



# SUSTAINABILITY REPORT 2018

CP ALL PUBLIC COMPANY LIMITED

MEMBER OF

**Dow Jones**  
**Sustainability Indices**

In Collaboration with RobecoSAM



Sustainability Report 2018

CP ALL Public Company Limited

Giving

Sharing

Opportunities



# Contents



## Introduction CP ALL Plc. and its Subsidiaries



- 1 Message from the Chairman 2
- 2 Message from the Chairman of the Executive Committee 3
- 3 Collaborative Value Chain for Everyone's Happiness 4
- 4 Development Path to Sustainability 9



## Sustainability Strategy

- 5 Building on Ambition, Strategy for Sustainability 13
- 6 Emphasis on All Material Issues for Sustainability in All Dimensions 18

## Sustainability Management

### Transparent, Fair, and Equitable Business

- 7 Corporate of Good Governance, Manage Transparently 22
- 8 Standing beside honesty, stepping aside corruption 32
- 9 Respecting Human Rights, Committed to International Principles, Creating Peace 38
- 10 Embracing Differences, Building Bridges, and Forging Shared Benefits 46
- 11 Mix the similar, mend the different, and make good and talented individuals, mould to unite a force 56



### Strengthening Communities, Reinforcing Families, Better Health, Life, and Happiness

- 12 Innovation creates intellect, increases business value 66
- 13 Elevating Occupational Safety, Creating Friendly Work Environment 74
- 14 Selecting Hygienic Food with the Consumer Health at Heart 84
- 15 Creating educational opportunities, creating jobs, creating the future 92
- 16 Sharing Opportunities and Creating Value for Society 98

### Conserving Environment, Protecting Forests, Building Resources for our World

- 17 Protecting the Ecosystem and Committing to Being Green 106
- 18 Climate Change Management, Alternating for Renewable Energy 114
- 19 Water Stewardship 120
- 20 Cascading Responsibilities Throughout the Value Chains 124
- 21 Spread the love from hearts, fostering community's resilience 130



## Appendix 140

# Message from the Chairman

## Dear all Stakeholders,

In the past year, CP ALL Plc. continues to commit to the organization's comprehensive sustainable development, while placing importance on adapting to technology which is the world's driving force, influencing the role of business today and in the future. A cashless society, the digital wallet, and outdated service are all factors that push the Company to adapt to changing times. Not only keeping pace, the Company needs to exceed expectations in meeting the needs of modern consumers in an era when technology is changing rapidly. Moreover, the Company continues to focus on creating innovations in order to ensure organizational sustainability and further improvements in business management. Some of these innovations include the development of ready-to-eat meals, frozen food, bakeries, retail products and equipment, logistics system improvements and support for product development with business partners that include Small and Medium Enterprises (SMEs) to enable shared growth. This also extends to the Company's responsibility to all stakeholders, which includes creating and sharing opportunities with all communities and societies, whether it be through employment or cooperation in environmental conservation, such as the 7 GO Green policy that intends to reduce global warming by "decreasing and discontinuing the use of plastic bags" to achieve fruitful change and benefits to society. Through excellent organizational governance according to corporate governance principles, the organization's mission will result in tangible developments, contributing to adding value and sustainable growth of CP ALL in tandem with the economy, society, and the country in the long-term.

On education system improvements, Panyapiwat Institute of Management has emphasized the theoretical pedagogy with practical training in an integrative education that emphasizes systematic operations in the workplace, with a commitment to share knowledge and experience to build capable human resources. This has earned Panyapiwat's educational institution's numerous awards from various institutions. Last year, Panyapiwat Technology College won "Contributor to the National Education Year 2018" from the Prime Minister, among others. The college was selected by the Vocational Education Commission to be the "Excellent Model" in the retail business institute.

Tangible results to create sustainability in a variety of dimensions have resulted in Forbes magazine, the widely accepted US business and financial magazine, ranking CP ALL 23rd place and as the only Thai company listed in the top 100 innovative companies in the world. This is a declaration of honor and a reflection of the efforts of the Company's executives as well as employees at all levels that have dedicated to develop an organization that is worthy of pride.

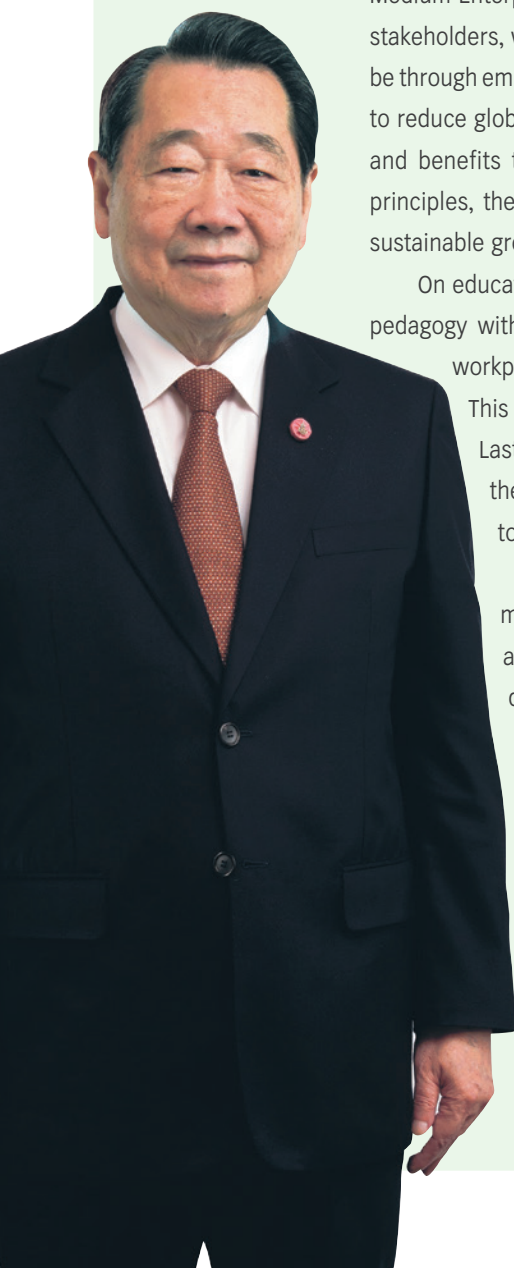
Lastly, the Company will continue to adhere to the mission of managing the organization to achieve excellence in sustainability goals. We will continue to build on that success persistently because we believe that "development" is an important "foundation" of sustainability.



