Collibra, a data intelligence company that protects and safely collects data on Data Governance Platform, reflecting Central Retail's excellence in managing customer data privacy and emphasizing the Company's position as a regional leader who operates in accordance with the Personal Data Protection Act (PDPA).

# Digital Capability of The Year

Central Retail Digital, under the Company, was recognized as "Digital Capability Builder" at the Thailand Digital Excellence Awards 2023, proving the Company's commitment to advancing workforce in digital era. This recognition reinforced a large-scale development of comprehensive Omnichannel platform blending online and offline channels together to better serves our customers' shopping needs.

# TMA DIGITAL ANGO SESSION MENOS SES

# 5-Star or an Excellent Rating of Corporate Governance Report of Thai Listed Companies (CGR) 2023

The Company received an "Excellent" CG scoring (5-Star Rating) from the 2023 Corporate Governance Report of Thai Listed Companies (CGR), conducted by the Thai Institute of Directors (IOD) for the third consecutive year.



# Certified Company of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

The Company had been certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC) by the Thai Private Sector Collective Action Against Corruption (CAC) committee by the Thai Institute of Directors (IOD) in June 2022. In 2023, the Company declared its intention to join the CAC Change Agent program, initiated by the Thai Private Sector Collective Action Against Corruption (CAC) with the aim is to expand the network of transparent business practices to the Company's business partners by encouraging their participation in the CAC.



# Best CFO in Thailand, Strongest Adherence to Corporate Governance and Most Consistent Dividend Policy Awards

The Company received 3 awards from 13<sup>th</sup> Institutional Investor Corporate Awards 2023, hosted by Alpha Southeast Asia, a leading financial and investment magazine in the region. Best CFO was awarded to Mr. Ty Chirathivat, and the Company also received the Strongest Adherence to Corporate Governance, and Most Consistent Dividend Policy Awards. The award was based on ratings from 586 analysts, investors, and fund managers in Southeast Asia, signifying the Company's confidence and international recognition in the areas of financial management, corporate governance, investor relations, and social responsibility.



13

# 2. SUSTAINABILITY EXCELLENCE

# Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

### Dow Jones Sustainability Indices (DJSI) 2023

The Company was selected into Dow Jones Sustainability Indices: DJSI 2023. In 2023, the Company was selected as a member of DJSI Emerging Markets Index for the third consecutive years and the first time to be selected as a member of DJSI World Index from increasing ESG score. This international recognition reflected the Company's strong adherence to conducting business in line with sustainable development.

# SET ESG Rating 2023



The Company was rated AAA, highest score, from the SET Award for its ESG, reflecting its leadership in Green and Sustainable Retail from the 2023 SET ESG rating of sustainable stock evaluation by the Stock Exchange of Thailand. This recognition also emphasized the Company's readiness to move forward with carbon reduction, being aware and cautious of the severity and impact of its business operations on environment as well as navigating society well-being to create a sustainable growth for all.

# Commended Sustainability Excellence Award



The Company was honored Commended Sustainability Excellence Award from SET Award 2023. This award was given to listed companies with outstanding sustainability practices through good corporate governance and concern for all stakeholders. There is economic growth along with participation in creating positive impacts on society and the environment. This approach has driven the companies to grow economically while also focusing on Environment and Social Development.

# Sustainability Initiative of the Year Award



Sustainability Initiative of the Year Award from Retail Asia Awards was given to the Company's 'Na Muen Sri Project', an establishment of Weaving Community Learning Center aimed to preserve ancient weaving culture of Trang province, protecting local wisdom, elevating community enterprise, and turning it into a tourist destination.

# Top Community Centric Companies in Asia





# **Best Environmental Excellence Awards**





# **Excellence Award for Sustainability in Support Disability People**

The Company received excellent award for being a model organization for sustainability in support disability people from Ministry of Labor, Department of Skill Development, Department of Employment, Department of Employment, Department of Persons with Disabilities, Thai Listed Companies Association and Disabilities Thailand, reflecting the Company's commitment to give opportunities to people with disabilities to work with the Company and put effort in knowledge sharing to develop all employees' skills equally.



# Top 50 Corporate Sustainability Awards

Central Retail Vietnam was honored at the "Top 50 Corporate Sustainability Awards 2023" for its outstanding CSR activities focused on sustainable and environmental protection.



### **Enterprise for the Community 2023**

Central Retail Vietnam received the 2023 Enterprise for the Community Award from The Saigon Times newspaper. This recognition acknowledged the company's strong contributions across various sectors, including environmental protection, nature conservation, wellbeing for the underprivileged, educational sponsorship, women's empowerment, human resources development, and support for disadvantaged households.



### **AMCHAM Corporate Social Impact Awards**

Tops, Food Business, received the Platinum Status in the "AMCHAM Corporate Social Impact Award 2023", hosted by The American Chamber of Commerce in Thailand, for the 13<sup>th</sup> consecutive year. This reflected Tops' commitment in driving sustainable business growth, especially in efficiently managing its natural resources to the utmost benefits, to reducing operational impacts towards environment, which was internationally recognized.



### Convenience Retail Sustainability Award

Tops, food business, won a Convenience Retail Sustainability Award from the 2023 NACS Convenience Retail Award ASIA-PACIFIC, which was given to retailers whose business focused on sustainability and created shared value with people, communities, and the environment. This reaffirmed Tops' social responsibility and its commitment to drive its business to improve the quality of life and reduce the gap in our society through four areas: social engagement, circular economy, sustainable energy, and product improvement for health and the environment.

# 3. BUSINESS EXCELLENCE

# Retail App of The Year Award

Power Buy won the prestigious 'Retail Asia Award 2023' in the 'Retail App of the Year 2023'. The application serves as a platform that provides the most seamless shopping experience and perfectly fulfills the needs of all consumers in the digital age.



# **Outstanding Innovative Company Awards**

MEB Corporation Public Company Limited received the Outstanding Innovative Company Awards from SET Awards 2023 in the category of innovation or creation from Hibrary, under the management of Hi-Tex Interactive Company Limited, a digital library system platform service for organizations that provide services to over 100 organizations covering schools, universities, government agencies, private companies, hospitals, and public libraries.



# Top-10 Finalists at The Most Innovative Department Store in The World 2023 Competition

Rinascente was awarded Top-10 finalists at the Most Innovative Department Store in the World 2023 competition. Of 36 entries received from around the world, only 18 qualified for the jury's analysis, out of which Rinascente's entry stood- out among the best.











# 4. PEOPLE EXCELLENCE



# Global Best Employer Brand Awards 2023

The Company was awarded The Global Best Employer Brand Awards 2023 from The Employer Branding Institute and World HRD Congress for the second consecutive year 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.



# Best Companies to Work for in Asia 2023

The Company and Tops, Food Business, both won the "Best Company to Work for in Asia 2023" award from HR Asia, a leading media outlet specializing in human resource management in Asia. This prestigious international award reflects the Company and its group excellence in efficient HR management



# **Human Rights Award 2023**

The Company was honored with the Outstanding Achievement of Human Rights Award 2023 (Large Corporation Category), demonstrating its commitment to social equality, governance, and sustainability.



# Best Company to Work for in Asia and Diversity Equity and Inclusion Awards

Central Retail in Vietnam was awarded the "Best Companies to Work for in Asia 2023" and "DEI - Diversity, Equity & Inclusion", hosted by HR Asia Magazine, Asia's leading publication for HR professionals. The two prestigious awards are a testament to Central Retail Vietnam's exemplary human resource management practices and the creation of a highly cohesive and inclusive working environment. The Company is also evaluated by its own employees as one of the best companies to work for in Asia and one of Asia's selected excellent employers.

HR Leader of the Year (Gold), Leadership Development (Gold), Graduate Recruitment and Development (Gold), Learning and Development (Bronze), Best HR Team (MNC) (Bronze), and Employer of the Year (Bronze) Award

The Company received 6 awards from HR Excellence Awards, hosted by Human Resources Online, Singapore. These prestigious awards signified the passion, innovation, and resilience of everyone in the Company to collectively develop and put effort in making the Company 'A Great Place to Work'.

### Best in Future of Work

The Company has elevated Thailand on the global stage by winning both the Country and Regional Awards at the IDC Future Enterprise Summit & Awards 2023 from 'Central Career Metavase' project, a platform which helped employees' recruitment and application process more convenient through a virtual world platform that is accessible and easy to use under safe data supervision according to PDPA standards.



# Kincentric Best Employer Thailand Award

B2S and Central Marketing Group received the Thailand Best Employer Award 2023 for the 2<sup>nd</sup> and 5<sup>th</sup> consecutive years, respectively. In addition, in 2023, Super Sports and Tops Daily also received this prestigious award. This recognition highlights the Company and its group leadership for their empathy, genuine approachability, and unwavering commitment to employee well-being and engagement, which have been instrumental in the sustainable success of their diverse organization.





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

Central Department Store has been named Thailand's Most Admired Brand 2023, No. 1 department store that customers trust and win the hearts of Thai people for the 17th 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.



### Brand of the Year 2023 – 2024 Awards

Tops, food business, received the Brand of the Year Awards 2023 in the supermarket category from World Branding Awards 2023 – 2024, pinning the Thai supermarket brand on the international level signifying its vision of Food Experience for All.

# 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 2023, 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**

# Fashion Central to Everyday Style:

Offers apparel and accessories under retail brands, such as Central Department Store, Robinson Department Store, Rinascente Department Store, Supersports, and Brandshop.

# Health and Wellness Central to Everyday Health:

Focuses on providing healthcare products, cosmeceuticals, and pet products under retail brands such as Tops Care, Tops Vita, and PET 'N ME.

# Property Central to Everyday Life:

Provides rental space for stores under the Company, including stores and services for the public such as Robinson Lifestyle, Tops Plaza and Big C / GO! Vietnam.



# Food

# **Central to Everyday Consumption:**

Provides a wide range of consumer products and products which could be found in mini supermarket and wholesale stores under various retail and wholesale brands, such as Tops, Tops Food Hall, Tops Fine Food, Tops Daily, GO Wholesale, Big C / GO!, Tops market Vietnam, go! Vietnam, and Lan Chi Mart Vietnam.

# Hardline Central to Everyday Living:

Consists of home decoration, home improvement, electronic products, stationery, office supplies, and e-Book under retail brands, such as Thaiwatsadu, Thaiwatsadu x BnB home, BnB home, Power Buy, OfficeMate, B2S, MEB, and Nguyen Kim Vietnam.

# **MULTI MARKET**

Data as of 31 December 2023



Thailand	Vietnam	Italy

**60** Provinces

**1,755** Stores

Total Net Selling Space

**3,142,994** sq.m.

**33** Plazas

Total Net Leasable Space **531,162** sq.m.

**42** Provinces

133 Stores

Total Net Selling Space

**8** Cities

**9** Stores

Total Net Selling Space

**59,871** sq.m.

354,913 sq.m.

39 Plazas

Total Net Leasable Space

212,324 sq.m.

# **MULTI FORMAT**



# **Digital Platform**



Webstore



Mobile Application



**Quick Commerce** 



Marketplace



Personal Shopper



Call & Shop



Chat & Shop





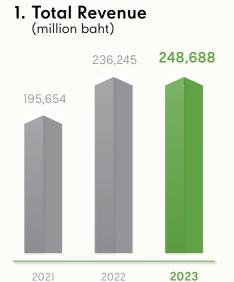
e-Ordering

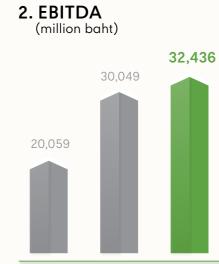


Call Center

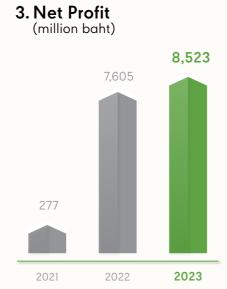


# FINANCIAL HIGHLIGHTS





2021

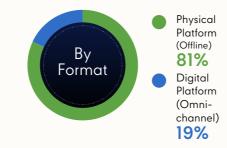


# Sales Contribution 2023





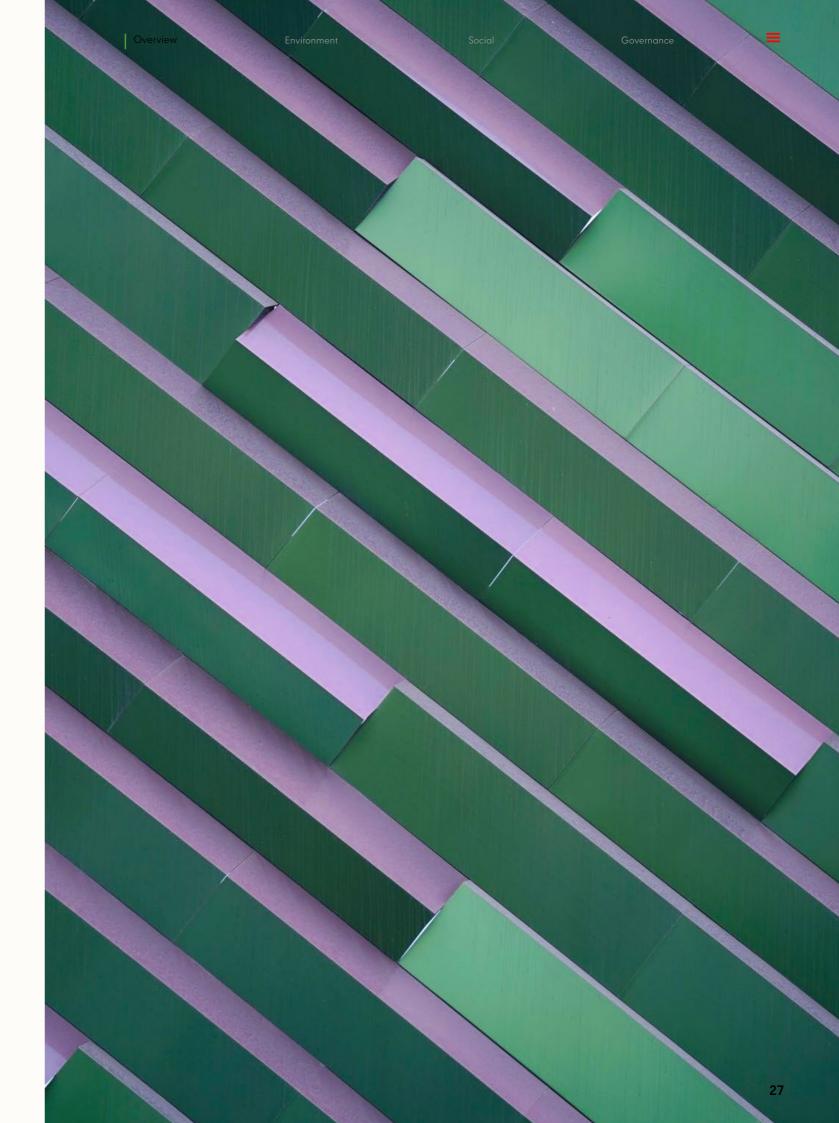
2022











**CENTRAL RETAIL VALUE CHAIN** 

The Company's value chain consists of 5 primary elements, namely raw material sourcing, production and services, transportation and distribution, marketing and sales, and customer service.



**SOURCING** Suppliers

- Farmers
- Producers
- Manufacturers

2 **PRODUCTION** & SERVICE

· Own Brands

**TRANSPORTATION** & DISTRIBUTION

· Distribution Center and Logistics

**MARKETING & SALES** 

- **CUSTOMER SERVICES**
- · Hardline
- Fashion
- Food
- Property
- · Health and Wellness

**Human Resource Management** 

**Technology Development** 

**Procurement** 

Firm Infrastructure

- Sourcing: The Company prioritizes responsible sourcing by selecting raw materials with traceability and socioenvironmental awareness in supply and manufacturing, especially in the food business group which directly supports products from local farmers.
- Production and service: The Company considers environmental-friendly methods in the production process and promotes good health, particularly within the Healthiful product line where organic and health-conscious products are exclusively curated.
- Transportation and distribution: The Company aims to optimise transportation efficiency with shortened delivery distances and times, while also advocating for the use of electric trucks to minimise carbon emissions, thereby reducing its carbon footprint.
- Marketing and sales: The Company focuses on the omnichannel format to generate sales and effective communication to meet customer's expectation in response to global trends of consumer behaviours in the digital age.
- Customer Service: The Company is committed to customer relationship management, serving as communication channels to gather feedback and offer after-sales service for customers, including stakeholder engagement.

30

100

### **CENTRAL** RETAIL

# **RENEW STRATEGY: THE GREEN AND** SUSTAINABLE RETAIL

In 2023, the Company has progressed the commitment of a green and sustainable retail business through the "ReNEW" strategy. This strategy is a key driving business growth towards the 2030 targets and the target of net zero emissions in 2050.



# **ESG TARGET**

Eco-Friendly Packaging (%)

P\$			
	2023	2024	2030
Reduction in GHG Scope 1 And 2 Compared to 2022 (%)	5	10	15
Total Electricity Consumed from Renewable Energy (%)	10	15	30
Reduction in Energy Consumption per Revenue (%)	5	10	30
Waste Diversion (%)	10	15	30

20

523	2023	2024	2030
Female Management-Level Employees (%)	56	54	50
Employee Engagement Score	73	74	77
Generated Income for Communities (%) million baht/year	1,800	2,100	5,400

	2023	2024	2030
Suppliers with Contract Obligation to The Company's Suppliers Code of Conduct (%)	100	100	100
Customer Satisfaction Score (%)	90	91	95

Remark: Data coverage only Thailand

# **HIGHLIGHT PROJECTS IN 2023**

# **ENVIRONMENT**

To enhance environmental management and performance throughout the value chain from the Company operations and beyond, The Company includes mitigation and transition projects focusing on optimizing resource usage, waste management, energy efficiency, and increasing shares of renewable energy. These effort eventually contributes to reducing GHG emissions and minimizing environmental impact towards the Company targets.

### **Environmental Highlight Projects**

- · Mae Chaem Project
- Central/Robinson Love the Earth 2023
- Everyday Everywhere Shop to Promote Development of Local SMEs
- · Central Department Store Decoration from Local Products
- · Recycling and Upcycling Programs by Hardline Business Category
- · Partnership with Jaikla: Turning Food Wastes into Pet Treats
- · Solar Rooftop Installation
- · Energy Efficiency Improvements
- · Sustainable Transportation for Business Operations and Customer

# SOCIAL

To navigate society's well-being, the Company facilitates the resources to enhance human capital, support local communities, and promote diversity, equity, and inclusion. Programs were launched to develop skills, establish new channels, and overall improve the well-being of stakeholders.