Mr. Dhanin Chearavanont

**Chairman**

**CP ALL Public Company Limited**



# Message from the Chairman of Executive Committee

**Dear all Stakeholders,**

The successes in sustainability that CP ALL Plc. is proud to announce are the inclusion of our company in the Dow Jones Sustainability Indices (DJSI) in the DJSI Emerging Markets for the second year in a row, and the Dow Jones Sustainability Indices World for its first year in the industry of Food & Staples Retailing in 2018. CP ALL is the only company in Thailand that has qualified in this business category. Moreover, the Company was selected as a member of FTSE4Good Index which reflects the operations of the Company that takes into account environmental, social and corporate governance. In addition, The Company was selected to be part of both the FTSE4Good Emerging Index and the FTSE4Good ASEAN 5 Index which arranged by Financial Time Stock Exchange Group (FTSE), and Thailand Sustainability Investment (THSI) from Stock Exchange of Thailand based on the Company's economic, social, and environmental performance.

The Company has revised 2018-2022 corporate strategy, while maintaining the initial motto of "Giving and Sharing Opportunities" together with the international sustainable concept through various projects such as supporting the farmers, social enterprises, and SMEs to improve quality of products to shelve in 7-Eleven, initiating human rights due diligence following Guiding Principles on Implementing the UN Protect, Respect, Remedy Framework for Business and Human Rights.

The Company has been expanding its scope of work in relation to the development of sustainability throughout the supply chain with the cooperation from our business partners who are one of key stakeholders in retail industry. The Company also has also raised awareness with regards to sustainability to key customers, which in turn, inspired the "Giving and sharing opportunities" motto to the society as a whole.



Mr.Korsak Chairasmisak

**Chairman of Executive Committee**  
**CP ALL Public Company Limited**





# Collaborative Value Chain for Everyone's Happiness

Cognizant of its role as an integral part of Thailand, CP ALL Plc. and its subsidiaries ("the Company") proudly uphold its duty to provide a multitude of products and services for the joy of the public, for better quality of life and greater convenience for each and every community.

The Company is unique in being part of the vast distribution channels for products and services to consumers, as well as serving as a bridge connecting the upstream, midstream, and downstream supply chains. Stepping into the 31st year of foundation building and business operations, our core business comprises retail and whole sales, in addition to 8 other business categories.

## CP ALL's Value Chain



## I. Convenient Store Services



### 7-Eleven

is a one-stop convenient store that offers fresh and a wide variety of products, ready-to-eat meals, and beverages. The Company has 10,988 branches of the 7-Eleven franchise, broken down into 4,834 franchises in the Bangkok Metropolitan Region (44%) and 5,396 franchises in provincial areas of Thailand (56%). Stores are clustered into 3 types: Company Stores (44%), Store Business Partner (49%), and Sub-Area License Stores (7%). There is currently an average of 12.57 million customers entering 7-Eleven stores daily.

For more information [www.7eleven.co.th](http://www.7eleven.co.th)

Under the convenient store service business, there is a wide variety of related products and services, such as:



### Bellinee's Bake&Brew

offers freshly baked bakery and premium brewed coffee

For more information

[www.bellinee.co.th](http://www.bellinee.co.th)

and [www.facebook.com/bellinee](http://www.facebook.com/bellinee)



### CP Retailink Co., Ltd.

is a dealership offering products and equipment through retailing, as well as maintenance and repair services.

For more information

[www.cpretailink.co.th](http://www.cpretailink.co.th)



### 24 Shopping Co., Ltd.

is online store, creating a wide array of sales channels, meeting the demands of modern consumers anywhere and anytime.



### All café

offers beverages and fresh brewed coffee

For more information

[www.7eleven.co.th](http://www.7eleven.co.th)



Magazine 24 Catalog



[www.24Catalog.com](http://www.24Catalog.com)



[www.ShopAt24.com](http://www.ShopAt24.com)



[www.Amulet24.com](http://www.Amulet24.com)



Call Center 02-780-7666



### eXta Plus Pharmacy

is a health-centered pharmacy, providing convenience for the community, pharmaceutical products, nutritional supplements, cosmeceutical products, and health products, with professional pharmacists offering customers consultation and recommendations.

For more information [www.exta.co.th](http://www.exta.co.th) and [www.facebook.com/extahealthbeauty](http://www.facebook.com/extahealthbeauty)



### Caffé Muan Chon

is operated by CP Retailink Co., Ltd. under Job Creation Concept for society.



### ALL Wellness Co., Ltd.

To provide health and wellness services to the communities with convenience, innovations and digital technology, as well as giving healthcare consults by medical professionals.



## 2. Wholesale services



### Siam Makro PCL

sells products following a membership system through cash-based, self-service model in Thailand. Since free trade agreements were finalized through the ASEAN Economic Community (AEC), Makro’s effective wholesale management system served as the foundation to expand the wholesale and retail business outside of Thailand, which presented an opportunity to bring to ASEAN market products from SMEs, Thai agricultural products, as well as frozen and fresh foods such as meat, among others. The sale of these products in ASEAN brings back foreign currencies into Thailand, and helps local small and medium enterprises, as well as Thai farmers bring their products to international markets. Currently, Makro has 123 franchises in Thailand ,1 branch in Cambodia and 2 branch under the Lots Wholesale Solutions in India.

For more information [www.siammakro.co.th](http://www.siammakro.co.th)

## 4. Financial Services



### Counter Service Co., Ltd.

is a 24/7 payment service provider for products, services, and is a life and accident insurance broker, offered through 7-Eleven stores.

For more information [www.counterservice.co.th](http://www.counterservice.co.th)

### Thai Smart Card Co., Ltd.

provides digital cash cards and smart chips technologies to be used as a modern payment method.

For more information [www.thaismartcard.co.th](http://www.thaismartcard.co.th)



## 3. Food, bakery, and ready-to-eat meals services



### CPRAM Co., Ltd.

The largest manufacturer and distribution services provider in Thailand and "Food Provider" leader conducts business beside society and supports sharing good living conditions with everyone through two product categories, which include over 900 SKUs of ready-to-eat meals and bakery products. CPRAM Group products and services include Jade Dragon, Le Pan, Deli Thai, Delicasia, CPRAM Catering, Food Dee Dee, among others, sold through 7-Eleven, supermarkets, restaurants, and more than 20,000 leading stores nationwide, and are distributed to many countries globally.

For more information, visit [www.cpram.co.th](http://www.cpram.co.th)

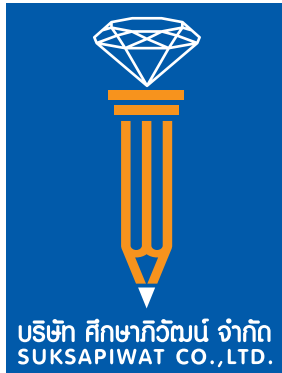


### CP Food Lab Co., Ltd.

is a Research and Development Company that conducts food-related analysis and tests. Set up under the Food Innopolis Project, the Science Park of Thailand is an information center, formed on the knowledge based derived from R&D and testing facilities in order to research and develop products for business clusters both within and without the country.



## 5. Education Services



### Suksapiwat Co., Ltd.

is a company that makes investments in education, which consists of 3 educational institutes as follows.



### Panyapiwat Technological College

is a vocational to mold professionals with retail experience, providing an avenue for real practicum.

For more information  
[www.panyapiwat.ac.th](http://www.panyapiwat.ac.th)



### The Panyapiwat Institute of Management

is higher education institution that focuses on the retail business study and research in order to kindle graduates that are not only academically capable, but who are also able to succeed in practice. Every student will be prepared for work in tandem with their studies.

For more information [www.pim.ac.th](http://www.pim.ac.th)



### The Panyapiwat Institute of Management Demonstration School (Satit PIM)

is a private secondary school, under the supervision of the Faculty of Education at the Panyapiwat Institute of Management, with the aim of creating a learning and school management process in order to be a national model secondary school.

For more information [www.satit.pim.ac.th](http://www.satit.pim.ac.th)



panyatara



### Panyatara Co., Ltd. and All Training Co., Ltd.

provide educational services, trainings, human resources development, and a complete range of seminars, leveraging an expertise in the retail business. They aim to provide services that build human resource capacity through the design and development of curricula that meet customer demands, teaching personnel with real-life experience both in theory and practice in the retail business.

For more information [www.panyatara.co.th](http://www.panyatara.co.th)



## 6. Information Services

### Gosoft (Thailand) Co., Ltd.

provides consultation, offers effective software development services, and manages information technology systems of the company and external entities. For more information [www.gosoft.co.th](http://www.gosoft.co.th)



## 7. Marketing Media Services

### MAM Heart Co., Ltd.

is responsible in providing advertisement and sales promotional design services, creating a good corporate image, and assumes its main function as a center for professional communication services in the One Stop Service model. In addition, its scope also covers events management and that of marketing activities in order to help its customers achieve their business goals.



## 8. Logistics Management Services

### Dynamic Management Co., Ltd.

is an Integrated Third Party Logistics Provider (3PL) in Thailand that focuses on high-quality logistics management services, assuming the role of a long-term business partner to customers in order to jointly develop and build their capacity in supply chain and global logistics management. Currently, the company offer 3 kinds of logistics services:

- **Product Shipment Management**  
Covers all dried and frozen products delivered through a point-to-point as well as a multipoint model.
- **Warehouse Management Services**  
Offers comprehensive warehouse management services through a team with high levels of experience and expertise.
- **Logistics Solutions Management Services**  
Complete solutions related to the design and planning of supply chain systems or logistics process for customers, specifically in setting up a world-class Warehouse Management System (WMS)

For more information [www.dynamicgroupthailand.com](http://www.dynamicgroupthailand.com)

In order that the details in the following topics, which can learn more about the company's operations from the annual report 2018

- Business of organization
- Scale of the organization
- Financial statement



### Contact Information

Should you have any queries or wish to request for any further information related to this report, please contact: [Sustainable Development Office](#)