# **Social Highlight Projects**

- · Future Skills Development
- CRC Training Catalogue
- · How to be an Impactful Influencer
- · Leader as Coach
- Safety Training Program
- · Jing Jai Farmers' Market
- · Nan Organic Community Enterprise Network
- · Bantheppana Community Enterprise, Chaiyaphum
- · Nongsanit Organic Vegetable Cooperative

- DE&I Promotion Programs
- · Employee Health & Well-being Support Programs
- · Nurturing Future Leaders Central Retail Management Associate Program
- · Dual Vocational Education Program

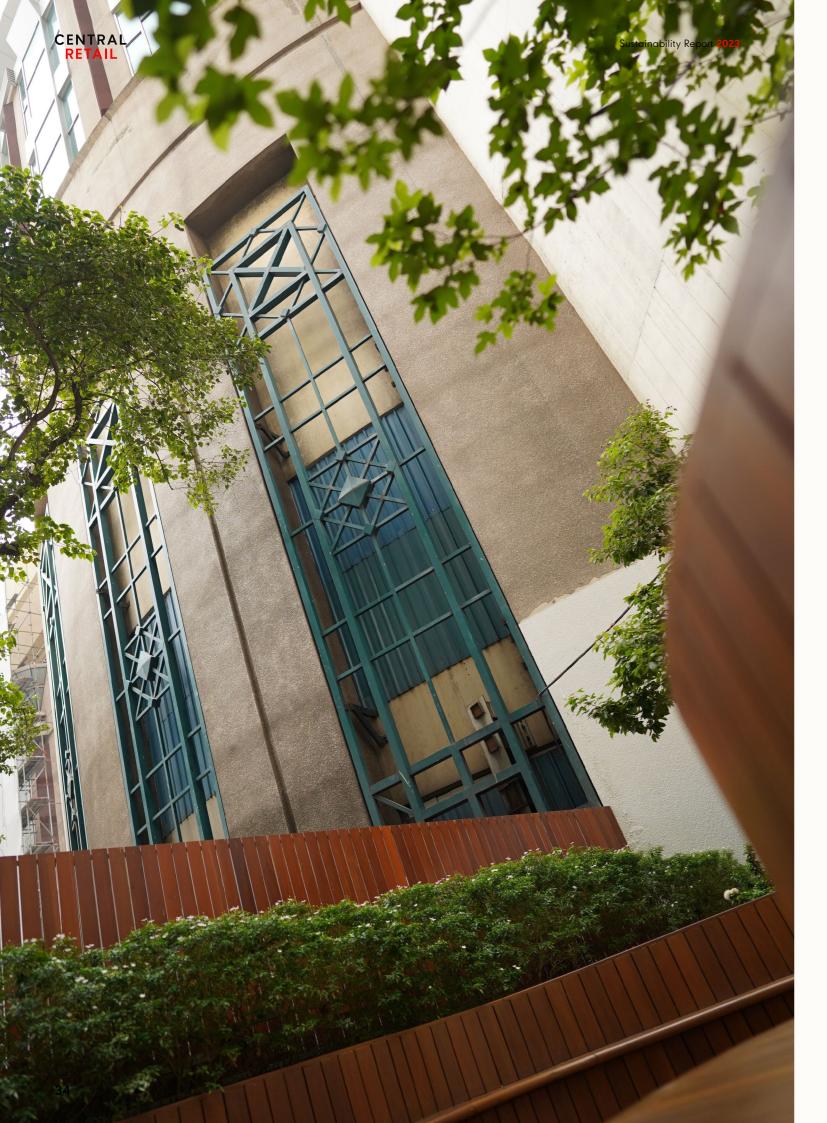
# **GOVERNANCE**

To ensure transparency and ethical business practices, the Company is dedicated to fostering innovation and enhancing customer relationships and brand management to maximize business potential and assure optimal customer satisfaction. Along with developments to strengthen the supply chain management in service to the stakeholders beyond expectations.

### **Governance Highlight Projects**

- · C-Coin Application
- C-Verse
- · Thai Watsadu #1 DIY Home Retailer
- Go Wholesale
- · Best Customer Service: One Team, One Quality
- Strategic Camp: Empowering Sustainable Practices
- · Central Retail Logistics for SME and Sustainability Program



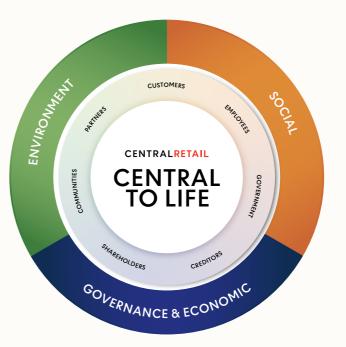


# **ABOUT THIS REPORT**

The Company prepared the 2023 Sustainability Report to communicate to stakeholders about its sustainability guidelines and performance based on the Company's material topics 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 2021, which is considered an internationally recognized sustainability reporting standard.

The information scope of this report covers the operations of various business segments under the Company between 1 January 2023 and 31 December 2023 which are aligned with the financial reporting period and boundaries.

The shareholding structure of the Company can be referred to from the annual registration statement and annual report 2023 (One-Report) of the Company or from the website www.centralretail.com/en/investor-relations/home



# FOR MORE INFORMATION ABOUT THIS SUSTAINABILITY **REPORT, PLEASE CONTACT:**

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. - For more information on annual report 2023 (One-Report), please refer to: www.centralretail.com/en

### CENTRAL RETAIL

# MATERIALITY ASSESSMENT

The Company conducts materiality assessment to identify and prioritize the material topics that are most important to both its business and its stakeholders. Materiality assessment helps the Company to understand which material topics have the most significant impacts, both positive and negative on their business, and their stakeholders. By identifying and prioritizing the material topics, the Company can focus their resources and efforts on areas that will have the most significant impacts on their business and stakeholders. The Company conducts materiality assessment annually to ensure that material topics are being updated by considering global trends and context that undergo constant changes. Aligning the materiality assessment with the Global Reporting Initiative 2021 (GRI Standards 2021) and the double-materiality principle allows the Company to identify and prioritize impacts that the topics have on its business and financial implications, and the Company's impact on the economy, society, and environment in each of the sustainability issue through engaging with relevant key internal and external stakeholders.

### **Double 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 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 a 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 and its business. More importantly, as part of the materiality assessment, 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 into the Company's regular enterprise risk management process.

# 3. Assess the Significance of Impacts

The Company assesses the significance of each materiality issues by conducting surveys to collect stakeholders' perspectives on how they are affected by impacts from each materiality issues, which take into account scale of impact, scope of impact, likelihood of impact, and irremediable nature of impact. Moreover, the Company also evaluates how its business is being affected by the potential financial impacts in each materiality issues. As a result, each materiality issues are assessed based on the four levels of impact: 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 the Global Reporting Initiative (GRI), reports published by globally recognized organizations, double-materiality principle, and sustainability indices to ensure that the assessment is more comprehensive and inclusive of expert opinions.

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

The Company prioritizes the sustainability issues to finally identify material issues ranked by the most significant impacts. The resulting material issues 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.

Social

# **MATERIALITY ASSESSMENT RESULTS 2023**

**CENTRAL** 

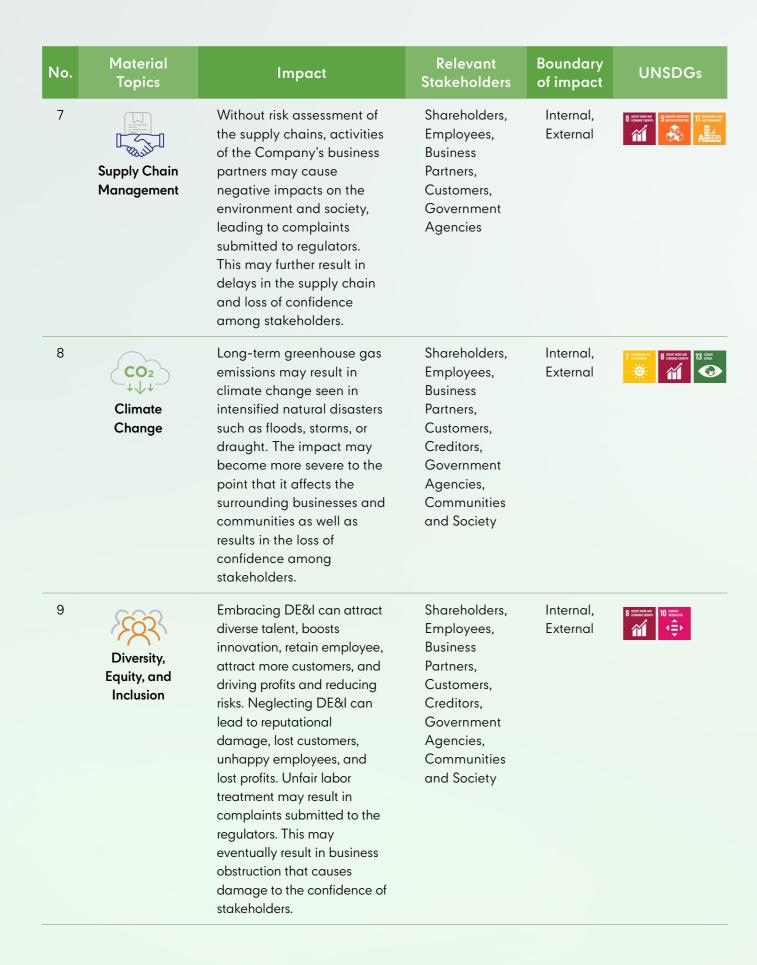
RETAIL

All issues that are material and significant to the Company are listed in the table below. None of the topics are by no means non-material, but are prioritized by the Company to ensure the most effective management and appropriate allocation of resources. Prioritization is reflected in the rankings in order of highest to lowest level of impact by considering both negative and positive impacts of each material topics towards the Company and its stakeholder groups. In addition, each material topics is also categorized as 'value creation' requiring beyond compliance to be actively managed by the Company to drive higher value creation, and as 'business fundamental' focusing on maintaining full compliance with relevant laws and international standards. The Company reports value creation material issues in the Sustainability Report and business fundamental material issues in the corporate website.

No.	Material Topics	Impact	Relevant Stakeholders	Boundary of impact	UNSDGs
1	Innovation	Promotion of and support for innovations to be applied to businesses, such as the development of online applications and the use of technology in operations, will help improve the quality of services for customers and increase the efficiency of employees' performance.	Shareholders, Employees, Business Partners, Customers, Creditors, Government Agencies, Communities and Society	Internal, External	g with months in the control of the
2	Responsible Sourcing	Responsible sourcing will help prevent deterioration of biodiversity and deforestation, as well as enhancing 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, Creditors, Government Agencies, Communities and Society	Internal, External	3 minutina.  3 minutina.  -/w/  12 minutina.  -/w/  13 minutina.  -/w/  15 minutina.  -/w/  -/w/  -/w/  15 minutina.  -/w/  -/
3	Human Capital Development	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, Government Agencies	Internal	4 months and a month of the control

No.	Material Topics	Impact	Relevant Stakeholders	Boundary of impact	UNSDGs
4	Customer Relationship and Brand Management	Efficient development of customer relationships 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	External	9 *************************************
5	Resource Efficiency	The reduction of resources through designing packaging that is environmentally friendly or processing plastic waste is to add value to the products, thus lowering 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, Employees, Business Partners, Customers, Creditors, Government Agencies, Communities and Society	Internal, External	12 NUMBER OF THE PROPERTY OF T
6	Community Contribution and Local Product Development	Helping to generate economic value for communities and enhancing local products in order to have a higher value through support in knowledge, selling skills, and distribution channels will lead to an increase in income for communities and a better relationship between communities and the Company.	Shareholders, Customers, Government Agencies, Communities and Society	External	1 month of the first of the fir





No.	Material Topics	Impact	Relevant Stakeholders	Boundary of impact	UNSDGs
10	Cybersecurity and Privacy Protection	Cybersecurity systems that are inefficient 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, Government Agencies	Internal, External	9 MATERIA MATERIA DE LA CONTRACTOR DE LA
11	Corporate Governance and Business Ethics	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, Creditors, Government Agencies, Communities and Society	Internal, External	16 MALIENTA
12	Human Rights	Violation of human rights may put the Company at risk of lawsuits, face bad press, and boycotts, leading to lost profits and a damaged reputation.  However, human rights compliance fosters a sustainable business with fair and respectful workplaces, leading to more productive employees and increase customer trust.	Shareholders, Employees, Business Partners, Customers, Creditors, Government Agencies, Communities and Society	Internal, External	8 months and an



No.	Material Topics	Impact	Relevant Stakeholders	Boundary of impact	UNSDGs
13	Occupational Health and Safety	Insufficient occupational health and safety can increase the risks of accidents or danger in department stores, leading to obstruction in operations and loss of confidence among stakeholders.	Shareholders, Employees, Business Partners, Customers, Creditors, Government Agencies, Communities and Society	Internal External	3 mm man and an
14	Risk and Crisis Management and Resilience	Inefficient risk management and communications, as well as training for employees on risk management, may lead to the Company being unable to cope with risks and crisis. As a result, there might be obstruction or suspension to the Company's businesses and loss of confidence among stakeholders.	Shareholders, Employees, Business Partners, Customers, Government Agencies	Internal, External	9 menunching

# MATERIAL TOPICS

# **BUSINESS FUNDAMENTAL**

- · Cybersecurity and Privacy Protection
- · Corporate Governance and Business **Ethics**
- Human Rights
- Occupational Health and Safety
- · Risk and Crisis Management and Resilience

# **VALUE CREATION**

- Responsible Sourcing
- Customer Relationship and · Climate Change Brand Management
- Community Contribution and Local Product Development
- · Human Capital Development · Supply Chain Management

# STAKEHOLDER ENGAGEMENT

Environment

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>Good Corporate governance</li> <li>Transparent management and disclosure of information</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.</li> <li>considering 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

**Business** 

**Partners** 

Customers

Creditors

**Expectations** 

· Equality in business

Transparent business

Capacity building for

On-time administration

· Quality and standardized

products and services

On-time product and

Good quality after-sales

· Personal data protection

service delivery

· Good corporate

• Transparent management

Effective management

governance

strategies

challenges

Ability to create

opportunities amid

Accurate financial

information management

• Full and on-time payments

service

mutual growth

and payments

practice

dealing

Sustainability Report 2023

Communication

Channels

· Organize an annual meeting

· Organize knowledge

training courses for

business partners and

activities to build good

relations between the

partner networks

Report (website)

· Annual customer

satisfaction survey

Company and business

· Online social media/email

• Suggestions or complaints · Annual Report/Sustainability

· Direct customer contact

· Customer service center

· Online social media/email

• Suggestions or complaints

Quarterly investor briefing

· Online social media/email

• Suggestions or complaints

· Sustainability Report

meeting

(website)

Annual Report

**Meeting Stakeholder** 

**Expectations** 

• Fair and transparent

Transparent and fair

training courses

payment schedule

Good quality and

responsible service

and service beyond

· Develop storage of customer information management system and safeguard personal data in

accordance with

international standards.

· Transparent and verifiable

business operations and

adherence to good

governance principles

· Effective management,

creating trust and

maximizing returns

· Complete and continuous

information disclosure

• Uphold commitments in accordance with legal

criteria and contexts · Provide accurate and

· Full and on-time debt repayment and maintain the quality of collateral

securities

complete financial information

expectation

On-time product delivery

· Deliver a good experience

business agreements

· Organize capacity building

· Accurate, full, and on-time

• Secure storage of business partners' information

competition

Overview

Environment



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 and promptly</li> <li>Coordinate and 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 community members</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>

Social



Governance

The Company acknowledges that environmental quality is vital across the value chain in time, space, and operation. Therefore, the Company has developed ReNEW Strategy and published Sustainability Report 2023 to understand what has been accomplished to limit environmental impacts from operations and enhance performance on environmental quality under 3 material topics: Responsible Sourcing, Resource Efficiency, and Climate Change.

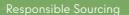
Following the Responsible Sourcing procedure, the Company focuses on sourcing 5 main categories: eco-friendly, organic, healthy and safe, local, and biodiversity-friendly products with the Company's Supplier Code of Conduct to screen, seek and strengthen responsible and sustainable suppliers. Jing Jai Farmers' Market exhibits solid proof as a space to connect consumers and local producers with local products. In addition, the Company also teams up with external partners for biodiversity conservation and restoration projects such as community initiatives aiming for reforestation in Mae Chaem, Chiang Mai.

To enhance Resource Efficiency, the Company has stepped up to circular economy principles by implementing its ReNEW Strategy on upstream and downstream across value chain by prioritizing Prevention, Reduction, Reuse, Recycling, Upcycling, and Disposal for energy, water, waste, and food waste. ReNEW Strategy is reflected in the Company's highlight projects including recycling and upcycling robes for Buddhist monks, collecting E-waste from stores and sending them to proper disposal, and partnering with a startup to turn food waste into animal feeds.

Regarding Climate Change, the Company has set greenhouse gas emissions baseline on 2023 data and aims to reduce 30% of greenhouse gas emissions by 2030 and achieve Net-Zero by 2050. To achieve these goals, the Company cooperates with stakeholders and suppliers to adjust and reduce emissions from operations by improving energy efficiency systems and installing solar panels on rooftops of department stores and distribution centers. Consequently, the Company was capable of substituting non-renewable energy to increase the renewable energy consumption from 2020.

With management from CEO, Corporate Governance and Sustainability Development (CGSD) Committee, Environment Committee, Presidents of each business unit, and Environmental Working Team, the Company has contributed numerous successes on environmental quality as shown in the following sections.







Resource Efficiency



Climate Change



For more information on environmental policy, please refer to: https://www.centralretail.com/storage/document/cg-policy/crc-environmental-policy-en.pdf



# RESPONSIBLE SOURCING

# **IMPORTANCE**

The Company's procurement practices are already fully complied with relevant laws and international standards governing the quality of products and services being offered to the customers. But with the growing sustainability trends, conscious consumers have put responsible sourcing of products and services at the heart of retailing business. To this, the Company is committed that its procurement practices consider factors beyond compliance and own business operations by focusing on sustainability drivers in the upstream production process. This ensures that the Company aligns expectations and creates higher values for the environment, local communities, customers, and itself.

# IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

The Company's efforts in demonstrating responsible sourcing to the customers help relay relevant constructive information such as manufacturer information, and nutrition facts comply with laws and international standards. Such practices help prevent regulation risks and less scrutiny from government agencies, encourage responsible and healthy consumption for customers, and improve the Company's reputation and trust. Additionally, sustainability standard labels can also help raise the overall quality of product offerings, leading to a higher competitive advantage and business growth for the Company.



Social

# MANAGEMENT APPROACH

Core to the Company's framework in overseeing responsible sourcing is the Supplier Code of Conduct. Not only are environmental and social criteria, as part of the Supplier Code of Conducts, used to screen out high sustainability risk suppliers, but the Company also assesses and collaborates with suppliers to expand responsible product offerings by implementing corrective actions, training, and capacity building programs. Importantly, beyond just any suppliers, the Company puts an emphasis on engaging with local communities as they are the key stakeholders in addressing environmental and social problems, but also have the most demand for support from the Company. Ensuring that suppliers and local communities understand pollution prevention and control and resource efficiency allows their products to become eco-friendly, while educating them about organic agriculture and agroforestry can help preserve and restore ecosystems and biodiversity. Workers and producers also benefit from minimal exposure to harmful chemicals and pesticides, and customers get to enjoy products of the highest quality that are healthy for their bodies. Last but not least, suppliers and local communities can gain economic benefits from selling high-value products leading to better income generation and livelihoods.

# **Embedding the Process of Responsible Sourcing**

After the Company has ensured that suppliers and local communities responsibly make the products, the Company must demonstrate such attributes to the customers through specific labelling mechanisms and product category management. The Company sources products that have obtained eco-labels that certify environmental-friendly production methods as shown below.





For more information on how the Company screens, assess, and engages with suppliers to uplift sustainability through the supply chain, please refer to 'Supply Chain Management: management: https://www.centralretail.com/en/ sustainability/governance-and-economic-dimension/supply-chain-management



For more information on how the Company engages with local communities in creating sustainable local products, please refer to Community Contribution and Local Product Development: https://www.centralretail.com/en/ sustainability/social-dimension/community-contribution-and-local-product-development



For certain food product lines, the Company has established the 'Quality at Heart' traceability program that involves thorough inspections by third-party on 1) safety; 2) quality; 3) sustainable development; 4) environmental-friendly; and 5) fair price. Products under the Quality at Heart will have QR codes attached to the packaging that allow customers to scan and access information about where the products are made and packaged. Transparent information disclosure will help customers have higher confidence in the quality and information of the products, and the Company increases confidence about the food safety and quality of its products.

In addition, the Company has launched special product categories named as 'Healthiful' since 2019 to highlight organic and other healthy product lines being sourced by the Company. Products that are listed under this category are assessed using the following criteria:

- Quality certification from the Food and Drug Administration to ensure good production quality
- Promote health and well-being of consumers
- Alternative product categories, such as organic, plant-based, vegan, digestive health, high-protein, and ketogenic
- Products to accommodate health restrictions, such as those for diabetic patients, gluten-free products, MSGand preservative-free products, cholesterol-free products, dairy- and lactose-free products, low-sodium products, low-fat products, and low-sugar products

To communicate with customers on how the Company's responsible sourcing practices benefit local communities, the Company has established the Jing Jai Farmers' Market since 2018 to dedicate specific retail spaces within the Company for local products. The Jing Jai Farmers' Market hosts local products developed by local communities that are directly engaged with the Company, and many other local products such as OTOP products. The initiative encourages local communities and farmers to be present at the stores to have direct dialogue with the customers. With this, local communities can share their narratives and stories, and verbally guarantee the quality and environmental-friendly production methods of their products.

The Company continuously conducts inspections on the quality of its products and provides communication channels via hotline 1467 for customers to inquire about the products or issue complaints. For complaints, the Company first investigates the problems, and will coordinate with relevant parties to address any substantiated complaints.





For more information about Jing Jai Farmers' Market, please refer to https://www.centralretail.com/en/sustainability/ our-stories/129/jing-jai-farmers-market.

# **Biodiversity Conservation**

The Company acknowledges the significance of biodiversity along with the imperative to safeguard ecosystem functions and services, and has announced the Management Commitment on Biodiversity Conservation and No-Deforestation. The Company aims to achieve no net loss (NNL), while also striving to generate net positive impacts (NPI), including the attainment of no net deforestation targets. The Company conducts biodiversity risk assessments, monitoring, and remedial activities, through collaborations with crucial stakeholders, including suppliers, business partners, community members, and external technical experts. The biodiversity risk assessment covers dependencies and impact-related risks in priority areas across the value chain and incorporates the World Wildlife Fund's Biodiversity Risk Filter tool (WWF BRF) into the process. Moreover, the Company implements biodiversity conservation and restoration in collaboration with external partners, such as the World Wildlife Fund (WWF) Thailand, Thailand Organic Foundation (TOF), and Thaicom Public Company Limited.

Biodiversity Risk Assessment			
Scoping the Assessment	<ul> <li>Identify industry materiality</li> <li>Dependencies</li> <li>Impacts</li> <li>Identifying the company's operational sites to be assessed throughout the value chain.</li> </ul>		
Collecting Location- specific Company and Supply Chain Data	<ul> <li>Specifying site's location</li> <li>Specifying industry sector</li> <li>Identifying business importance of each operational sites</li> </ul>		
Assessing Biodiversity- related Risks	<ul> <li>Calculating scape risk (risk score per indicator)</li> <li>Calculating site-level risk (overall risk score)</li> <li>Interpreting and evaluating biodiversity risks from the WWF Biodiversity Risk Filter calculation</li> </ul>		
Aggregating Biodiversity Risk to the Company and Portfolio Level	<ul> <li>Integrating the identified biodiversity risks into the multi-disciplinary company- wide risk management processes</li> </ul>		



For more information on Commitment on Biodiversity Conservation and No Deforestation, please refer to: https://www.centralretail.com/storage/document/ esg-reporting/biodiversity-management-commitment-en.pdf



For more information on Biodiversity Risk Assessment, please refer to: https://www.centralretail.com/storage/document/esg-reporting/biodiversity-management-commitment-en.pdf

# **PROJECT HIGHLIGHTS**

# Mae Chaem Project

The Company, in partnership with World Wide Fund for Nature (WWF) Thailand, Thailand Organic Foundation (TOF), Thaicom PCL, Royal Forest Department, and local government agencies have implemented community initiatives aimed at restoring the ecosystem through developing sustainable food system in Mae Chaem District, Chiang Mai province since 2018. For local communities to live in the Mae Chaem, which are protected areas, they must coexist with nature through a food system that can create social and economic, and environmental co-benefits. The Company supports local communities through capacity building programs to help them shift from monoculture to sustainable agriculture that can help improve soil, as well as water quality, and restore forest areas. The Company also provides marketing support so the products from local communities can be sold via the Company's distribution channels.









### Central/Robinson Love the Earth 2023

The Company go forwards the mission of 50,000 rais (80 million Sq.m.) by 2030, the Company restore and increase green spaces by planting 100,000 trees in the area of approximately 490 rais (784,000 Sq.m.), which is directly promote natural-based solutions to climate change. In other ways, the project drives environmental awareness and actions to suppliers and local enterprises such as production pollution, packaging waste, etc.

In 2023, the missions were promoted, the Company conducted events in various locations of Central Department Store and Robinson Department Store, during June 2023, under Campaign 'Central/Robinson Love the Earth 2023'. The topics of sustainability and environmental protection were scheduled in Talk sessions, the green products and its branding were presented, DIY workshops and activities also held in the events. The returns from the campaign will support the annual missions of planting 100,000 trees, which can estimate 466 metric tons  $CO_2$ e of carbon sequestration per year.

# Everyday Everywhere Shop to Promote **Development of Local SMEs**

The Company aims to support local small and medium enterprises (SMEs) via its distribution channel in the department stores under Robinson Lifestyle. Local SMEs that participated in this program are supported via our online platform for promoting SME products, and retail space specifically dedicated to them called Everyday Everywhere Shop. In 2023, there are two Everyday Everywhere Shops located in Robinson Ratchapruek and Robinson Chalong with nine participating SMEs from Bangkok, Nonthaburi, Nakhon Pathom, Chiang Mai, Petchburi, and Songkhla provinces.





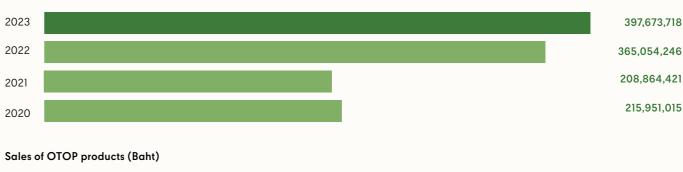
# Central Department Store Decoration from Local **Products**

The Company has collaborated with LaRocca, a Bangkok-based upcycling fashion brand, to create an art installation to decorate the Central Department Store at Mega Bangna branch with more than 1,600 used canvas bags. This project helped to deliver a superior shopping experience in line with responsible sourcing and also reducing waste.

In addition, the Company engaged with the Hup Ka Pong community in Phetchaburi province to exhibit their sculptures made from recycled filament at Central Westville branch. At the same venue, the Company also partnered with CTRL+R Collective to display a pop-up exhibition of circular, biodegradable, compostable, and recycled materials, which let visitors to explore the possibilities of sustainability in the retail sector.

# **PERFORMANCE SUMMARY 2023**

# Sales of Healthiful products (Baht)





# **Healthy & Safe Products**



Significant Product Categories Assessed for Health and Safety Impact

In 2023, total incidents concerning health and safety impact of products were 2,349 cases, which are Non-Compliance with voluntary codes of 2,284 cases, Non-Compliance with regulations resulting in a fine or penality of 6 cases, and Non-Compliance with regulations resulting in a warning of 2 cases.



# **RESOURCE EFFICIENCY**

# **IMPORTANCE**

Recognizing the environmental and economic consequences of inefficient resource usage, the Company leverages the circular economy to reduce resource consumption, recycle efficiently, and maximize benefits from alternative means of waste disposal. This commitment extends to energy and water management, packaging management, and waste management covering food loss and waste. Aligned with the ReNEW Strategy, the Company has set ambitious goals of achieving 100% adoption of eco-friendly packaging, 30% waste diversion, and 30% reduction in food loss and waste by 2030, further solidifying its dedication to resource efficiency.

The Company must have efficient management of resources to ensure an absolute decrease in the amount of resource use despite business growth and expansion into new categories, formats and locations. This can be a huge challenge if the Company only relies on managing resources and wastes downstream. Therefore, the Company must integrate circular economy concepts into the management of resources and waste throughout the value chain by reducing or replacing non-recyclable materials with those that are eco-friendly or recyclable. Not only will resource efficiency lessen environmental impact from business operations, but also reduce the risk of complaints or reputational damage due to inefficient and wasteful resource uses. Resource efficiency also helps cut expenses and provides economic opportunities for the Company through value-added products.

# IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

Effective resource management benefits both the Company and its stakeholders. By implementing resource-efficient practices, the Company can achieve cost savings through lower energy and water consumption, and less waste generation. This leads to improved operational efficiency and profitability, while adhering to regulations fosters positive relationships with government agencies. Furthermore, communities and societies experience reduced environmental pollution and improved public health due to responsible waste management. Investors and shareholders gain confidence from the Company's responsible practices, leading to positive reputation, and potentially more access to sustainable finance. Suppliers and communities benefit from collaboration in promoting resource efficiency throughout the value chain and new business opportunities through value-added eco-friendly products. Certain groups of customers and employees are attracted to a responsible organization.

In contrast, poor resource management leads to the Company facing increased operational costs. Customers may lose trust and loyalty, while investors and shareholders might lose confidence. Communities and governments face increased environmental pollution and potential health risks, leading to complaints and strained relationships.



# MANAGEMENT APPROACH

### **Environmental Governance**

To ensure an effective environmental management system that complies to the laws, regulations, and international standards, the Company has established a governance structure that includes the Corporate Governance and Sustainable Development (CGSD) Committee, Presidents of each business unit, and the Environmental Working Team.

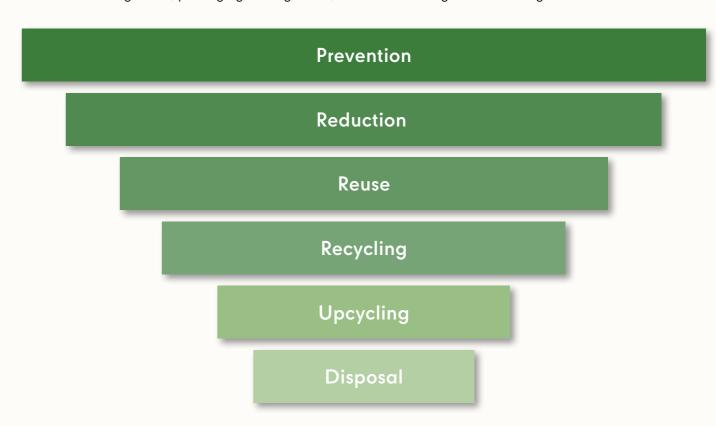
With resource efficiency being a significant topic covered by an environmental management system, the CGSD Committee, with the Chief Executive Officer (CEO) being an executive director who is a member of the CGSD Committee and Board of Directors, is responsible for setting strategic direction in achieving the resource efficiency commitments set out in the ReNEW Strategy. At the executive level, Presidents of each business unit are responsible for overseeing an environmental management system and practices in each of the business units, and report to the CEO on a regular basis. Last but not least, the Environmental Working Team is responsible for monitoring performance throughout the Company and providing support to business units to implement initiatives aimed at increasing resource efficiency. The Environmental Working Team reports to the CGSD Committee and the CEO on a regular basis.

In this regard, the Company has also established the Environmental Policy applying to all subsidiaries under the Company and covering resource efficiency and other environmental topics such as climate change and biodiversity. The Company has also developed the 1) Food Loss and Waste Reduction Guidelines, 2) Solid Waste Segregation Guidelines, and 3) Plastic and Packaging Reduction Guidelines to serve as handbooks for employees to incorporate resource efficiency into their day-to-day business operations.

The Company is committed to become Thailand's first 'Green and Sustainable Retail' through the ReNEW Strategy and has set clear sustainability goals to ensure that its value chain contributes to a more responsible retailing. The Company's main action plan in 2023 is to organize environmental training for employees to raise environmental awareness, and to create better understanding about the impacts of their business operations on the environment. The training programs consisted of 6 modules that heavily focus on resource efficiency as well as climate change, and responsible sourcing topics. Additionally, the Company actively fosters collaboration among employees, suppliers, and customers to raise awareness and encourage collective efforts to promote resource efficiency through the value chain.

# **Resource Efficiency Hierarchy**

The Company implements a structured resource efficiency hierarchy that is grounded in circular economy principles consisting of prevention, reduction, reuse, recycling, upcycling, and disposal. The resource efficiency hierarchy is applied throughout all business operations and at every stage of the value chain to maximize efficiency in energy and water management, packaging management, and waste management covering food loss and wastes.





For more information on the environmental policy, please refer to: https://www.centralretail.com/storage/document/esg-reporting/crc-environmental-policy-en.pdf



For more information on the waste segregation guidelines, please refer to: https://www.centralretail.com/storage/document/esgreporting/crc-solid-waste-segregation-guidelines-en.pdf



For more information on the plastic & packaging reduction guidelines, please refer to: https://www.centralretail.com/storage/document/esg-reporting/crc-plastic-and-packaging-reduction-guidelines-en.pdf



For more information on the food Loss & waste reduction guidelines, please refer to: https://www.centralretail.com/storage/document/esg-reporting/crc-food-loss-and-waste-reduction-guidelines-en.pdf



For more information on the environmental training programs, please refer to https://www.centralretail.com/storage/document/esg-reporting/crc-training-program-en.pdf





# **Energy Management**

For energy management, the Company conducts energy audits to collect and analyze energy data for different business activities, and to identify opportunity areas that can create the most significant reductions in energy consumption. In addition to the energy audits, the Company monitors energy data, sets quantified targets and develop action plan to reduce energy use and improve energy efficiency throughout the business operations. In 2023 the Company has conducted energy audits for 11 stores under the Central Department Store and 15 stores under the Robinson Department Store. Among these, Central Department Store Chidlom branch has been identified as having the highest energy consumption due to chiller system and indoor air conditioning activities. In response, the Company has installed a new high efficiency chiller and a new cooling tower filter resulting in reduction of 397.9 MWh of energy consumption.

Moreover, the Company has invested in innovations generating renewable energy to avoid non-renewable energy consumption while also installing energy-saving technology and upgrading in new and existing assets in promoting clean efficient energy. The Company has joined the RE100 Thailand Club as a founding committee aiming to drive 100% renewable energy consumption. For more information on energy management, please refer to 'Climate Change' section.

### Water Management

For water management, the Company continuously review and monitors of the volume of water consumption among its business units, enabling the Company to identify and prioritize its water efficiency and conservation efforts toward stores and locations that can have the highest potential for water consumption reduction. Appropriate water efficiency programs such as reusing and recycling of treated discharge water are then established to reduce water consumption, and water scarcity-related risks for both the Company and the surrounding communities. The Company also sets corporate-level targets with clear action plans to ensure water efficiency throughout operations with regular evaluation and action plans. In 2023 the Company has assessed water consumption for department stores directly operated under the Robinson Lifestyle and has identified Phetchaburi, Surin, and Sakon Nakhon as branches with the highest water consumption. In response, the Company has implemented Water Reuse system, resulting in reduced water consumption of 3,200 liters/month for each branch.

Improving wastewater quality is another important aspect of water management. The Company regularly inspects wastewater quality for water treatment facilities for department stores directly operated under the Robinson Lifestyle to ensure that the quality are at standard. In 2023 the Company has audited the wastewater quality for both chemical and physical properties and has ensured that all parameters are within acceptable levels in accordance with local regulations. Nevertheless, in the case of inspection results showing wastewater quality going beyond acceptable levels, the Company will develop monitoring plan and enact improvements as necessary until the wastewater quality becomes satisfactory.