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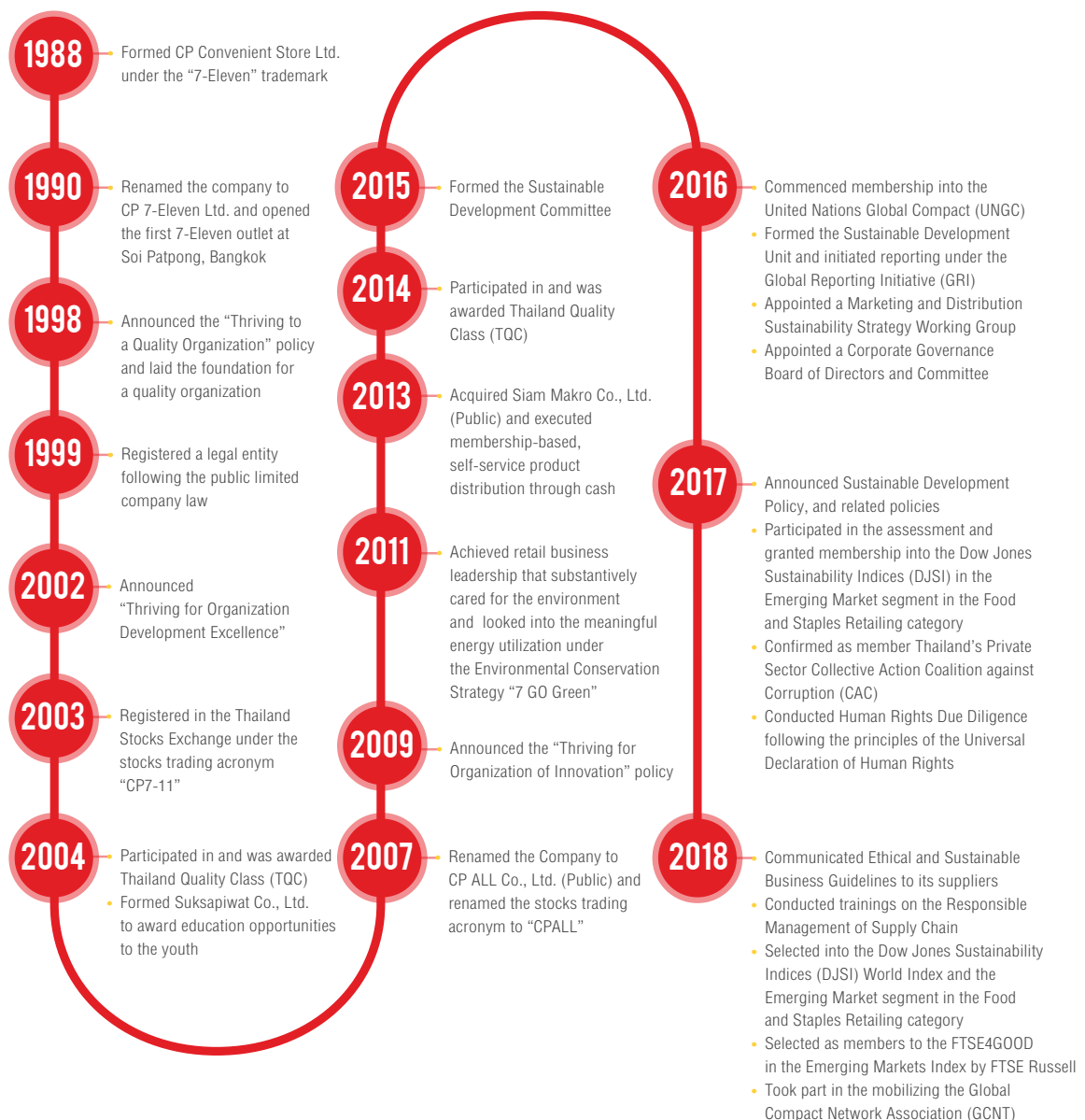
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# Development Path to Sustainability

Over the past 31 years, CP ALL Plc. and its Subsidiaries (“the Company”) has steadfastly committed to the convenience and better quality of life of the community and society. At every step of success, CP ALL has always strived for growing the organization to excellence and sustainable development. The secret lies in our strong commitment and continuous action for the benefit of the nation, society, and the organization.





## 2018 Performance Highlight

Progress as of 31<sup>st</sup> December 2018

The “One bagless a day” project



reduced of **67,753,979**  
in plastic bag in 2018

Donated a total of baht to  
Nawamintarabopit Building of Siriraj Hospital

**13,550,796**

In 2018, one of the Company’s environmental and social projects receiving especially positive response, is the ‘reduce and stop’ campaign for plastic bags. The ‘One bag less a day’ project focuses in consumers’ behavioral change in plastic bag usage. For every rejection against plastic bag, 0.20 Baht donation is made. All donation from this campaign will fund medical supplies for Nawamintarabopit Building of Siriraj Hospital. To see the campaign’s progress, please access the QR Code.



The Company has achieved its target to support **10,000 farmers, SMEs or those from vulnerable groups**. Through a variety of projects, there were 43,095 individuals receiving supports. These projects comprise Golden Banana Project, Red Roof Coffee Shop project, and projects supporting SMEs.



individuals in 2018.

Regarding the Company’s human rights performance, in 2018, **the Company has expanded the coverage of its human right risk assessment to 100% of its operation sites, and 100% of the Company’s business activities.**

The businesses can be categorized into 4 primary activities, procurement, production and distribution, marketing and sell, customers and service. Furthermore, the Company is extending the process of human right risk assessment to encompass 100% of its critical tier-1 suppliers. This helps the Company ensures that there are no human right violation throughout its value chain.



The Company is determined to make contribution to education, a social issue it has highlighted. Apart from providing assistance in terms of human resource and for other projects, the Company has granted scholarships and provided training for over 94,531



Results of the employee’s engagement and satisfaction survey increased to 82%. This is beyond the Company’s expectation. The target was set at 62%. Notably, there are 3 primary projects which may contribute to this, which are: improvement of performance assessment system, improvement of professional advancement system, and recognition and award system.

## 2018 Awards and recognition that have brought the Company's pride

MEMBER OF

### Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

As of 2018, the Company was listed as a member in Dow Jones Sustainability Indices (DJSI) in DJSI Emerging Markets for the 2nd year, consecutively. It is also listed in DJSI World for the first year. The Company belongs to the Food & Staples Retailing sector, and is the only Thai company listed in this sector.



FTSE4Good

The Company was listed as a member of FTSE4GOOD index in Emerging Markets Index. The index is ranked by FTSE Russell, who considers the Company's performance in governance, social and the environment .



The Company was selected as a member of Thailand Sustainability Investment (THSI), selected by the Stock Exchange of Thailand, in 2018. Criteria comprise economic, social and environmental performance.

As of 2018, the Company was listed as one of the 100 companies with notable sustainability performance, consisting of economic, social and environment performance, by Thaipat Institute. The institute focuses on encouraging business sustainability. It is a partner of Global Reporting Initiative (GRI).



According to the research, "Thailand's Most Admired Brand 2018 & Why We Buy" announced by BrandAge Magazine, 7-Eleven makes the list in the category of retail and 24-hours convenient stores. The research investigates brand's reliability and factors influencing the decisions to make purchases from that brand. It was conducted for 18th year consecutively.

Received an award from the Teachers' Council of Thailand as 'Contributor to the Nation's Education 2018.' This was in recognition of the efforts to develop and support youths through Panyapiwat Technical College, an academic institute founded by the Company.



Selected as an academic institution with 'Excellence' rating from Ministry of Education in 2018. This was a selection made from the pool of 119 public and private academic institutions participating for quality assessment.

## Forbes

Forbes, a widely respected finance and business magazine from the US, has listed CP ALL as 23rd in the list of top 100 most innovative companies in the world. It is the only Thai company. Consideration was made from a global pool of private companies.



Received an award from Thailand Management Association, in recognition of innovation, products and services. These are from both opened and closed innovation contest, CP ALL’s Innovation Awards and Eat Well. The latter which consolidates and makes available food with high nutritional values for consumers’ convenience in purchasing.



As of 2018, received the Award “Excellent Institute for Healthy Product Creation (Sodium Reduction) and for Supporting Less Sodium Consumption” from Less Salt Network, Thai Health Organization, and the Kidney Foundation of Thailand.



Received ‘Best Investor Relations in Consumer Staples Sector in South East Asia’, an award based on more than 100 analysts and fund managers across Southeast Asia. This is another pride for the Company and Thailand, alike; resulted from the Company’s determination to operate according to its goals. The company aims to create and share opportunities with all.



Resulted by the commitment to continuously foster education and learning for over 15 years, through various challenges, CP ALL has received an award ‘Corporate Excellence in Supporting Reading Culture (National Level)’ in 2018. The Company acts according to its commitment to develop Thai society into a society of reading and writing. It is the only private company recognized at a national level, receiving a Royal Cup from Princess Maha Chakri Sirindhorn. The event was organized by Department of Cultural Promotion, Ministry of Culture.

CP ALL recognizes and has been part of the national efforts to drive for efficient energy usage. Metropolitan Electricity Authority (MEA) has granted the Company a Level 2 Medal of ‘MEA, Excellent Energy Efficient Building’ for the category of office building ‘Tara Sathorn’. This was from the measures to replaced fluorescent bulbs with LED ones; to control air conditioners’ time of function in advance in office area. The Company also received an energy-efficiency award in the category of convenient stores for the 4th consecutive year.



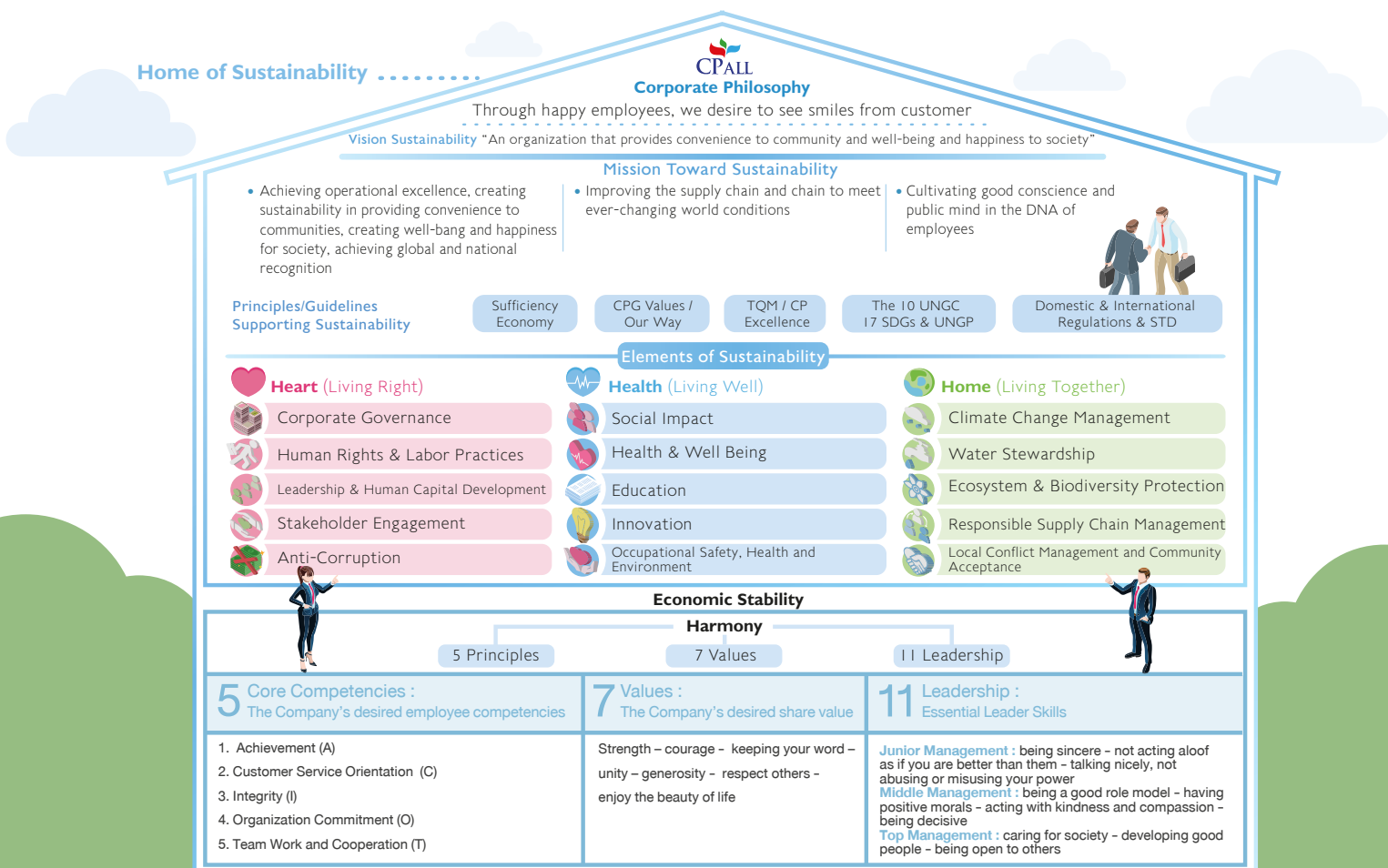
**CP All is proud to create and share opportunities with all. To see smiles from the team, community, society; to see everyone being happy, these are awards we take pride in. They are what fuel our determination to persist and move forward. This is the determination of everyone at CP ALL.**

# Building on Ambition, Strategy for Sustainability

In 2017, the Company set a sustainability development framework covering corporate governance, human capital development, environmental stewardship, product and service innovation, process efficiency, creating shared value and acceptance from the community. Cognizant of its 2017 sustainability performance, CP ALL Plc. and its subsidiaries (“the Company”) continues to take action. This includes setting policy and strategy for corporate-wide improvement, to ensure that the Company is on track to achieve sustainability business operations.