# **Packaging Management**

Packaging being a significant resource used in retailing, the Company puts in place programs to manage packaging throughout the value chain following the Plastic and Packaging Reduction Guidelines. The main objectives of packaging management are to phase out non-recyclable packaging and increase the adoption of eco-friendly packaging solutions. Packaging management programs include:

Social

- · Phase out single-use plastic packaging through the 'Say No to Plastic Bags'
- · Increase the use of reusable packaging through the 'Bring Your Own Bag'
- · Increase the use of recycled-material and recyclable packaging through the 'Bag for Life'
- · Research and development in sustainable packaging solution
- Program to ensure that recyclable packaging is actually recycled through partnerships with external organizations, to create upcycled products





# CENTRAL RETAIL

### Waste Management

The Company conducts waste audits to identify hotspots or waste profiles to indicate high waste generation covering all business unit in Thailand from upstream to downstream operations. The waste audits and data collection are done via online interviews, on-site surveys, and questionnaires. The waste audits also help the Company to identify any gaps in the current practices and improve waste data collection methodology at the operational-level. A clear database of waste generation profiles enables the Company to initiate action plan to prevent, reuse and recycle waste generated through setting quantified targets and waste reduction programs. Through the waste audit, the Company has identified operations under the Food Business Category to generate the highest quantities of wastes in 2023. Therefore, it has implemented projects to donate surplus food from daily operations that are still edible and in good conditions to those in need via various organizations including SOS Thailand, VV Share Foundation, The Mirror Foundation, CAS, and JAIKLA, which resulted in reduction of 1,526 tons of wastes generation in 2023.

The Company focuses on managing wastes and food wastes at the downstream following the Waste Segregation Guidelines and Food Loss and Waste Reduction Guidelines. The Company provides training and raises awareness of waste segregation to employees and customers, as well as establishing various waste segregation stations throughout the department stores. This allows the Company to implement various waste reduction programs to sort waste into different types that can be appropriately diverted from landfill for alternative purposes to optimize business benefits. For examples, in the distribution centers, collected wooden pallets are returned to the vendors for reuse or recycling, while cardboards are sent to recycling facilities. Programs that contribute to waste diversion from landfills are currently being considered for external verification.

After segregation, the Company keeps record of waste generation by utilizing digital technology to automatically collect waste data, which are periodically reviewed against the corporate target set by the Company. Furthermore, the Company invests in artificial intelligence (AI) technology, to automatically identify products that will shortly approach expiry dates, prints out discounted price tags, and determine the appropriate recycling method for each product. Such innovation helps the Company to accurately quantify wastes according to its categories, and even gain insights into how it can adjust procurement and inventory planning to better balance the customer demands, which in turn minimizes waste generation at the upstream. The Company breakdown food wastes data into different categories including bakery, deli, fresh meat, fresh packaged food, fresh seafood, produce and snack.

To reduce food loss and wastes in the downstream, the Company implements food rescue programs through partnerships with the Yindii platform to sell surplus food at discounted prices to customers, curated still-edible food surplus into 'Surprise Bags' that are sold at affordable prices in Tops Supermarket and Tops Daily, and with the Scholars of Sustenance (SOS) Thailand organization to donate surplus food to vulnerable groups. Moreover, the Company also collaborates with JAIKLA start-up company to recycle food wastes into feed for insects, which are then processed to be sold as insect-based protein pet treats. In other cases, the Company partners with local communities through the 'Samui Zero Waste Model' to recycle food waste as animal feed or fertilizer. Waste Model' to recycle food waste as animal feed or fertilizer.





For more information on waste management, please refer to 'Our Stories': https://www.centralretail.com/en/sustainability/our-stories/633/journey-to-zero-food-loss-and-food-waste-management

# **PROJECT HIGHLIGHTS**

# Recycling and Upcycling Programs by Hardline Business Category

The Company implements various recycling and upcycling programs with the objective of ensuring that recyclable packaging is actually recycled. The Company collects used plastic bottles from designated collection points in Power Buy and Officemate, two subsidiaries under the hardline business category, and delivered to the Chak Daeng Buddhist Temple to be processed into fibers that are then woven into robes for monks. In 2023, a total of 20,009 plastic bottles were upcycled into 333 robes. Power Buy has also partnered with Advance Info Service (AIS) PCL, one of Thailand's largest mobile network providers, to establish 40 electronic waste drop-off points nationwide to be properly recycled and disposed, adhering to international standards.





# Partnership with Jaikla: Turning Food Wastes into Pet Treats

Driven by the objective to utilize food loss and waste for alternative uses, the Company partners with Jaikla, a startup company to turn food waste into pet treats. Food wastes, such as bakery products, vegetables, and fruits that are no longer edible by humans from ten Tops Supermarkets in Bangkok are assessed for quality and hygiene before transported to Jaikla to be used as feed for insects. The insects are then processed into insect-protein pet treats that are available for sale in the Tops Supermarket, Tops Food Hall, and online channels. In 2023, the partnership of the Company and Jaikla reduced food wastes by 23,589 kg.





# Project for Enhancing Water Efficiency and Recycling

The company has initiated a project to enhance water efficiency and recycle water through various operations within Robinson Lifestyle and Central Department Store. These initiatives include adjusting the water flow rates of sanitary fixtures to optimal levels, installing rainwater storage tanks for water reserves, recycling water from cooling towers and air conditioning systems, and using treated wastewater to irrigate plants. Through these measures, we have successfully reduced water usage by over 17,000 liters per month.

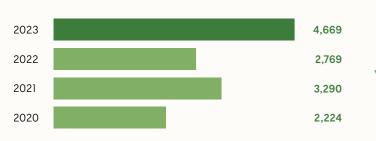
Remark: Data coverage in 2023 covers the business operations in Thailand and Vietnam.

### Water Low - medium 2.9 Medium - high 10.9 Water withdrawal from all areas (Megaliter) Low 34.0 8,443 2023 Water 2022 7,364 High 46.3 Stress Area 2021 6,670 (%) 6,800 2020 Extremely high **5.9**

Remark: Data coverage in 2023 covers the business operations in Thailand and Vietnam.

### Packaging

### Plastic (Metric Tons)





Wood and paper

1.811

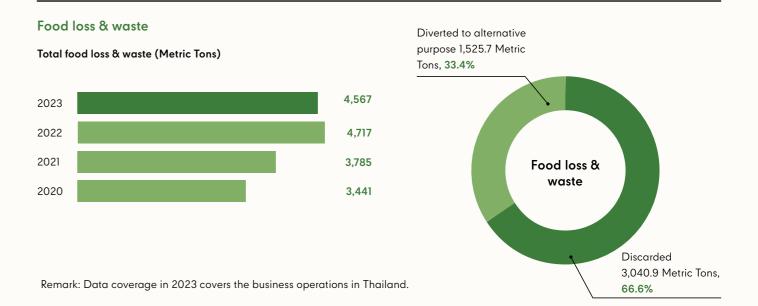
Metric Ton



Remark: Data coverage in 2023 covers the business operations in Thailand.

# Waste Recycled/Reused 7,993 Metric Tons, **8.1%** Total waste (Metric Tons) 2023 98,201 2022 98,007 2021 67,102 Waste 71,636 2020 Disposed 90,208 Metric Tons, 91.9%

Social



# **CLIMATE CHANGE**

# **IMPORTANCE**

Climate change poses a significant threat to our planet and communities, impacting our business operations and stakeholders along the value chain. The Company understands the urgency and is committed to address the climate emergency through mitigation of its greenhouse gas (GHG) emissions in full and on time. This dedication is reflected in its near-term target of reducing 30% of GHG emissions (scope 1 & 2) by 2030, and its long-term target of achieving group-wide Net Zero GHG emissions (scope 1 & 2) by 2050. Both targets have the GHG emissions in 2023 as the baseline.

While the company is delivering commitments, achieving these goals requires the Company to navigate a complex landscape of challenges due to the impact of climate change. For examples, the Company faces risks from potential supply chain disruptions caused by extreme weather events, resource scarcity impacting raw materials, increased operational costs associated with more sustainable practices, and evolving regulatory landscapes. Despite these challenges, there are numerous opportunities to advance the Company's sustainability goals. Investing in energy efficiency and renewable energy technologies will reduce the Company's carbon footprint and lead to cost savings. Additionally, data analytics can help the Company assess climate-related risks in order to make more informed and resilient decisions about inventory management, location selection, and business strategy.

# IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

Ignoring the urgent threats of climate change and inaction on greenhouse gas emissions reduction can contribute to escalating risks of extreme weather events. Climate change can have a significant impact on the Company's operation and their stakeholders. Employees may face unsafe working conditions, which is a potential violation of human rights, and customers may turn into competitors with more sustainable practices. Such impacts lead to declining sales and damage to its reputation. Suppliers may struggle with increased costs and resource scarcity, impacting product availability and prices. Furthermore, ignoring climate change and energy management and neglecting to reduce greenhouse gas emissions can contribute to extreme weather events, which can directly impact surrounding communities and disrupt local infrastructure. Government agencies may impose stricter regulations and fines that increase operational costs for the Company. Investors and shareholders may lose confidence in the Company's business prospects, invest elsewhere, or offer loans with higher interest rates, which can hinder the Company's financial stability and access to capital. Addressing these interconnected challenges through well-planned climate strategy and energy management practices are crucial for the Company to protect the interests and well-being of its stakeholders while ensuring long-term competitiveness and growth potential.



# MANAGEMENT APPROACH

### **Climate Governance Structure**

The Company recognizes that achieving ambitious climate goals requires a robust governance structure spanning all levels of the organization. This structure, encompassing directors, executives, and employees across all business units and geographic locations, ensures consistent and coordinated efforts towards climate action.

The Corporate Governance and Sustainability (CGSD) Committee provides oversight of compliance and promotion of climate change and other sustainability issues under the Company's ReNEW Strategy, and is responsible for reviewing the climate strategy. The CGSD Committee regularly gets reported and discusses on climate-related issues at least on an annual basis. In addition, the CEO and the Environment Committee provide executive oversight in developing the climate strategy and managing climate-related issues, while the Sustainable Development Working Team and the Environment Working Team are responsible for integrating the climate strategy into business operations and decision making, and for executing mitigation and adaptation measures in collaboration with relevant business units.

# **Climate Change Management Process**

The Company has announced the ReNEW Strategy in driving all business units to achieve the group-wide Net Zero GHG emissions scope 1 and 2 target by 2050, and has developed a climate change management process in alignment with recommendations of the Task force on Climate-related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS) S2. This process is a comprehensive approach encompassing assessment, planning, action, monitoring, and reporting.

### 1. Assessment

The Company tracks and reports its scope 1, 2, and 3 GHG emissions in alignment to methodologies of the GHG Protocol. This data provides invaluable insights into key emission sources across the entire value chain, enabling precise and efficient management of GHG emissions. In addition, the Company reviews and assesses climate-related physical and transition risks and opportunities through scenario analysis.

Assessing GHG data and results of climate risk assessments inform the Company of how climate change and the associated low carbon transition can have business and financial implications, which are integrated into the Company's decarbonization and adaptation plans, and its overall enterprise risk management.

### 2. Planning

The Company has set short-term and long-term climate action targets and has established decarbonization plans as a guidance for implementing GHG emissions reduction measures. In addition, the Company develops comprehensive adaptation plans for climate-related risks including proactive response measures and early warning systems such as emergency protocols for extreme weather events, and investments to enhance the climate resilience of its physical assets and infrastructure.



### 3. Implementation and Action

The Company implements a range of initiatives to achieve its emission reduction goals prioritizing on energy-efficient practices, investing in modern equipment and technologies to optimize energy consumption throughout business operations, and ramping up solar energy generation for self-consumption. The Company also invests nature-based solutions via forest restoration projects for long-term climate mitigation. The Company actively implements its adaptation plan and provides training for employees and suppliers on energy conservation and emission reduction practices to encourage GHG emission reduction throughout the value chain.

### 4. Monitoring and Review

The Company regularly monitors progress against targets and publicly disclose performance of the climate change management process to demonstrate accountability. To ensure continuous improvement, the Company actively reviews the management process, and establishes climate-related metrics as part of incentives provided to executives and employees.



For more information on the Company's commitments and management process regarding climate change, please refer to the TCFD report: https://www.centralretail.com/storage/document/esg-reporting/tcfd-report-2022-en.pdf

# PROJECT HIGHLIGHTS

# Solar Rooftop Installation

The Company has installed solar panels on the rooftops of its department stores and distribution centers with the primary objectives of reducing GHG emissions and energy costs. In 2023, the solar rooftop has been installed in 112 locations across assets from different business units in Thailand including Robinson Lifestyle, Central Department Store, Robinson Department Store, Tops Supermarket, Thai Watsadu, distribution center, and 30 locations in Vietnam. In total, the solar rooftops are estimate to produce 87,824 MWh (316 GJ) of renewable energy per year, which help the Company reduce 43,903 tons CO<sub>2</sub>e and 388,331 baht of energy cost per year



I am glad that the organization has given importance to using clean energy in the wake of global chaos. Therefore, I am determined to play an important role in helping reduce the use of fossil fuel through installation of off-grid solar rooftops to produce renewable energy for use within the stores, which will help preserve the environment and support Thailand in becoming a carbon-free society.



Mr. Pondeteh Dilokdumkeng PM M & E Manager, Construction & Procurement Department









# Installation of a Chiller Plant Management System and Energy Management Information System

In an effort to improve energy efficiency and promote sustainability across department stores, the Company has implemented a chiller plant management system (CPMS) and energy management information system (EMIS) in 7 branches of Robinson Lifestyles. This technology enables the Company to monitor and manage the chillers used for air conditioning in the department stores, which helps to maintain proper chilled water temperature, avoids unnecessary cycling, and improves overall efficiency. As well as gather data on energy consumption in the department stores (e.g., chillers, lighting, and air conditioning) to identify areas of high energy consumption, which allow the Company to effectively target energy reduction efforts. It is estimated that the CPMS and EMIS can reduce energy consumption by 1,897 MWh (6,829.2 GJ), equal to 948.31 metric tons CO<sub>2</sub>e and reduce energy cost by approximately 8 million baht per year.

### Reducing Energy Use

the Company has initiated a project to reduce energy consumption at distribution centers in Thailand by encouraging employees to utilize stairways instead of elevators, and shutting down some elevators during specific time intervals. This project is aimed at raising awareness for employees about energy conservation and preparing the facility for ISO 50001: Energy Management certification. This project is expected to reduce energy consumption by 50 MWh (0.18 GJ), equal to 25 metric tons CO<sub>2</sub>e, and reduce energy cost by 1-1.2 million baht per year.

### Installation of a Free Air-Colling System and an Inverter Stabilizer

In Vietnam, the Company has installed a free air-cooling system in 5 department stores in 2023 and has planned to expand to 10 more department stores in 2024. This technology utilizes naturally occurring air with temperatures below 26°C from outside department stores to help with air conditioning inside the department stores. This project is expected to reduce energy consumption by 257,154 MWh (925.75 GJ), equal to 53,249 metric tons CO₂e and reduce energy cost by 1,405,819 baht per year.

Furthermore, the Vietnam business unit has installed an inverter stabilizer aiming to save energy and protect electrical equipment by stabilizing the EVN voltage. In 2023, 7 department stores have adopted this technology, which are estimated to reduce energy consumption by 746,567 MWh (2,786.64 GJ), equal to 154,592 metric tons CO<sub>2</sub>e, and reduction in energy cost by 2,998,647 baht per year.

### Sustainable Transportation for Business Operations and Customers

The Company promotes sustainable modes of transportation for its own business operations and customers. In 2023, the Company replaced 24 diesel-engine trucks with electric trucks for use in logistics across various business units. This adaptation is estimated to reduce 355,588 liters of diesel consumption and metrically reduce 970 metric tons  $CO_2e$  of GHG emissions per year.

Importantly, the Company installed electric vehicle charging stations throughout its department stores to promote adoption of electric vehicles by customers. In 2023, the Company's electric vehicle charging network is able to support 793 electric vehicles.





As the person who responsible for Supply Chain & Logistics, I am grateful for the Company's awareness and concern for the environment that pushes the use of electric trucks to become a reality. Making every distance driven more environmental-friendly is a great step towards sustainability.



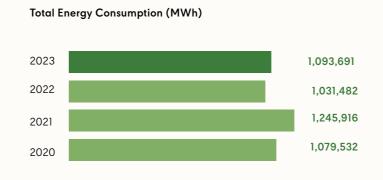
Mr. Seksak Praisan
Director of Logistics Operation

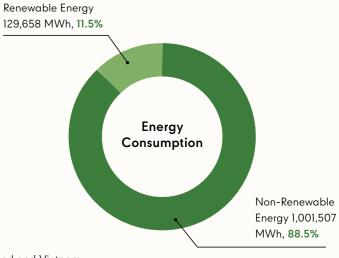




### **PERFORMANCE SUMMARY 2023**

### **Energy Consumption**





Scope 2 (Location-Based/ Market-Based) (Metric Tons CO<sub>2</sub>e)

Remark: Data coverage in 2023 covers the business operations in Thailand and Vietnam.

### **GHG** Emissions

### Scope 1 (Metric Tons CO<sub>2</sub>e)



### Scope 3 (Metric Tons CO<sub>2</sub>e)



GHG Emissions Intensity (Scope 1 and 2) (Metric Tons CO<sub>2</sub>e/Baht)

2.15 x 10<sup>-6</sup>

ark: 1. Data coverage in 2023 covers the business operations in Thailand and Vietnam.

2. Other indirect greenhouse gas emissions (Scope 3) includes Purchased goods and services (Water), Waste generated in operations, Business travel (Travel by plane), Employee commuting, Downstream Distribution and Transportation, and Downstream leased assets.



To ensure sustainable practices in addressing Social Well-being in each material topic, the Company has communicated through internal online and offline media; held training sessions, classes and courses for skill development, health and safety, as well as human rights and diversity; while aligning Company's codes and policies with laws, regulations, international standards, and the UN Guiding Principles on

Additionally, the Company values local resources and communities as they posses traditions and wisdoms, could further enhance the Company's position as a leader in the retail sector. With this approach, the products to a wider group of consumers and promote the use of local resources.

sector role model that delivers goods and services to customers while strongly adhering to sustainable





and Local Product



and Inclusion

## **HUMAN CAPITAL DEVELOPMENT**

### **IMPORTANCE**

Encouraging ongoing learning and skill enhancement not only improves employees but also positions the Company to thrive among constantly evolving business prospects. Therefore, the Company must serve as a catalyst for human capital development in key areas aligned with business strategy, such as focusing on technology and customer centric skills in marketing and online sales. Higher-skilled employees can operate with more agility and flexibility, which support the Company's business growth and competitive advantage.

## IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

Investment in human capital development can promote a healthy workplace culture which motivates employees to learn. Consequently, employees can achieve higher productivity, creativity, and innovation abilities, all of which are crucial for adapting to industry changes and technological breakthroughs. As employees become more skilled, they can advance in their careers, while the Company become more competitive to retain and attract talents. Human capital development can increase the Company's resilience, improving its attractiveness to potential shareholders and investors. Skilled employees can foster strong collaboration with suppliers, lead to the development and deliver improved products and services for customers. Moreover, a highly trained workforce contributes positively to the country's competitiveness, benefiting the government as well.