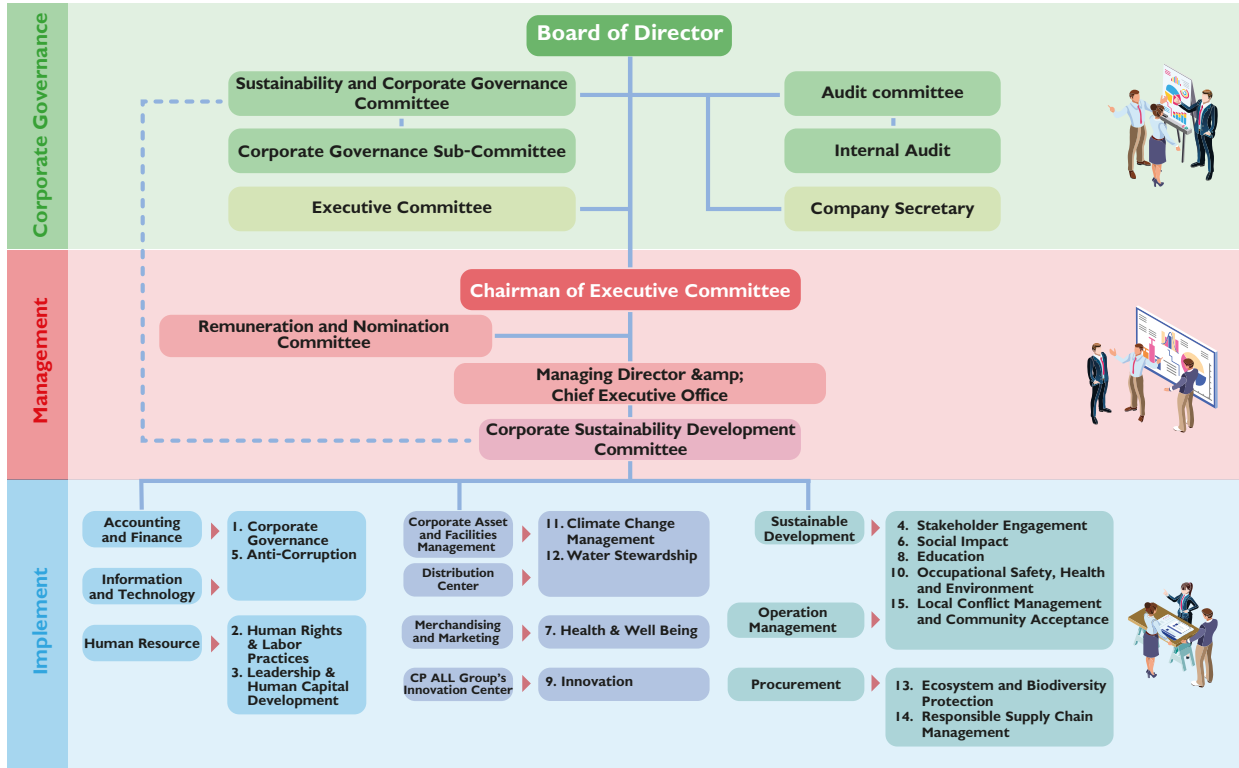
The Company has announced Sustainable Development Policy, Developmental Framework, and Sustainable Developmental Framework since 2017. The Framework comprises 3 Pillar : operating business with the mindset

for long-term sustainability, fairness, transparency, traceability (Heart) ; aiming to create a sustainable society and good quality of life (Health) ; determined to strengthen sustainable environment (Home). In alignment with the corporate culture is “mixing common elements together with differing elements, so as to build unity in being part of the same band (Harmony)”. The Company believes that corporate culture is the “organization’s life force” that makes the organization strong and enables it to grow sustainably. To enable employees with diverse backgrounds to work together, value differences, unite efforts, thoughts, skills and abilities, and move toward the same goals, to fulfill the long-term sustainability goals of the Company.





In accordance to above Developmental Framework, the Company continues to prioritize sustainability performance. This was demonstrated by integrating sustainability performance into management structure, as follows.

### CP ALL's Sustainability Development Structures



The Company has established a number of strategies to ensure achievement of 2020 Sustainability Targets, as follows.

#### Corporate Governance

-  Corporate Governance
-  Anti-Corruption

The Company has reviewed and established additional guidelines to ensure thorough coverage of all important issues with impacts to the good corporate governance's performance. The issues include anti-corruption policy, anti-money laundering policy, data privacy policy, data privacy guideline, and occupational safety, health and environment policy.

Aside from expanding the scope and increasing the specificity of the policies, there has been extensive communication efforts on the matter to employees and external stakeholders, such as suppliers. The Company has always believes that employees are the key factor contributing to good corporate governance. These policies were communicated via internal letters, trainings, online tests, and other forms of media available in the Company.

#### Human Capital Development

-  Leadership & Human Capital Development
-  Stakeholder Engagement
-  Human Rights & Labor Practices
-  Education
-  Occupational Safety, Health and Environment

The Company has established Human Capital Development Strategy under the framework of

**Recruit – Retain – Retire** to set the direction

**Recruit** Set desired qualifications, reinforce through education, and establishing attraction for talents.

**Retain** To develop and establish engagement between talents and the Company through good practice in labor rights, occupational safety, health and environment, employees' well-being and engagement.

**Retire** Prepare and support retired employees for good well-being after their retirement. The Company provides information on legal rights and the Company's benefits for retirees in recognition of their hard work for the Company.



The Company is proud to share notable performance from 3 primary projects. The projects comprise Improvement of Performance Evaluation System, Improvement of Professional Advancement System, and Awarding and Recognition System. The improvement helps elevate the employees' engagement and satisfaction score from 74% to 82% in 2018.

### Environmental Stewardship

The Company aspires to continuously operates according to 7-Go Green strategy. The strategy can be divided into 4 approaches to fit with different parts of the Company's operations which can be driven towards the goal. There are Green Stores approach for stores; Green Logistics for distribution center; Green Packaging for packaging; and Green Living for changes in consumption behaviors for sustainable environment. Aside from reduction of energy consumption, another notable performance in 2018 is the Company's project to cut down single-use plastics projects. Additionally, the Company has promoted and encouraged for suppliers' integration of sustainability through supply chain management efforts.



### Development of Product-Service Innovation and Efficiency Enhancement

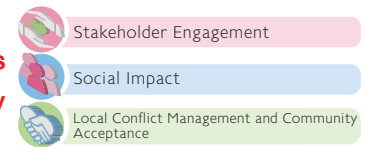
To keep up with the ever changing global landscapes, the Company's Science Technology and Innovation Development Office (STIDO) works with product Development and Marketing, and Information Technology to develop a range of product and service innovation. In 2018, there has been the following innovation.

In terms of product and service development, there has been efforts to further improve and highlight the selection of healthy products in the store. This includes an emphasis in efforts to enhance a shift towards online markets, particularly notable in 24 shopping. Both its website and applications are available on mobile. In terms



of efficiency improvement, the Company makes use of the concept, 'Internet of Thing' in data collection and analysis of the stores' different equipment. The system helps alerts maintenance, preventing equipment from untimely breakdown. Extending the equipment's period of functionality helps the Company reduce its electronic waste volume.

### Creating Shared Values and Earning Community Acceptance



The Company took note of stakeholder survey results, noting concerns and recommendations. The results, with guidance from Social Responsibility Policy, the Company is applying its strength in retails to aid society and community by developing projects to support farmers and small-scale business partners. This is in consistent with the Policy's emphasis on education and social values. The projects have been implemented in areas of operations, and help addressed economic and employment concerns at both community- and national level. The Company therefore enhances social values and earns community acceptance.

For small-scale business partners, the Company has the policy to support community products through its special distribution channels. The products in this channel are notable products at a provincial level, and must pass initial screening criteria. Five stores are selected to pilot-sell the products with marketing support provided, as well as public relation media. If the products successfully passed through the Company's criteria, the products' reach of sell will be expanded to more stores at provincial level, regional level and national level, respectively.

The Company firmly believes that society will only develop if citizens receive education. In accordance to that belief, the Company has launched the 1 Store 1 Scholarship project for Thai youths. This was implemented through 7-Eleven stores in various community, ensuring they have the opportunity for Diploma of Vocational Education and Diploma of Advance Vocational Education. Students are able to study at Panyapiwat Technological College, and other private vocational colleges in the network.



The Company remains determined to achieve 2020 Sustainable Development Goals.

1

**Corporate Governance:**

Creation of assurances in operations concerning stakeholders by reporting the Company’s governance-related activities, with the aim of transparency, fair business competition, ethical business practices, and pursuing sustainability efforts through reporting which has passed independent verification following international standards.

2

**Human Rights and Labor Practice:**

Human Rights Due Diligence (HRDD) has been conducted according to the United Nation Guiding Principles on Business and Human Rights (UNGPHR), fully respecting and upholding human rights. Communication channels for human rights-related grievance have been established, along with diversity and inclusion management.

3

**Leadership and Human Capital Development:**

Develop employees to be equipped with the necessary knowledge and skills to facilitate sustainable business operations. Develop the Company’s leaders to possess visions in business sustainability’s change management. Develop suppliers and business partners to have the necessary knowledge and skills to support sustainable business operations.

4

**Stakeholders Engagement:**

Develop a relationship-building process with stakeholders, by identifying the stakeholder groups, gain understanding in each group’s needs and expectations. This will enable effective response to stakeholders, as well as creating internal corporate awareness towards stakeholders. There is a process to review every grievances submitted from the stakeholders.

5

**Anti-Corruption:**

Create awareness to employees and critical suppliers regarding the importance of, and the commitment to, anti-corruption. This was achieved in

compliance with ‘Anti-Corruption Practice.’ It serves as an operational guideline, maintaining alignment to the Anti-Corruption Policy, utilized in prevention, identification, and responses of the Company’s anti-corruption efforts. This encompasses corruption cases in the Company. The arrangement enables the company to remain true to its established commitment.

**Social Impact:**

6

Creating social values by promoting jobs and enhance income for farmers, SMEs, and Suppliers; creating professional opportunity, while ameliorate quality of life for vulnerable groups (a particular social group that requires support)

**Health and Well-Being:**

7

Development of new products and services, most of which are focused on health, nutrition, and good well-being. Promote nutrition labeling for food products, as well as developing service, projects, or activities which consistently foster good health and well-being.

**Education:**

8

Support children, youths, and adults in accessibility to education, and development of necessary skills, including technical and employment-related skills; in having good occupation, and working as an entrepreneur.

**Innovation Management:**

9

Generate values from innovation, both from new products, and those resulted from cost-saving, as arise from product or process innovation. Enhance the Corporate of Innovation culture, and foster joint-creation of innovation with external stakeholders.

**Occupational Safety, Health and Environment:**

10

Emphasize on safety, industrial hygiene, and work environment of employees, as well as contractors. These components are considered crucial for all operations.

11

**Climate Change Management:**

Reduce greenhouse gas emission, via declined energy consumption per production unit, and an increased proportion of renewable energy usage. Efforts include lower amount of waste to landfill and reduced usage of plastics and papers. Farmers, business partners, and suppliers are encouraged to mitigate their impacts, and enhance change, climate resilience. Climate change impacts assessment throughout a given product or service life cycle is also embolden, in addition to backing for projects on climate change-induced disaster response, jointly implemented with the Company's stakeholders.

12

**Water Stewardship:**

Reduce water usage per production unit. There is the efforts to manage water scarcity risk, by increasing the rate of water recycling, and substantiating community's access to water source, in an appropriate manner.

13

**Ecosystem and Biodiversity Protection:**

Raw material sourcing assessment to ensure that the source does not pertain deforestation or damages of marine resources. Provide support to projects on protection and restoration of natural habitat accordingly (such as upstream forests, the ocean, and the beaches) appropriately.

14

**Responsible Supply Chain Management:**

Conduct sustainability assessment for all critical business partners to procure primary raw material and products from responsible and traceable sources. This includes the efforts to develop mutual sustainable growth with business partners.