### MANAGEMENT APPROACH

The Company has established the Personnel Development Policy to demonstrate its commitment to employees. Under this policy, the Company has created a training database to guide human capital development in four focused areas:

Encourage skill development through working

romote training for mployees at all levels Assess the need for skill development

Build good relationship between management and employees

Furthermore, the Company has analyzed gaps in the overall skill sets, essential competencies, and aspects to support the overall business strategy to determine. The human capital development strategy, which currently includes ten programs. Additionally, core functional skills for employees, such as content creation, omnichannel marketing, effective supply chain management, and negotiation skills for merchandising, are further developed through the CRC Academy, the Company's online training platform.



**CENTRAL RETAIL** 

To provide comprehensive training for employees working in the six key functions below, the Company has developed Training Roadmaps to outline the targeted training modules, workshops and practical exercises based on case studies, and mentoring programs to each key function. Subsequently, goals and indicators are set to measure tangible results of the Training Roadmap. Currently, the Company has developed 50 Training Roadmaps consisting of 200 courses that involve cross-functional collaboration. The Training Roadmap have been launched in 2023 for employees working in the food business segment as a pilot project. The Company plans to expand the scope of the Training Roadmaps to cover other business segments in 2024.





### **Employee Performance Management**

The Company strongly emphasizes on skill development and achievement recognitions through employee performance management. This performance management process applies to all employees and conducted annually. At the beginning of each cycle, employees set specific individual goals that align with team objectives and the corporate plan. Mid-year, supervisors meet with each employee to discuss progress, support needs, and opportunities for advancement. Finally, year-end assessments provide a comprehensive overview of individual achievements and areas for development throughout the year, ensuring that all employees receive detailed and valuable feedback. throughout the year aim to address emerging issues and leverage growth opportunities. Consequently, employees undergo performance reviews at least twice a year, following a combined approach during each cycle:

Objective-based Appraisal:	Objective-based key performance indicators (KPIs) are set for each employee, in line with the broader corporate and business unit objectives and KPIs. This approach ensures that supervisors and employees are aware of their responsibilities in achieving the organization's objectives related to key areas, including financial performance, customer satisfaction, operational efficiency, sustainability, and people management.
Team-based Performance:	Individual employees are assessed based on team-based key performance objectives and targets. This approach emphasizes the importance of every employee to the overall success of the team, while recognizing personal achievements and increasing awareness of corporate objectives.
Multidimensional Appraisal:	To provide a comprehensive assessment, feedback on each employee is gathered from various sources, such as colleagues, direct supervisors, and customers.  This approach takes into account multiple aspects of the employees' contributions.
Agile conversations:	The Company actively encourages year-round coaching and feedback exchanges between supervisors and employees, facilitating opportunities for regular personal development.

To create human capital development training programs, the Company needs to analyze employees' performances to determine missing skills to achieve organizational goals. Furthermore, the goals and indicators of the program are clearly stated that the efficacy and value of the training can be assessed in a tangible way.



For more information on Personnel Development Policy, please refer to: https://www.centralretail.com/storage/ document/cg-policy/crc-policies-human-resources-development-policy-en.pdf

### **PROJECT HIGHLIGHTS**

### **Future Skills Development**

The Company emphasizes transitional skills to prepare employees for digital transformation. The Future Skills Development program is designed to be flexible, consisting of a general module (e.g. digital literacy, data analytics and tools, agile work, etc.) for any employees and a customized module for employees in functions requiring specific skills (e.g. human resources data analytics, digital mindset, digital marketing, and social commerce, etc.). This will drive the Company in transitioning towards a digital working environment in alignment with the corporate strategic transition towards Omi-Channel, improving efficiency and reducing human error. In 2023, over 24,000 employees participated in the Future Skills Development program through 25 group training sessions and self-learning courses. Post-training results indicate high employee satisfaction, with an improvement of more than 75% Net Promoter Score (NPS) and a strong willingness to recommend the Future Skills Development program to colleagues due to the usefulness and applicability of

the skills learned. The programs have led to productivity, efficiency and people development cost savings of 9.6 million baht per year as the Company relies less on outsourced training programs.



Participants gained the ability to apply knowledge in basic data analysis and big data analytics to their roles in human resource management. Additionally, the program has enhanced the team's decision-making skills by enabling more efficient data-driven decisions.

"

Feedback from Participants in HR Data Analytics Workshop



### How to be an Impactful Influencer

The 'How to be an Impactful Influencer' training program is designed to enhance communication and influencer marketing skills among employees. It offers interactive workshops, role-playing exercises, real-world case studies, and online modules for continuous learning and skill reinforcement. This program supports the Company's strategy to boost brand strength and customer confidence in its products and services via influencer marketing, ultimately leading to higher sales. Additionally, effective influencer marketing strategies can enhance customer loyalty towards the Company.





### **CRC Training Catalogue**

The CRC Academy has developed the 'Training Catalogue' along with a new curriculum across 10 learning themes. This catalogue serves as a key communication tool to inform various supervisors and departments about the annual training schedule for each employee, offering customization to meet specific needs. Utilization of the catalogue spans from operational-level employees to high-level executives. Currently, the catalogue includes 130 courses, with 105 training courses and 487 classes held in 2023, attended by over 42,800 employees.

The Training Catalogue has been refined to be highly practical and relevant to job tasks, offering significant benefits to employees at all levels, and overall benefitting company effectively and enhancing efficiency in all operations. It supports the Company's strategic goals and desired core competencies. Departments are well-informed about the training, covering content, methods, and budgeting. This comprehensive and integrated learning approach has greatly enhanced the capabilities of departments and their staff, enabling effective planning and management of both individual and team learning initiatives throughout the year. Programs include leadership programs, programs for effectively improving young talents, improving marketing and sales and more. Program evaluations have shown improving satisfaction scores and Net Promoter Scores (NPS) exceeding 80% and 70%, respectively. The increase in training efficiency has led to a significant reduction in human capital development costs of 100 million baht per year.





### Leader as Coach

The 'Leader as Coach' program is designed to enhance the abilities of employees in leadership positions, fostering a deeper understanding of leadership and coaching skills. It aims to cultivate an open attitude, active listening, a sense of belonging, and contributing to the formation of more effective teams. The program includes coaching simulations, peer-to-peer coaching sessions, and ongoing leadership sharing sessions tailored for management-level employees. Additionally, 'Leader as Coach' incorporates sustainability-focused coaching scenarios. This training initiative helps the Company reduce training and outsourcing costs by 7 million baht annually.



80

### Safety Management Program

The Safety Management Program is a comprehensive suite of internal safety training initiatives aimed at empowering relevant employees to become certified CRC Safety Trainers, preparing them for OHS officer licenses as recognized by national law. Additionally, the Company provides safety training for general employees, including:

- · Occupational Safety, Health, and Environment for General and New Employees
- The Committee of Occupational Safety, Health, and Environment of the Workplace
- · Safety Officers at the Supervisory Level
- · Safety Officers at the Management Level
- Forklift Safety Drive Training

In 2023, 4,908 employees from all levels participated in the Safety Management Program, which helped reduce the Company's personnel development and outsourcing costs by 9.3 million baht.





### **PERFORMANCE SUMMARY 2023**

### **Employees Training**



**Total Training hours** as a company

Gender

hours/person/year

Average days per employee day/person/year

**Female** hours/person/year

Average hours per employee hours/person/year

### **Employee Level**

Executive/ Top management hours/person/year

Senior employee and junior management hours/person/year

Middle management hours/person/year

Non-management hours/person/year

Average cost of training for employees

Employees that receive regular individual performance appraisal

of total employee

**Human Capital Return on Investment** (HCROI)



1.55

## COMMUNITY CONTRIBUTION AND LOCAL PRODUCT DEVELOPMENT

### **IMPORTANCE**

The Company is committed to work with local communities to create shared value, help narrow the inequality gap, and improve the communities and society's quality of life at large. The Company also aims to create progress and promote a good quality of life for everyone through cooperation with stakeholders.

While the Company is committed to create shared value with the community, there are some challenges the Company may face. When the Company invests in local product development projects, financial support needed for the development of local products might bear higher cost due to economies of scale if compare against large suppliers. Operationally, ensuring consistent quality from local communities might also require additional quality control measurement and training, as well as close collaboration. Competing against established brands can be challenging for local products. As a result, building awareness of unfamiliar local products among customers might bear costs for targeted marketing campaigns. Therefore, the Company established a process that provides a comprehensive approach to address these challenges.

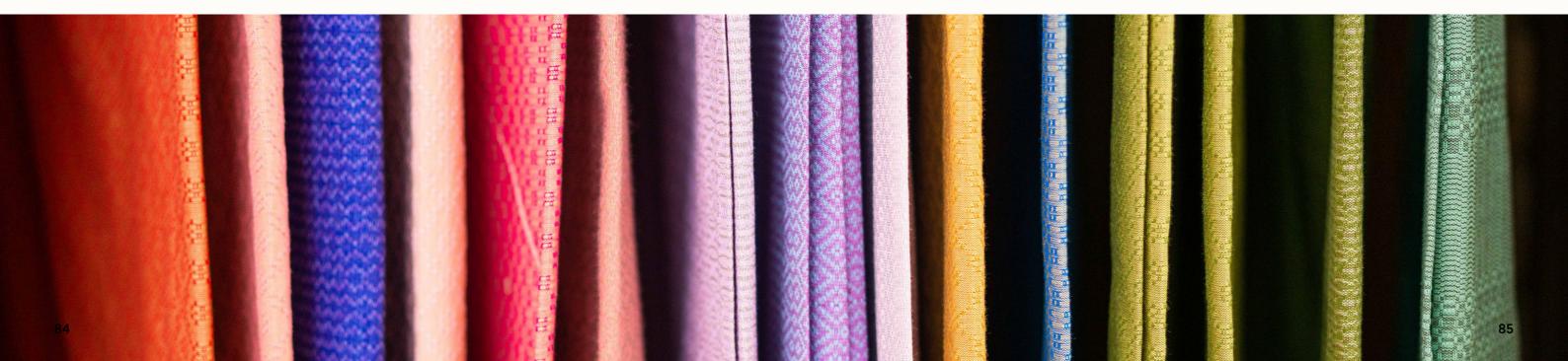
Despite these challenges, community contribution and local product development initiatives open up many opportunities for the Company. Contributing to community and developing local products, the Company can enhance brand image and attract customers who value ethical sourcing and sustainability. Offering unique, locally sourced products can set the Company apart from their competitors, potentially leading to market share growth and access to new customer segments who appreciate authentic, locally produced goods. By embracing these challenges with a strategic and collaborative approach, the Company can transform its activities on community contribution and local product development into a powerful force for positive impact and sustainable growth.

# IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

Community contribution and local product development can have a significant impact on the Company's business. These programs can attract new customers who value the Company's commitment to social responsibility, leading to increased sales and revenue; and build positive brand reputation, and customer satisfaction. Furthermore, the Company can strengthen its relationship and create the social license to operate with the communities and other stakeholders.

Community contribution and local product development can set in motion of a wave of positive impacts that ripple throughout the Company's stakeholders. In this case, the communities who are also suppliers for the Company could experience local economic revitalization, job creation, marketaccess, and quality of life improvement. The Company's support for local businesses, educational programs, and volunteer opportunities also fosters a sense of community pride and social cohesion, while also preserving local wisdom and traditions.

Regarding employees, community contribution and local product development programs provide space for personal and professional growth, nurturing their skills, leadership potential, and professional networks. Customers are treated with a unique shopping experience, gaining access to authentic, locally sourced products that differentiate the Company from the others. Governments benefit from the social impacts created as the Company's involvement helps address social issues and alleviate the burden on government-funded programs. Investors and shareholders gain the rewards of enhanced financial performance, stemming from the Company's ability to attract and retain loyal customers, bolster its brand reputation, and drive innovation. In essence, these programs reinforce each other, creating a virtuous cycle of sustainability and stakeholder value creation.



### MANAGEMENT APPROACH

To effectively manage and oversee community contribution and local product development programs, the Company establishes a governance structure that clearly defines roles, responsibilities, and accountabilities. At the Board level, the Corporate Governance and Sustainable Development Committee is responsible for providing strategic direction and oversight for community contribution and local product development programs.

ESG representatives report the performance to the executives and the Corporate Governance and Sustainability Committee on an annual basis. The ESG representatives and Sustainable Development Officers are responsible for leading the implementation and execution of the Company's community contribution and local product development strategy to integrate the CSV framework into relevant business operations. This involves incorporating local sourcing into procurement practices, partnering with local organizations for community outreach programs, and developing employee volunteer initiatives. At the operational level, employees are encouraged to volunteer and participate in sharing knowledge with the communities or suggesting innovative ways to support local product development. The Company has established a Corporate Social Responsibility Policy to ensure effective communication and collaboration across all levels.

### **Creating Shared Values (CSV) Process**

One of the key targets announced under the ReNEW Strategy is to generate 5,400 million baht in annual income for communities by 2030. The Company plans to achieve this target through expanding Creating Share Values (CSV) projects to additional communities. CSV is the Company's main approach to implement community contribution and product development programs as shown below.





For more information on Corporate Social Responsibility Policy, plese refer to: https://www.centralretail.com/ storage/document/esg-reporting/corporate-social-responsibility-policy-en.pdf

### Community Selection

Selection of communities and project location with the following criteria:

- Product quality, along with community's potential for product development.
- · Outstanding identity in cultural, local wisdom and community way of life.
- Concerning for environmental conservation, forest restoration and environmental management in the community.
- Community leaders have a leadership skill to collaborate with their community members in order to ensure alignment in directions to improve quality of life and community income.
- Community transparency

### 2. Community Engagement

Engaging with community members through surveys, focus groups, and public participation is essential for gathering feedback and information. This ensures that community contribution and local product development programs provide benefits that align with actual community needs.

### 3. Integrated Community Contribution and Value Enhancement

Product Design and Development

- Collaborate with communities to leverage local wisdom and traditions in developing new and innovative products.
- Enhance local products by making them more appealing to the global market with value-added features. Capacity Building
- Share retail business knowledge and expertise through training and workshops for community members on product design, production techniques, quality control, marketing, etc.

Facilities and Equipment Support

· Support the investment of critical facilities and equipment for production and packaging.

Distribution Channels Support

• Utilize existing sales outlets to provide support and co-create value with the community through department stores, online platforms, and other community programs such as Jing Jai Farmer's Market.

### 4. Continuous Monitoring and Improvement

- Regularly monitor the progress and impacts of different programs to identify areas for improvement and ensure long-term profits for both the communities and the Company.
- Foster ongoing communication and engagement with the communities with an annual focus group to adjust projects in accordance with the evolving needs and circumstances of the communities.
- Establish whistleblowing channels as safeguards for concerned communities and societies, even when no problems are found.

### **PROJECT HIGHLIGHTS**

### Jing Jai Farmers' Market

With the commitment to create shared value with the local communities, the Company initiated Jing Jai Farmers' Market to directly connect local farmers with consumers. Jing Jai Farmers' Market enables farmers to sell their vegetables, fruits, and local specialties while allowing them to meet with customers to build relationships, exchange ideas and knowledge, and increase their income. Consumers also get fresh and environmentally friendly products. This all leads to a better quality of life for the community and consumers.

In 2023, Jing Jai Farmers' Market project has expanded to 32 branches across 28 provinces nationwide, creating business opportunities for over 40,000 farmers. This initiative has generated income in over 300 million baht for the Company to supported 10,200 households. These impacts demonstrate that the Jing Jai Farmers' Market is a powerful force for sustainable economic development of the communities.



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Glad to be part of Jing Jai Farmers' Market and thankful for the supports given to farmers in reaching a wider customer base.

22

Owner of the BesideHome farm





For more information on Jing Jai Farmers' Market, please refer to: https://www.centralretail.com/en/sustainability/our-stories/129/jing-jai-farmers-market



### Nan Organic Community Enterprise Network

The Company initiated the Nan Organic Community Enterprise Network with the objective of developing human capital and contributing to the community and climate actions. The Company constructed a learning center and a processing facility to help the community in producing agricultural and community products, as well as provides support on branding and marketing. With these contributions, the Company can secure a reliable source of organic produce and improve the local's livelihood with increased income. Additionally, this project contributes to climate efforts by expanding green space dedicated to sustainable crops such as cacao, cashew nuts, and pumpkins. The project has empowered 179 community members, launched 16 processed products, expanded green space by over 257 rais, boosted community income beyond 2.7 million baht, and enhanced access to seasonal fruits and vegetables.

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Thank you for providing opportunities to communities by creating stability in the local economy from upstream (native seeds), midstream (value-added processing) and downstream (stable marketing).

"

Ms. Thikamporn Kongson
Bua Yai Subdistrict Organic Farming Group
Community Enterprise
Bua Yai, Nanoi, Nan

Social





### **Ban Theppana Community Enterprise**

Ban Theppana Community Enterprise, located in Chaiyaphum province, aims to support the community development effort by establishing a learning center, restoring the ecosystem, and promoting sustainable community tourism. The learning center enables knowledge sharing and skill development in agriculture and community product creation. In addition, the Company supports the construction on facilities for packing and processing agricultural products, ensuring quality and efficiency in production. The Company restores the ecosystem through providing avocado seedlings and plant them over 3,000 rais, contributing to green area expansion. The Company also supports the establishment of shops and cafes to promote tourism in the area. Furthermore, the Company assists the community in branding and promotion, as well as supports distribution channels in major stores such as Tops supermarket which generates an estimated income of 3 million baht for the community.



Starvation is painful. I once lived a difficult life where I didn't have food. I was also once rich, had a lot of assets, and was famous. Those things are not sustainable. If you have them, you can lose them. I want to help all Thai people to prosper and fellow farmers to generate more income through the opportunities that I can share. I believe in the power of goodness. "Good cause, good result." Let's help each other. For our future and our children and grandchildren.

Mr. Wichian Promthungkho President of the Ban Theppana Community Enterprise Thep Sathit District, Chaiyaphum Province

### Nongsanit Organic Vegetable Cooperative

The Nongsanit Organic Vegetable Cooperative, located in Surin province, initially aimed for community development through sustainable agriculture and tourism. The objectives of this project are to promote water management, livestock farming improvement, green area expansion, foster sustainable community tourism. The learning center established by the Company provides training sessions on diverse agricultural topics to the community members. The Company helps optimize distribution channels for organic produce such as shallots, green squash, spring onion, and local red jasmine rice. Moreover, the Company promotes sustainable fertilizer production and livestock. The implementation of these practices has resulted in increased production of vegetables and rice all year-round, generating income for the community and contributing to a thriving local economy.



We use volunteerism in our work to connect the community with the Company so that the community can be self-reliant and is able to generate its own income while passing on its learning to other communities. Everything must come from the heart through actions and cooperations.

Mr. Kosit Sawangsuk Nongsanit Organic Vegetable Cooperative Chom Phra District, Surin Province



### **PERFORMANCE SUMMARY 2023**



### Corporate Citizenship and Philanthropy in 2023



Cash contribution



Value of goods and services donation



Administrative expenses and managemenat overhead of the involved employees

28.61 million baht



# DIVERSITY, EQUITY, AND INCLUSION

### **IMPORTANCE**

To ensure that Diversity, Equity, and Inclusion (DE&I) are deeply ingrained within the corporate culture and strategy, the Company is committed to promote gender equality, inclusive environments, well-being, and upholding human and labor rights for both employees and contractors. Importantly, the Company commits to zero tolerance policy for discrimination, and sexual and non-sexual harassment, and will take strict disciplinary and corrective actions to secure fairness and provide remedies for any impacts. The Company has implemented initiatives to ensure that employees with diverse circumstances are considered, valued, and supported. Moreover, the Company strives to offer more products and services that integrate DE&I values to broaden access to a larger customer base.

## IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

A DE&I-driven corporate culture contributes new perspectives and ideas, potentially creating new business opportunities for the Company. Furthermore, DE&I enhances the Company's understanding of a diverse customer base and stakeholder groups, leading to improved decision-making. By valuing the personal circumstances and opinions of all employees, DE&I fosters employees' sense of belonging and well-being, increases positive engagement scores, reduces turnover, and attracts new talent—particularly from the younger generation that highly values DE&I.



### MANAGEMENT APPROACH

As outlined in the Human Rights Policy, the Company is committed to ensuring Diversity, Equity, and Inclusion (DE&I) through equal treatment of all employees and stakeholders, without discrimination based on race, nationality, gender, age, color, religion, opinion, physical condition, social or family status, or any other distinctions. The Human Rights Policy also asserts a zero-tolerance stance on sexual and non-sexual harassment, committing to fair investigations of any incidents involving all parties. Furthermore, the Company prioritizes the well-being of its employees, with 100% representation by the Welfare Committee on collective bargaining and related issues.

The Company has reassessed its 'I-CARE' core values to mirror an inclusive corporate culture that cultivates unity and shared purpose in today's business environment. The I-CARE Project plans actions that include:

1) Embed+Expand into policy and business strategy, 2) Cultivate+Expertise to develop initiatives for employee empowerment, and 3) Raise Awareness+Understanding to integrate DE&I into the work process.



### **Innovation**

Embrace digitalization to foster innovation.



### Customers

Deliver excellent services to exceed customers' expectations.



### Alliance

Work as a team to win as One.



### Relationship

Express your care, share your thoughts, and support one another.



### Ethic

Adhere to the Code of Conduct and admire good behaviors.

Importantly, the Company is continuously working to improve its programs that promote health and well-being benefits, such as life and health insurance, maternity and paternity leave, and retirement benefits. To ensure the effectiveness of DE&I initiatives, the Human Resources Department conducts an annual employee survey with measurable metrics for track and advance DE&I within the Company. This survey informs strategic planning and identifies areas for improvement to further enhance an inclusive workplace.

### **PROJECT HIGHLIGHTS**

### **DE&I Promotion Programs**

### **Pride Month Celebration**

Employees of the Company, in collaboration with their counterparts from Central Group, participated in the 'Proud to be Pride' celebration of diversity and inclusion. Participants received makeovers and were dressed in fashionable outfits sponsored by brands from the Central Department Store, demonstrating the empowerment and self-expression of the LGBTQ+ community. During the event, a virtual 'Pride Talk' session was held to foster dialogue on diversity and underscore the importance of inclusion. Additionally, the 'Be Loud, Be Proud' online photo contest was organized, inviting all employees to share individual or group photos with captions emphasizing the importance of diversity, equity, and inclusion. In 2023, over 200 employees participated in 'Proud to be Pride', receiving positive feedback for boosting their confidence in expressing opinions and raising awareness about non-discrimination and workplace diversity.





### Senior Citizen Employment

The Company has launched a senior citizen employment campaign to aid in the transition towards an aging society. This initiative offers employment opportunities to senior citizens, leveraging their extensive experience and challenging stereotypes related to aging. The program promotes diversity and inclusion in the workplace, aligning with demographic trends.



97



### International Women's Day

For International Women's Day 2023, the Company celebrated female empowerment and leadership by publishing a special feature interview with Ms. Panchalee Weeratammawat, the Company's Chief People Officer. The interview explored into her inspiring journey to becoming the Chief People Officer, offering a candid insight into her experiences balancing professional duties as a female executive with personal responsibilities as a mother and spouse. The interview aimed to inspire other female employees, reaffirming the Company's commitment to fostering a supportive environment for female leadership. It was distributed to all employees through social media and email.

### Life at CRV – Bridging Cultures for Diversity and Career Mobility

'Life at CRV' is a video series launched in 2023, offering insights into the daily life and work culture at the Vietnam business unit (CRV) located in Ho Chi Minh City. This initiative aims to bridge cultural and operational gaps between employees in both Thailand and Vietnam business units. The Company promotes internal career mobility across its business units, fostering a workforce enriched with diverse experiences and perspectives.



### **CRC Women Series**

The Company launched the CRC Women Series as part of its continuous effort to empower women in the workplace. This initiative captures and shares the inspiring stories, insights, and experiences of female employees within the Company through social media, email, and bulletin boards. It demonstrates the Company's dedication to recognizing and spotlighting the voices and contributions of women. In 2023, the CRC Women Series featured the inspiring stories of 15 employees.





### Advancing Employment Opportunities for People with Disabilities (PWDs)

The Company has consistently demonstrated its commitment to employing People with Disabilities (PWDs). Through the establishment of contact centers within Power Buy and Thai Watsadu units, the Company has been providing meaningful employment opportunities to people with disabilities for several years. These centers serve as hubs of empowerment and support, offering tailored training so that people with disabilities are not just employed but are also equipped to thrive and succeed in their careers. Currently, there are more than 80 employees under this program. This enduring commitment to people with disabilities is a critical aspect of our approach to diversity and inclusion, helping to dismantle barriers and reshape perceptions about the capabilities and contributions of people with disabilities. In doing so, the Company not only upholds its social responsibility but also enriches its human capital with diverse skills and experiences.



Sustainability Report 2023 Overview Environment

### **Employee Health and Well-being Support Programs**

### Work from Home and Flexible Working Hours

The Company provides an option for employees to work from home one day a week or as deemed suitable. This policy helps employees save time and commuting expenses. Additionally, the Company offers flexible working hours to eligible employees in specific business units, promoting a better work-life balance. Employees have the option to select from five working hour timeslots. The adoption of work from home and flexible working hours is designed to reduce work-related stress and enhance employee engagement with the organization.



8.00 - 17.30









8.30 - 18.00

9.30 - 19.00

10.00 - 19.30

### **Part-Time Working Options**

The Company provides flexibility in working options by offering part-time working position opportunities for new employees who seek for part time jobs or those who would like to work with the Company and have other personal commitments, and responsibilities. Alternatively, existing employees who are retiring will have an opportunity to convert for part-time working position should they wish to continue their employment with The Company.

### **Family Benefits**

- **Breastfeeding rooms** have been established across work locations to support employees in balancing childcare with work responsibilities.
- Fully furnished daycare room completed with play areas and toys, are available to support children's developmental skills and allow employees to spend more time with their children, even during work hours.
- Scholarships are offered to children of employees who have been with the Company for at least three years and earn a salary of less than 20,000 baht. These scholarships require the awardees to maintain a GPA of at least 2.5 and exhibit good behavior. In 2023, the Company awarded 1,548 scholarships, totaling a value of 10 million baht.
- Paid parental leave is granted, providing 45 days for the primary caregiver and 3 days for the nonprimary caregiver. This benefit helps retain and support employees during such significant life events.



### Sport and Health Programs

• **Gym facilities** are available at each work location, equipped with a wide range of modern exercise equipment designed to meet various fitness levels and preferences. This ensures that employees have convenient access to gym facilities to maintain a regular exercise regimen.

Social

- Instructor-led fitness classes are offered to employees to enhance both physical fitness and mental well-being. Available classes include Yoga and Zumba.
- CRC League & Central Group I-CARE Games 2023 In 2023, the Company launched the CRC League, a group-level sports tournament that features volleyball, football, basketball, badminton, and table tennis matches involving 8 teams from 15 business units. The CRC League led up to the Central Group I-CARE Games 2023, which included sports tournaments, parades, cheerleading, and fun activities. These events were designed to cater to the diverse interests of employees and promote diversity and inclusion. Employees with similar interests later formed social groups for sports activities, fostering ongoing communication and relationship building. Over 1,200 employees participated in the CRC League and Central Group I-CARE Games in 2023.







### Mental Well-Being and Workplace Stress Management

The Company collaborates with iSTRONG, a private organization committed to providing counseling and mental health services, to offer relevant services as outlined below:

### iSTRONG - Mental Health



### Online Counseling and Line Chat:

Provides psychological counseling services via phone, video call, or Line Chat, ensuring confidentiality. Available to employees and their families for discussions on any topic, any day of the week.



#### Online Assessment:

A quick 3-5 minutes online mental health assessment to help determine the need for professional mental health counseling.



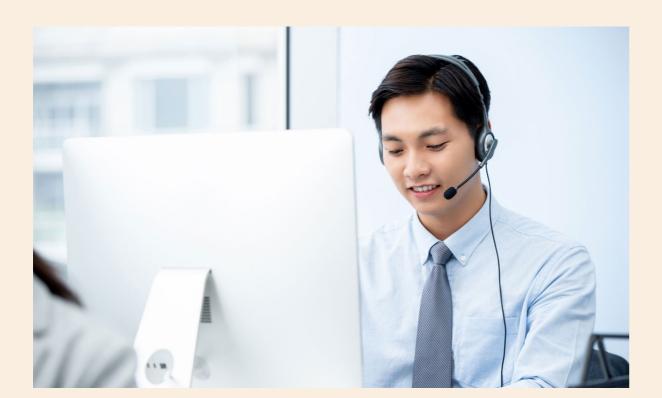
### 24/7 Emergency Hotline:

24/7 mental health emergency hotline, offering immediate psychological counseling for urgent situations impacting mental well-being.



### Self-help Resource Center:

An independent learning resource to enhance the support on mental health and well-being, Featuring infographics, podcasts, videos, and free online mental health seminars.



### Financial Well-Being

The Company's employees are entitled to become members of the Staff of Central Saving and Credit Cooperative (SCSC), established in 1976 to promote economic and financial well-being. SCSC currently has 7,114 members and provides a suite of financial benefits and support designed to enhance long-term financial stability.

- High-interest savings accounts are available for all employees with a specialized provision for those aged 50 and above, offering particularly high interest rates to help them build a substantial retirement fund.
- Low-interest loans and educational loans are available to employees, their spouses, and children to support urgent financial needs and long-term educational objectives.
- Additional financial benefits are provided for employees, such as financial aid during natural disasters, funeral expense assistance, welcoming grants for newborn children, etc.



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It is a very good program. Joining a savings cooperative gives me the opportunity to save more money, which I can use during retirement or in emergency situations, and can also be passed on to my son.

"

Employee, Central Retail

### Nurturing Future Leaders – Central Retail Management Associate Program

The Central Retail Management Associate Program (MA) embodies the Company's vision to nurture a diverse cohort of talented young leaders who are immersed in customer-centric, omnichannel, and sustainability concepts. The MA Program is designed to attract high-potential young talents by offering an intensive work program that exposes them to all core business functions within an assigned business unit. This enables MA program employees to have an accelerated career path toward leadership roles within the Company aligning with the corporate objective of building a consistent pipeline of well-rounded mid-level managers.

The MA Program is uniquely positioned to resonate with the aspirations and values of Generation Z by integrating elements such as technological fluency, collaborative work styles, and meaningful engagement. Moreover, the program provides instant and regular feedback, as well as decision-making opportunities, exposing participants to an open and inclusive learning culture. This culture is expected to be carried forward into the future when participants become leaders. In 2023, 16 employees participated in the MA program.



Social

### **Dual Vocational Education Program**

The Dual Vocational Education program has been an ongoing initiative since 2012, providing scholarships to students enrolled in a High Vocational Certificate (HVC) and Bachelor's Degree programs. The program aims to develop students in disciplines that align with the Company's needs, thus making them potential new hire candidates. From 2012 to 2023, more than 5,000 students have joined the Dual Vocational Education program, and 2,578 of these students have been hired by the Company.

Type of Students	HVC Students		Bachelor's Degree Students	
	2022	2023	2022	2023
Value of Scholarship Granted (million bath)	9.5	15.6	8.2	8.5
Number of Students (people)	992	1,589	559	644
Proportion of Students Admitted to Work with The Company (%)	80	70	20	30







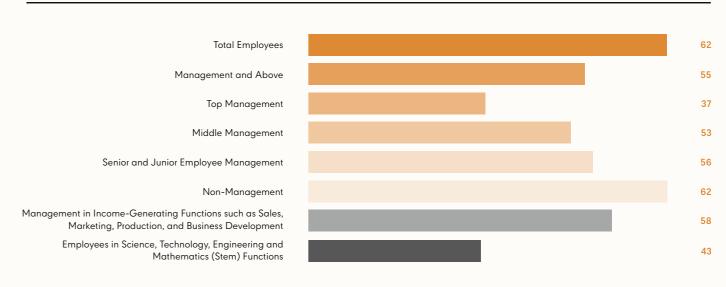


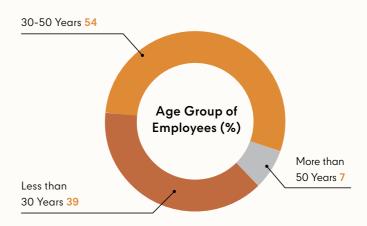


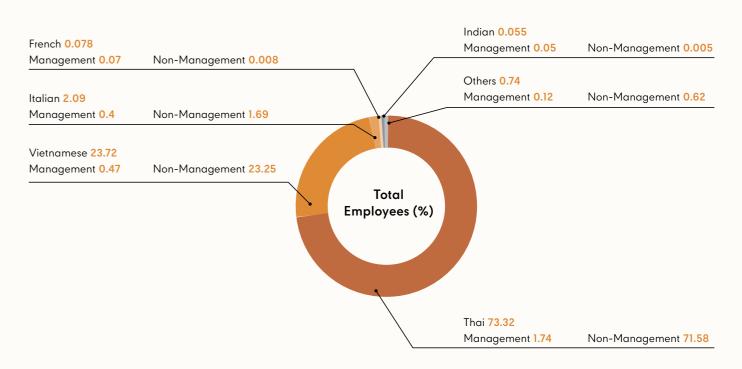


### **PERFORMANCE SUMMARY 2023**

### Share of Female Employees (%)









### **Employees with disabilities**

1% of total employee in Thailand and fully hired following the law

Ratio Between Average Compensation of Female to Male Employees	Thai	Vietnam	Italy	Total
Executives/Top Management				
Base Salary	0.81	0.67	1.08	0.88
Base Salary and Other Case Incentives	0.83	0.60	1.02	0.87
Senior Employees, Junior Management				
Base Salary	0.97	0.76	0.96	0.92
Base Salary and Other Case Incentives	0.97	0.74	0.96	0.92
Non-Management				
Base Salary	1.02	0.82	1.01	1.06
Base Salary and Other Case Incentives	1.00	0.76	1.01	1.02

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

**Turnover Rate in 2023** 

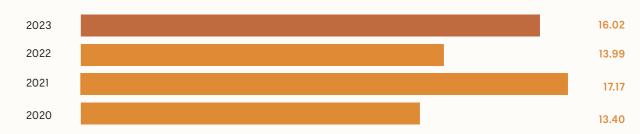
**Total Turnover** 

Rate 39.50

Total Voluntary Turnover

Rate 37.47

### Employees Covered by Provident Fund (%)



### Employee Engagement\* (%) Target 2023: 73



Remark: \*The Company annually conducts employee engagement surveys using questionnaire with a 7-Level Likert Scale, which covers the following aspects of employee well-being:

Aspects of Employee Well-being	Questions
Job Satisfaction	"I would not hesitate to recommend this organization to a friend seeking employment."
Purpose	"This organization's mission provides meaningful direction to me."
Happiness	"This organization inspires me to do my best work every day."
Stress	"I have the flexibility to manage the integration of my work and personal life."

Under the context of complexed and rapid economic change and challenges for the retail, wholesale and service sectors including the economic slowdown and new factors that are difficult to predict, such as Generative AI or the speed of competition to satisfy the customer needs which affect the business directly and indirectly. The Company has laid business strategies and business management model that allow businesses to conduct with flexibility, resilience, and efficiency.

The Company focuses on driving innovation under the Customer-Centric concept to continuously improve competency and competitive advantages for its businesses. This approach propels businesses toward exponential growth while simultaneously strengthening the Company's strategy, 'CRC Retailligence.' CRC Retailligence aims to provide exceptional customer service, build trust and create new experiences, and offer the right products and services that meet the needs of all customer groups. The Company prioritizes listening to customers' voices to continually elevate its management practices.

The Company additionally focuses on enhancing its supply chain management for greater efficiency, speed, and responsibility across all social, environmental, and governance dimensions. This includes implementing management practices that align with the Company's policies and code of conduct for all business partners, from upstream to downstream.

Therefore, the Company believes that effectively embedding innovation, improving customer relationship management, and optimizing supply chain management will be instrumental in achieving robust operations, meeting consumer needs, building business resilience and competitiveness, and ultimately, enabling the Company to respond effectively to any situation and stakeholder expectations across the value chain.



Innovation



Customer Relationship and Brand Management



Supply Chain Management

## **INNOVATION**

### **IMPORTANCE**

The Company is committed to developing and integrating innovative technologies into its business plans and strategy. Examples of such innovations include the creation of online service and product sales platforms, as well as omnichannel marketing targeting customers of all segments. Moreover, innovations aimed at boosting the efficiency of business operations are also being developed to increase the confidence of employees, suppliers, investors, and shareholders. The rapid evolution of technology has significantly altered customer behavior. Recognizing the shift, the Company acknowledges the importance of innovation in meeting the constantly evolving expectations of our customers. Embracing innovation not only ensures our competitiveness but also propels the business towards exponential growth.

Simultaneously, there are challenges and opportunities toward new innovations that the Company must consider. Introducing new innovations may require a cultural shift within the organization and requires employees with different skill sets, leading to skill gaps.

Moreover, integrating new innovations with existing systems can be complex and may lead to disruptions and higher risks to cybersecurity. Another challenge is the difficulty in accurately estimating return on investment for new innovations.

To tackle these emerging challenges, the Company must ensure that both employees and information systems are resilient to changes. This can be accomplished through the implementation of a well-structured human capital development framework and ongoing risk review. It is crucial for the Company to prioritize compatibility during technology selection and plan for gradual integration to maintain a robust information system. These measures also present new opportunities for the Company to enhance the productivity of employees and internal information systems. Additionally, the Company has established clear performance metrics, monitored key performance indicators (KPIs), and regularly evaluated the impact of innovations on business objectives.

# IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

Innovation offers significant benefits to businesses, providing opportunities for growth, efficiency, competitive advantage, tools and frameworks that enhance employees' productivity and effectiveness. By leveraging modern technology and cutting-edge processes, the Company is positioned as a leading retailer, setting the stage for long-term success. By utilizing project management software, advanced analytics, and collaborative tools, the Company enhances its efficiency, and makes data-driven decisions such as in product selection and marketing campaigns. This leads to heightened productivity, accelerated problem-solving, and enhanced adaptability to swift changes in customer behavior. Moreover, leveraging innovations in data analytics, seamless online interactions, and Al-driven customer service enables the Company to optimize personalized shopping experiences and omnichannel capabilities, leading to elevated customer satisfaction, loyalty, and ultimately, boosted sales and revenue.

The influence of new innovations is extensive, affecting various stakeholders. Innovation provides the need and presents opportunities for employees to enhance their skills empowering them to generate greater value for the organization in a rapidly evolving environment. The implementation of innovation, such as automation and data analytics, enhances efficiency in supply chain operations from advancements in demand forecast and inventory management. The probability of overstock or shortages reduces when suppliers effectively match the production and delivery of products and services to the changing demands of customers. Moreover, innovations like omnichannel can increase the accessibility of the Company's services for a broader range of customers, especially in remote areas. Innovation developed by the Company can also be applied to help create social and environmental benefits for communities, especially innovation in e-commerce that can connect customers to communities in remote areas. Governments benefit from a more dynamic economy, increased tax revenue, and job creation. Lastly, long-term shareholder value can be generated by innovation from an increase in profit and revenues that leads to rises in stock value.



### CENTRAL RETAIL

### MANAGEMENT APPROACH

The Company's subsidiary, Central Retail Digital is responsible for driving digital transformation across the Company into a full-scale world-class retail tech company, as well as creating Thailand's best omnichannel platform. Its focus is on innovations that are customer-centric while deploying prioritized use cases across the retail value chain.

The Company has announced its "CRC Retailligence" strategy as a part of its efforts to become a top retailer. The Company works to transform its services into the next generation omnichannel retail by using extensive data ecosystems and putting customers' needs at the heart of the innovation development process to provide effective personalized experiences. Furthermore, through collaboration with suppliers and business partners, the Company's innovation can create unique shopping experiences for customers through specialized shops and lifestyle centers.

The innovation development process is the establishment of a corporate innovation team, aimed at dismantling silos and promoting collaboration among diverse talents from various business units. Agility is fostered to respond to industry trends and facilitate rapid organizational learning and adaptation. This is envisioned to cultivate a more holistic and impactful approach to innovation decision-making and deploy prioritized use cases across the retail value chain together.



### **PROJECT HIGHLIGHTS**

### **C-Coin Application**

Overview

C-Coin, launched in 2021, is a blockchain-based employee rewarding platform to promote employee engagement. The objective of this project is to establish strong employee engagement within and across business units by using centralized benefit tool to promote employee engagement in company activities, the Company awards employees who actively participate in the platform by offering C-Coins as monetary incentives, which can be used at stores and outlets under the Company, including Tops supermarket, B2S, OfficeMate, Supersports, Central Department Store, Robinson Department Store, etc.

C-Coin is a powerful tool to drive higher engagement in events and corporate culture, such as driving I-Care core values, sustainability campaigns, project collaboration, corporate success celebration, and learning culture. The Company can also create a revenue stream from C-Coin redemption and purchases within the stores. In 2023, there were 5.6 million C-Coins in circulation, showing a 350% increase from the previous year; with over 36,000 employees using C-Coins on a daily basis, showing a 40% increase from the previous year.







### C-Verse

C-Verse, launched in 2023, is the Company's immersive retail platform that leverages virtual reality (VR), augmented reality (AR), and generative artificial intelligence (AI) technology to elevate shopping experience to unprecedented heights. C-Verse can provide customers with immersive shopping experiences that enable seamless integration between offline, online, social media, live-streaming, and virtual reality. At the same time, business partners can benefit from C-Verse's extensive selling channels to offer products and services. This highlights the Company's commitment to grow the entire ecosystem, with an aim to be the #1 Next-Gen Omni Retailer in Asia, under its CRC Retailligence strategy. C-Verse can also be extended to other purposes, including raising awareness on sustainability topics via educational games that customers can play to unlock rewards while also generating real-world impact.

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As pioneers in the industry, Central Retail continuously strives to enhance our business and modernize our services, providing our customers with the best experiences. Recognizing the evolving consumer needs and trends, we have meticulously planned, researched, and invented the world's first immersive platform – CRC Immersive Retail Platform, with C-Verse as the starting project. The platform elevates the shopping experience to unprecedented heights, transcending beyond the concept of omnichannel. Customers can immerse themselves in a virtual store, pick products from 3D shelves, and explore them in 360 degrees, all at their fingertips. Customers can also enjoy ordering products through Personal Shopper and enjoy exciting features based on Generative AI technology. For instance, they can interact with Al Avatar for real-time advice. To make shopping even more fun, they can use AR Mode to connect the experience between online and offline, offering customers the opportunity to shop, take photos, and play games.

22

Ms. Natira Boonsri
Chief Executive Officer, Central Department Store



## CUSTOMER RELATIONSHIP ANDBRANDMANAGEMENT

### **IMPORTANCE**

Memorable identity and customer relationships are very important to the retail and wholesale business. Strong brand positioning, marketing approach, customer experience, and positive engagement significantly influence customers' decision-making and loyalty. Therefore, the Company thoroughly interacts with customers to understand and support their needs, as well as assist and provide them with the highest level of service possible.

In the connected age, socio-economic and cultural factors and values influence customer behaviors and market trends. With this changing business landscape, the analysis of buying decisions can be complex. Moreover, maintaining a positive brand reputation and loyalty becomes challenging without both tactical and strategic solutions. To enhance revenue opportunities through effective customer relationship management, the Company actively gathers customer feedback through its omnichannel platforms, while leveraging big data analytics to understand customers' needs thoroughly.

The Company also needs to foster creativity, responsiveness, and purpose-driven approach to marketing, public relations, and brand management to resonate with new and existing customers. A key challenge arises from the evolving expectations and preferences of customers. The Company has to ensure that the customer relationship management strategies are continuously adapted to meet the demands. Additionally, the rapid pace of technological advancements presents other obstacles. Consequently, the Company must effectively integrate innovative technologies while considering customer segments, without disrupting existing processes.

Integration of advanced analytics enhances the insights and customer facilitation by creating a seamless omnichannel experience, leveraging customer feedback for continuous improvements, fostering stronger relationships, cultivating brand advocates, and differentiating the brand in a competitive market.

# IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

Incorporating data analytics into customer insights can contribute to revenue generation for the Company. The systematic selection of products and services that align with the purpose of customers and expectations can improve brand loyalty and customer satisfaction. Furthermore, effective communications on the Company's sustainability-driven business strategies and sustainable development initiatives are valued by emerging trends of mainstream customers and stakeholders that positively influence the Company's reputation.

In contrast, by leveraging personalized marketing strategies tailored to individual customer interests, the Company can deliver relevant information, and product and services suggestions to the appropriate target audience at optimal time. Effective customer relationship and brand management not only attract a wider group of audience leading to increasing sales and revenue, but also provide a competitive advantage in a crowded market. However, protecting personal data is a major concern in upholding human rights principles and ethical practices. Consequently, the Company's employees must handle personal data with utmost respect by strictly complying with the internal data handling policy and national laws, and maintaining effective cybersecurity measures. Consistent improvement in customer relationship and brand will help increase sales of products sourced from suppliers or local communities, while also increasing business prospects of shareholders and creditors.

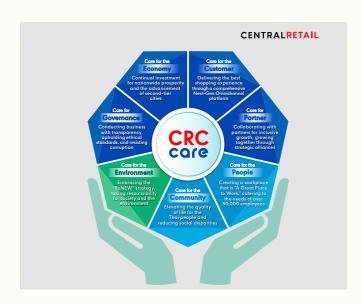
Governance



### MANAGEMENT APPROACH

All business units under the Company are tasked to execute the customer relationship management in alignment to Ethical Marketing Policy. The policy and its commitment cascade to the management approach with the 'CRC Care' philosophy, omnichannel platforms, and customer-centric approach at its core. The Company not only adheres to legal standards but also contributes to the establishment of trust in its brand.

CRC Care was established to demonstrate the Company's commitment to treat all key stakeholders with responsibility, honesty, and care.





Customer Relationship Management Process			
1. Collect customer feedback	<ul> <li>Engage with customers through various channels to collect comprehensive feedback</li> <li>Analyze the feedback to identify customer needs and expectations</li> </ul>		
Develop products     and services	<ul> <li>Use the customer insights to develop products and services that better meet their needs and expectations</li> </ul>		
Measure customer     satisfaction	Evaluate the Company's performance through customer satisfaction surveys		
4. Manage the brand	<ul> <li>Apply customer-centric omnichannel strategy to strengthen the Company's brand and communicate with outreach through a variety of channels.</li> <li>Integrate sustainability into the brand by publicizing the Company's sustainability projects and performance.</li> </ul>		



For more information on CRC care, please refer to https://www.centralretail.com/en/newsroom/news-and-activities/733/guided-by-the-business-philosophy-crc-care-central-retail-corporation-has-grown-alongside-the-thai-people-for-more-than-80-years

To receive feedback from customers, the Company utilizes the omnichannel platforms to collect big data from various channels, including point-of-sale, webstores, mobile applications, and membership programs such as 'The I' loyalty program, 'Big Xu' card in Vietnam, and 'Rinascente' card in Italy. The customer communication channel called 'Chat & Shop' allows customers to inquire sales representatives about products and services, with preferable delivery options such as 'Click & Collect', 'Click & Delivery', or 'Reserve & Collect'. With the vast amount of data, the Company utilizes data analytics to help understand consumption patterns, lifestyle, buying capacity, and changes in consumer trends. All business units can improve their services, conducting targets and marketing campaigns, as well as expanding to future customer relationships.

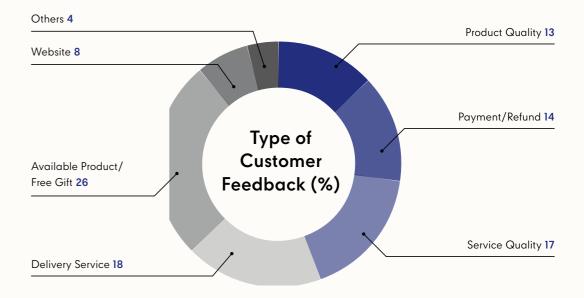


Governance





Nevertheless, the Company conducts the customer satisfaction surveys regularly to evaluate the Company's performance, while engaging with customers can also be done through the omnichannel platforms via the Company website, social media, and applications to thoroughly support customers and solve their concerns. These actions enhance the brand reputation and achieve sustainable business growth.





For more information on ethical marketing policy, please refer to https://www.centralretail.com/storage/document/esg-reporting/crc-ethical-marketing-policy-en.pdf

### **PROJECT HIGHLIGHTS**

### Thai Watsadu #1 DIY Home Retailer Brand Management

In 2023, Thai Watsadu expanded its branches to increase accessibility for customers with its 3 models strategy that respond to customer needs in all areas.

### Thai Watsadu Blue Format:

A small store 7,000 - 10,000 sq.m completed with more than 20,000 of construction material and home repair products. Target groups are small contractors and technicians.

### Thai Watsadu Red Format:

A standard store 13,000 - 20,000 sq.m completed with more than 40,000 of construction material and home repair products. Target groups are construction contractors, technicians, and homeowners.

### Thai Watsadu x BnB home White Format:

A hybrid format 16,000 - 20,000 sq.m completed with more than 50,000 of materials for house or small building construction and home decoration, as well as repair tools. Target groups are homeowners, business owners, and contractors who want to renovate and decorate small constructions such homes, hotels, or restaurants. The white format has achieved double-digit year on year sales growth.

Through 'vFIX', Thai Watsadu has expanded its services to include comprehensive design, installation, renovation, and cleaning. 'AUTO1' car service centers provide advanced car care services and consultations. Some Thai Watsadu branches also feature 'GO! WOW', a retail outlet for daily items. Thai Watsadu aims to become the top DIY Home Retailer and Hybrid leader, with a presence of 81 branches across 47 Thai provinces, generating employment opportunities in provincial areas. The business aims to boost growth in hardline retail by expanding product distribution channels across the country. The construction of the 'Wang Noi Warehouse' in Ayutthaya province, the largest distribution center of Central Group, is underway. Once completed, the warehouse will accommodate over 42,000 SKUs with a value of more than 2,200 million baht, serving distribution of 77 branches.

To promote sustainability, Thai Watsadu has installed solar rooftops to generate electricity from renewable sources, and reduce greenhouse gas emissions. It has also introduced electric trucks to its fleets for transportation and distribution.



66

It is great that a large retailer recognizes the importance of environmental preservation and carbon emission reduction to reach the Net-Zero goal, through the use of electric trucks and installation of solar rooftops. Thaiwatsadu can be a role model for other retailers to invest in green technology. To achieve sustainability for our future generations, these decisions are considered a worthwhile investment.

99

A Customer of Thai Watsadu

### **GO** Wholesale

As a new growth engine that serves new customer segments, the Company launched 'GO Wholesale' under the food business category with a comprehensive ecosystem of retail and wholesale solutions. Go Wholesale is designed to target HoReCa (Hotel, Restaurant, and Catering) customers and retailers with three key strategies: 1) Wide and aspiring arrays of product assortments, 2) Customised ordering and services, and 3) Consistency, trust, and reliable quality. Along with new and diverse services, GO Wholesale also supports its customers' businesses with new experiences and over 20,000 products, especially fresh food offerings

that include fresh seafood, premium meats, and product customization services. Additionally, GO Wholesale offers diverse payment options, seamless customer experience, and member benefits that include Central Group's The 1 loyalty platform.

Responses from customers have been overwhelmingly positive, with more than 140,000 new members registered in two months after the launch. Four branches of Go Wholesale, located in different key cities throughout Thailand, were opened in 2023, with a plan to expand nationwide by 2028.



Although GO Wholesale is a new business, we are fully committed to driving sustainable growth in accordance with the company's purpose of being Central to Life. We place utmost importance in supporting suppliers, producers, SMEs, and farmers, and provide new channels to distribute products. We also purchase product directly from local farmers and promote employment for vulnerable groups to drive inclusive growth, to align with CRC's sustainability commitment as Green and Sustainable Wholesale.

"

Ms. Suchada Ithijarukul Group CEO, Central Food Wholesales Limited





For more information on GO Wholesale, please refer to https://www.centralretail.com/en/newsroom/news-and-activities/658/crc-leads-the-new-phenomenon-for-thailand-s-food-industry-with-the-launch-of-go-wholesale-serving-all-segments-via-a-comprehensive-ecosystem-of-wholesale-and-retail-solutions

### Grow with GO support that supports business growth with recipes for success

Grow Right	Grow with the right partner that specializes in solutions for food operators and retailers
Grow as You Like	Grow your business on your own terms with products and ingredients that not only cater to the needs of food professionals and retailers, but also have premium quality
Grow Fast	Fast-track growth via comprehensive services that will create new business opportunities and unlock new potential for business operators
Grow Smooth	Drive seamless growth by accessing products and service across diverse and convenient channels, helping you save time so you can focus on growing your business
Grow & Gain	Grow your business and profits with member-only privileges
Grow Better	Drive sustainable growth
Grow Together	Drive inclusive growth

### Best Customer Service: One Team, One Quality

Nguyen Kim, one of the Company's hardline department stores in Vietnam, continuously retains its reputation as the Company's number one brand in service quality. Nguyen Kim provides installation service for electronic appliances through on-time and high-quality service performed by experienced installation team members. Currently, 30 stores and 4 distribution centers have provided installation services to customers, the most of whom have shared 95% satisfaction score.

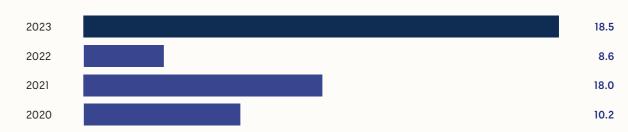


### **PERFORMANCE SUMMARY 2023**

### Customer Satisfaction Score (%)\*



### Customers using Online Platform (%)\*\*



### Revenue Generated from Online Sales (%)\*\*



Remark: \* Data coverage in 2023 covers the business operations in Thailand and Vietnam.

<sup>\*\*</sup> Data coverage in 2023 covers the business operations in Thailand.



## SUPPLY CHAIN MANAGEMENT

### **IMPORTANCE**

The Company promotes and evaluates supply chain risks in accordance with the Supplier Code of Conduct, placing a high priority on sustainable supply chain management in the areas of governance, economic, social, and environmental concerns. For the Company, supply chain management is crucial since it ensures cost-effectiveness and operational efficiency by creating resilience from the upstream phase. To achieve supply chain resiliency, the Company refers to the commercial contract obligation of suppliers and the Supplier Code of Conduct; as well as encourages all suppliers to integrate ESG in their business practices.

# IMPACT TO BUSINESS, STAKEHOLDERS, AND HUMAN RIGHTS

The Company's supply chain management system is designed to ensure that all stakeholders receive a fair share of the Company's benefits and value creation. The Company is the party that will govern, encourage, and assure that all stakeholders in the supply chain are able to integrate ESG principles into their business. As a result, employees, either of the Company or its suppliers, can have well-being, safety, and positive working conditions, such as well-balanced working hours, fair wages, and appropriate numbers of leave days and holidays. In short, promotion of human rights protections in the workplace can create an overall better work environment for everyone.

Commitment to transparent and ethical business practices allows the Company to gain confidence from suppliers and business partners. Sustainable procurement and supplier selection process help improve customer satisfaction and trust in the Company's products and services, leading to an increase in customer loyalty. Efficient social development and environmental management systems, such as waste management, as well as efficient use of energy and resource consumption, can improve quality of life for everyone in the community and society. Furthermore, the Company also participates in government sustainable campaigns to support the low-carbon transition, such as the use of electric trucks or alternative energy in logistics. Upholding ethical business operations can also prevent the Company's involvement in corruption or bribery, which could lead to defamation or destroy trust within the Company's stakeholders. In summary, sustainable supply chain creates higher value to the Company, which leads to higher returns to shareholders and investors.

### MANAGEMENT APPROACH

The Company plans to achieve its sustainable supply chain management through customer-centric commitment, quality and variety of product assortment, and sustainability activities. In general, supply chain management starts with the Company engaging with stakeholders to raise awareness on sustainability and then allowing them to begin their own sustainability journey with support from the Company.

Customer Centric	Seeking to understand the customers to be able to offer selected range of products that can inspire and delight them
Quality and Variety of Assortment	Selecting the right product with the right quality and price for the customers to maximize value creation
Sustainability	Considering the impact on the society and the environment for all product offerings

The Company aims for all suppliers to begin their sustainability journey by complying with minimum ESG requirements according to the law. Then the Company will promote suppliers' awareness, as well as provide knowledge and know-how to further enhance understanding about sustainability based on characteristics of each supplier. Finally, the Company will assist all suppliers in their effort to integrate sustainability concepts into their own businesses.



### Central Retail Sustainable Supply Chain Management System

The Company has developed its sustainable supply chain management system to ensure that both the Company's employees and merchandising, and the suppliers can align and comply with high sustainability standards. To oversee the sustainable supply chain management system and practices, the Company has established the Supply Chain Sustainability Committee that is headed by a Board of Director from the Corporate Governance and Sustainability Committee. The Supply Chain Sustainability Committee also comprises of the Supply Chain Director at the management-level, and employees from the merchandising and supply chains function to represent each business units. The Company has included the Supplier Code of Conduct int he standard contract and trade term agreement to ensure compliance from all suppliers. The Company's internal merchandising practices will be continuously reviewed to ensure consistent alignment with any updates to the Supplier Code of Conduct, and to prevent conflicts with ESG requirements.

The sustainable supply chain management system begins with supplier selection and screening processes, with the creation of the supplier screening matrix and CRC ESG Watchlist. After significant suppliers have been identified, they will be thorough assessed via desk and on-site approaches before creating corrective action plans as appropriate. Furthermore, the Company has also developed a supplier ESG in-depth training for internal buyers and stakeholders. Besides supplier development programs, supplier ESG benchmark has been created to provide relative benchmarking among peers based on ESG performance, thus encouraging suppliers to improve their sustainability practices.

### Supplier Screening, Assessment and Development

The Company has developed the process to identify and assess sustainability risks and challenges throughout its supply chain. The procedure is divided into four steps: 1) Supplier selection and screening, 2) Supplier assessment, 3) Corrective Action Plan, and 4) Supplier development. This is to encourage sustainable business practices, prioritizing on tier-1 suppliers before expanding the scope to cover any remaining suppliers in the future.

### **Supplier Screening**

### 1. Supplier Selection and Screening

### **Supplier Selection Process**

- Compliance to the Supplier Code of Conduct Self-assessment
- auestionnaire Approved Vendor List (AVL)

### **Supplier Screening Process**

- Business relevance criteria
- · Country, sector and commodity-specific ESG (environmental, social and governance) risks
- Social listening

### Assessment & Development



### 2. Supplier Assessment

### Desk Assessment

- · Evaluate the high-risk

### Onsite Assessment

· In-depth review by second party

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### 3. Corrective Action Plan

timeframe

suppliers

· Engage for clarification

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#### Develop action plan to improve identified issues within specified

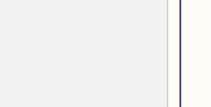
- Support on corrective action plan
  - · Benchmark the performance

4. Supplier Development

against peers

Governance

 Trainings and technical support programs



### 1. Supplier Selection and Screening

Foremost, all new and existing suppliers must acknowledge and comply with the Company's Supplier Code of Conduct as the minimum ESG requirement. Suppliers who are unable to comply with the Supplier Code of Conduct and meet the minimum ESG requirements within 3 years timeframe may potentially face termination and be excluded from contracting.

Next, all new and existing suppliers must also undergo supplier selection process in which they must complete a self-assessment questionnaire (SAQ) to demonstrate if they have existing practices and processes in place to manage ESG topics in alignment to the Supplier Code of Conduct. Results from the SAQ make up the ESG criteria of the supplier selection process, constituting to 15% weight. Business performance criteria (e.g. factory checklist, performance evaluation, etc.) constitutes the remaining 85% weight in the supplier selection process. Thus, suppliers that have good ESG management practices and processes will have higher scores in both the SAQ, which will help them become more preferable (15% weight) in contract awarding. Considering both ESG and business performance criteria, the selected suppliers will then be added to the Approved Vendor List (AVL) and be awarded with contract. Compliance to the Supplier Code of Conduct, completing the SAQ, the supplier selection process are conducted on an annual basis. Suppliers will undergo more intensive assessment of ESG risks in the supplier assessment processes.

Now that suppliers are awarded with contracts and added to the AVL, every suppliers must also undergo the supplier screening process to identify "significant suppliers." The Company has defined 'significant suppliers' as suppliers that are considered to have high business relevance to the Company but may also have significant actual and potential country-specific, sector-specific, and commodity-specific ESG risks.

The Company has developed the supplier screening matrix, which is a set of criteria that the merchandise function uses to evaluate both potential and existing suppliers in terms of supply chain risks and screen for significant suppliers.

- 1.1 Business relevance criteria (e.g., total procurement spent, critical component, non-substitutable, etc.) Business relevance criteria provide information to determine suppliers that have high business value creation to the Company.
- 1.2 Supply chain ESG risk criteria
  - General information (e.g., country of operations, sectors, and commodities sold, etc.)
  - Established the CRC ESG Watchlist to compile country-specific, sector-specific, and commodity-specific ESG risk criteria that are used to evaluate the risks relevant to each supplier. The CRC ESG Watchlist must be constantly updated to reflect any changes to business landscape, and global trends.

In addition, the Company will also analyze external data sources through social listening. Associated keywords from the internet and social networks are monitored to analyze public opinions about each supplier. Social listening helps the Company double-check results of the supplier screening and search for any complaints and cases of non-compliance to the Supplier Code of Conduct, or relevant laws and regulations. Combined results of the business relevance criteria, supply chain ESG risk criteria, and social listening will sort significant from non-significant suppliers.



### 2. Supplier Assessment

Following supplier screening, all significant suppliers must undergo supplier desk assessment process that requires suppliers to submission of more comprehensive information and evidence to the Company to be systematically verified. For example, suppliers are required to submit evidence of ESG-related policies and management systems (e.g., certification on sustainable and socially responsible operations, ISO 14001, ISO 45001, etc.), and past and present ESG-related metrics to demonstrate good performance. This systematic supplier desk assessment will allow the Company to systematically determine and sort the significant suppliers into high, medium, and low risk levels. Significant suppliers with medium and low risks are considered to have passed the supplier risk assessment.

Significant suppliers with high risks will require a more thorough supplier on-site assessment conducted by the Company's employees or external parties. With primary data gathered on-site both the Company and the suppliers will be able to gain understanding of the current state and pinpoint the root causes behind the risk issues. If suppliers cannot address their cause of concerns and limit their risk to within medium or low levels within a 3-year timeframe, they will be excluded from contracting and be removed from the AVL.

### 3. Corrective Action Plan

Primary data and root causes of the high risk issues obtained from supplier on-site assessments can also inform the corrective action plan to help with remediation, mitigation, and prevention of impact for the high risk significant suppliers. Such plans outline specific actions, timelines, and responsibilities to address the high-risk issues with the goal to mitigate and remediate any significant actual and potential risks.

After the Company has agreed to the corrective action plan, the suppliers will need to implement and improve pending issues within the 3-year timeframe prior to a follow-up assessment. Once the suppliers have been reassessed by the Company with the results showing a decrease from high to medium risk, they can then be included in the AVL, Vice versa, suppliers who are unable to implement the corrective action plan or meet the minimum ESG requirements within the set timeframe will be excluded from contracting.

### 4. Supplier Development

Growing together with suppliers is one of the most important factors for developing a business more effectively. As a result, one of the primary strategies to maximize potential with suppliers is to provide training so they can align their business operations with the Company's sustainability requirements and to build trust among stakeholders and suppliers along the value chain.

The Company also provides suppliers with ESG Benchmark of suppliers into high, medium and low risk scores, and also disclose the list of suppliers that implement ESG projects, such as GHG emissions and energy reductions project, anti-corruption, data privacy, etc. This approach provides a holistic view of suppliers' implementation of ESG initiatives., which foster collaboration, tracks progress, and encourages broader participation in sustainable practices

In order to build stronger relationships with suppliers, improve their sustainability performance, and achieve long-term goals, the Company continues to identify and address areas for improvement in the supply chain, set new goals and targets for sustainability performance, and share best practices with suppliers and stakeholders.



### **PROJECT HIGHLIGHTS**

Over the past year, the merchandising and supply chain functions function has actively engaged with suppliers and other relevant stakeholder groups including employees, investors, customers, and communities to ensure ESG integration and knowledge sharing. These stories are shared through the Company's website and Sustainability Report.



### Strategic Camp: Empowering Sustainable Practices

The Company organized a strategic camp in 2023 to increase understanding on sustainability supply chain practices and impacts within its employees working in supply chain management functions. This workshop empowered supply chain employees with the knowledge, skills, and motivation they need to integrate sustainable practices into their daily operations, and demonstrated how sustainable supply chain practices can lead to enhanced cost-effectiveness and operational efficiency. Topics taught during the workshop, participated by 110 employees, included energy management, circular economy, and supplier screening and selection. This enabled the employees to have clear understanding on integrating and executing ESG initiatives in the supply chain

## Central Retail Logistics for SME and Sustainability Program

The Company conducted the Central Retail Logistics for SME and Sustainability Program for suppliers. The objective of this initiative is to build good relationships and encourage suppliers and SMEs to integrate sustainable practices in their work process, including procurement, product storage, distribution and transportation, and customer support. Participated by 135 suppliers and SMEs helped equip suppliers with technical skills and tools needed to align their practices with the Company's sustainability standards by sharing basic knowledge and best practices.





### **PERFORMANCE SUMMARY 2023**

Supplier Screening and Selection	2021	2022	2023
Total Suppliers	24,560	12,698	9,435
Total Tier-1 Suppliers	24,560	12,698	9,435
Total Significant Suppliers	290	1,136	572
Significant Tier-1 Suppliers	290*	1,136	572
<ul> <li>Percentage of Total Spending on Significant Tier-1 Suppliers</li> </ul>	N/A	65	63
• Non Tier-1 Suppliers	N/A	0	0
Significant Non Tier-1 Suppliers	N/A	0	0

Remark: Data from FY2023 covers Thailand business unit, and the Company considers all suppliers as tier-1 suppliers.

Supplier Assessment	2021	2022	2023
Total Suppliers Assessed	N/A	2,737	1,968
Total Suppliers On-Site Assessed	N/A	10	77
Percentage of Significant Suppliers Assessed	N/A	0.9	12.6
Suppliers Assessed with Substantial Actual/ Potential Negative Impacts/Risks	N/A	0	0
Percentage of Suppliers with Substantial Actual/ Potential Negative Impacts/Risks with Agreed Corrective Action Plan	N/A	0	0
Suppliers with Substantial Actual/Potential Negative Impacts/Risks that were Terminated	N/A	0	0
New Suppliers Screened Using Environmental Criteria	100	100	100
New Suppliers Screened Using Social Criteria	100	100	100

Supplier Development	2021	2022	2023
Total Suppliers Supported in Corrective Action Plan Implementation	N/A	0	0
<ul> <li>Percentage of Suppliers Assessed with Substantial Actual/Potential Negative Impacts Supported in Corrective Action Plan Implementation</li> </ul>	N/A	0	0
Total Suppliers in Capacity Building Programs	N/A	0	0
<ul> <li>Percentage of Significant Suppliers in Capacity Building Programs</li> </ul>	N/A	1.8	0



Appendix

Social



### **LRQA Independent Assurance Statement**

## Relating to Central Retail Corporation Public Company Limited's Sustainability Report for the calendar year 2023

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 2023 ("the report") against the assurance criteria below to a moderate level of assurance and materiality of the professional judgement of the verifier using Accountability's AA1000AS v3 for type 2 assurance. (Remark: Our assurance engagement is restricted to only verifying performance data of the selected indicators.)

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

- Evaluating the reliability of data and information for only the selected indicators listed below: a,b
- GRI 302-1 Energy consumption within the organization (2016) (2)
- 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) (2)
- GRI 305-3 Other indirect (Scope 3) GHG emissions (2016) (3)(4)
- GRI 305-4 GHG emissions intensity (2016)
- GRI 306-4 Waste diverted from disposal (2020) (5) (6)
- GRI 306-5 Waste directed to disposal (2020) (5) (6)
- Food Loss and Waste (5)
- GRI 403-9 Work-related injuries (2018)
- Lost Time Injury Frequency Rate (LTIFR)
- GRI 403-10 Work-related ill health (2018)
- GRI 405-2 Ratio of basic salary and remuneration of women to men (2016)

#### Note:

- (1) However, our assurance engagement for GRI 403-9, LTIFR, GRI 403-10 and GRI 405-2 covered CRC's and their subsidiaries operations and
- (2) It is worth noting that CRC's reporting boundary for energy consumption and Scope 2 GHG emissions of Central Department Stores & Robinson Department Stores does not include cooling energy (Cool air) imported from the landlords.
- (3) CRC's reporting boundary and our assurance engagement for Scope 3 GHG emission of CRC Thailand operation is limited to other GHG emissions from Purchased Goods (Water supply), Waste disposal, business travel by planes, employee commuting, downstream transportation and distribution, and downstream leased assets only. While reporting boundary and our assurance engagement for Scope 3 GHG emission of its Vietnam operation is limited to purchased Goods (Water supply), employee commuting and downstream transportation only.
- (4) CRC's reporting boundary for Scope 3 GHG emissions from Leased assets does not include Scope 3 GHG emissions from cooling energy (Cool air) which Central Department Stores & Robinson Department Stores supplied to and used by their tenants.
- (5) CRC's reporting boundary of waste diverted from disposal, waste directed to disposal and food loss and waste does not include all Business units of Vietnam operation and Central Food Retail Company Limited (CFR) and Central Family Mart Co., Ltd. (CFM) of Thailand operation.
- (6) CRC's reporting boundary of waste related data does not include wastes arising from maintenance activities done by outsourced service providers.

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.

a <a href="https://www.globalreporting.org/standards/">https://www.globalreporting.org/standards/</a>

<sup>&</sup>lt;sup>b</sup> GHG quantification is subject to inherent uncertainty.



### **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 moderate level of assurance and at the materiality of the professional judgement of the verifier.

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

- 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 the following CRC's Business Units i.e.
  - Central Family Mart Co., Ltd. (CFM)
  - Central Food Retail Co., Ltd. (CFR)
  - Central Marketing Group (CMG)
  - CRC Sports Co., Ltd. (SPS)
  - Officemate (THAI) Limited (OMT)
  - B2S Company Limited (B2S)
  - Power Buy Co., Ltd. (PWB)CRC Thaiwatsadu Co. Ltd.
  - CRC Thaiwatsadu Co., Ltd. (TWD) & BnB Home
  - Distribution Center Food Group
  - Distribution Center of Hardline Group i.e. Distribution Center of Thai Watsadu
  - Distribution Center of Non-Food Group i.e. Distribution Center of CMG, Distribution Center of PWB, Distribution Center of OMT, Distribution Center BDC1, Distribution Center SCDC
  - Robinson Public Company Limited ("ROBINS" which include Robinson Department Stores and Robinson Lifestyle Department Stores)
  - Central Department Store Co., Ltd. (CDS)
  - Nguyen Kim Trading JSC (Nguyen Kim)
  - EB Services Co., Ltd. (Hyper)
  - Viet Nhat Real Estate JSC (Property).

#### **Observations**

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

Completeness:

To improve completeness, CRC needs to extend its reporting scope for:

- energy consumption and Scope 2 GHG emissions from cool energy (cool air) which Central Department Stores and Robinson Department Stores received from landlords.
- Scope 3 GHG emissions from leased assets to include Scope 3 GHG emissions from cooling energy (cool air) which Central Department Stores & Robinson Department Stores supplied to and used by their tenants.
- food waste, waste generated, waste diverted from disposal and waste directed to disposal, these performances to
  include Vietnam operation and Central Food Retail Co., Ltd and Central Family Mart Co., Ltd of Thailand operation.
   Omission to report food waste data for Food related Business Units, which are key functions relevant to food waste
  management, cannot reflect its real performance.
- Reliability:
  - To improve reliability of reported electricity consumption and Scope 2 GHG emissions data of Vietnam operation especially Nguyen Kim (NK) Business Unit, it should report kWh of electricity consumed directly rather than the current practice which first collects and reports as electricity expenses and then converts expenses to kWh by using a default averaged electricity price. This current practice has uncertainties from different electricity price rate among different periods (Peak, off -peak, partial peak). Direct kWh report by business units of Vietnam operation will also ensure a uniform data approach, as kWhs are reported directly by all business units of Thailand operation.



- To enhance reliability of its Scope 3 GHG emission data, collect data of actual load and distance of each trip for downstream transportation of Vietnam operations for calculating Ton-Kilometres of each trip. Current practice which determines average trip load for the whole year by calculation from total weight of items delivered of downstream transportation divide by total number of trip in a year might have some uncertainty as the emission factor use for calculation of this Scope 3 GHG emission is in term of kg CO2 e per Ton-Kilometres of transported items.
- 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. Also, specifically
  for contractors' working hours, better define the data flow and tools by which all Business Units are to collect this
  data

### 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.

3 April 2024

Paveena Hengsritawat

Paveena Hengsritawa LRQA Lead Verifier

On behalf of LROA (Thailand) Limited

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