15

**Local Conflict Management and Community Acceptance:**

Discuss and kindle relationships to ascertain understanding, which will help ease conflicts between the Company and society. Social impact assessment will be conducted, with preparation respectively arranged according to the risk identified. Emphasis is given to community investment. There is a management mechanisms to address grievances on social impacts, coupled with a guidance on mitigation.

In addition to Business Operation that are in line with the United Nations Sustainable Development Goals (SDGs), the company has a business plan aimed at strengthening Improve the quality of life and protecting the environment for sustainable development, as shown in the appendix to emphasize the commitment to affirming its commitment to responsible business practice on par with international standards SDGs, the helped make history by launching 'Global Compact Network Thailand (GCNT)' with Charoen Phokpand Group and leading private enterprises in 2018. It invited Ban Ki-Moon, the 8th Secretary-General of the United Nations to join in the launch – leading Thailand's private sector towards sustainability.



The Company's notable success in sustainability was being listed as one of the leading companies in Dow Jones Sustainability Indices (DJSI), both in DJSI World and in DJSI Emerging Markets, as part of Food & Staples Retailing Sector. As of 2018, it is the only Thai company Listed for this Sector. The Company was recognized for its strengths in Customer Relation Management, Packaging, and Human Rights practice. The Company has also been listed in Thailand Sustainability Investment (THSI) by Stock Exchange Thailand. This was in recognition of the Company's economic, social and environmental performance.

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

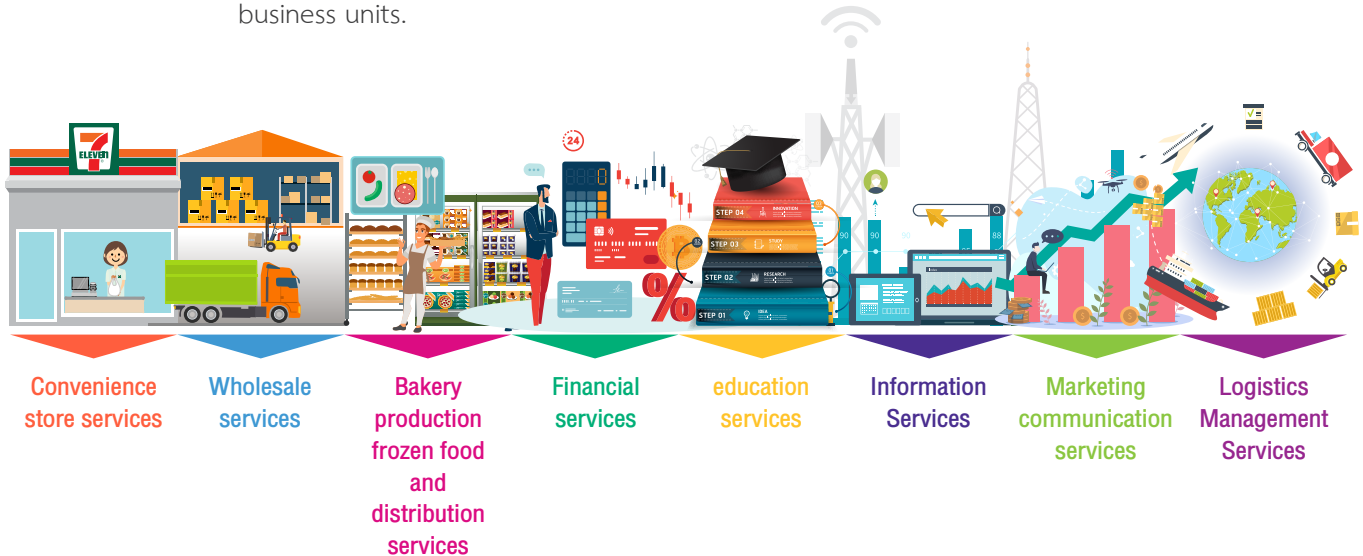
**THSI**  
THAILAND  
SUSTAINABILITY  
INVESTMENT 2018



# Emphasis on All Material Issues for Sustainability in All Dimensions

## About This Report

In alignment with the Policy and Sustainable Development Performance, CP ALL Plc. and its Subsidiaries (“the Company”) has published its sustainability report for its third consecutive year. The report discloses its management approach on economic, social, and environmental performances in 2018 (covering performance from 1st January to 31st December 2018). The 2018 report was developed in accordance with the Global Reporting Initiatives Standards (Core Options). The reporting scope still was expanded from 7-Eleven convenient stores and minor business units to include overall performance of CP ALL Plc. covering all 8 business units.



## Corporate Materiality Assessment

The Company conducted materiality assessment according to Global Reporting Initiative (GRI). Due consideration was given to each materiality's level of influence over stakeholders' decisions and assessment, in conjunction with corporate economic, social and environmental impacts. The assessment results serve as a response commensurate to both internal and external stakeholders of the Company. This was achieved through public disclosure in sustainability report. The assessment process is as follows.

### Corporate Materiality Assessment Process



#### Identification

Corporate Sustainable Development Committee identified sustainability issues with relevance to business operations, either in reference to Global Reporting Initiatives, Dow Jones Sustainability Indices (DJSI), global trends, or United Nation's Sustainable Development Goals. Issues prioritized by peers or those with relevance to the Company are also included into consideration.



#### Prioritization

The Company conducted initial prioritization of sustainability materiality with support in technical reviews from expert consultants. Two sets of questionnaires were produced. The first set of questionnaires was distributed to the Company's stakeholders, whereas the second set was distributed among the Company's executives. The initial screening process yielded materiality as prioritized by over 1,900 stakeholders, the Company's executives and employees. Prioritized materiality is then reviewed by high-level executives in a workshop, providing an opportunity for thorough screening and prioritization. Prioritization was made in consideration to the level of influence the materiality has over stakeholders' decisions and assessment. This was done conjointly with due consideration given to the level of significance as denoted from corporate's economic, social and environmental impacts.



#### Validation

The Company has validated the Company's materiality issues, particularly in cognizant of external stakeholders' point of views. Stakeholders' opinions were collected through various channels. This was achieved instantaneously with conducts of in-depths interviews with multiple stakeholders, namely, customers, suppliers and thought leaders. The information gathered is the input for the assessment.

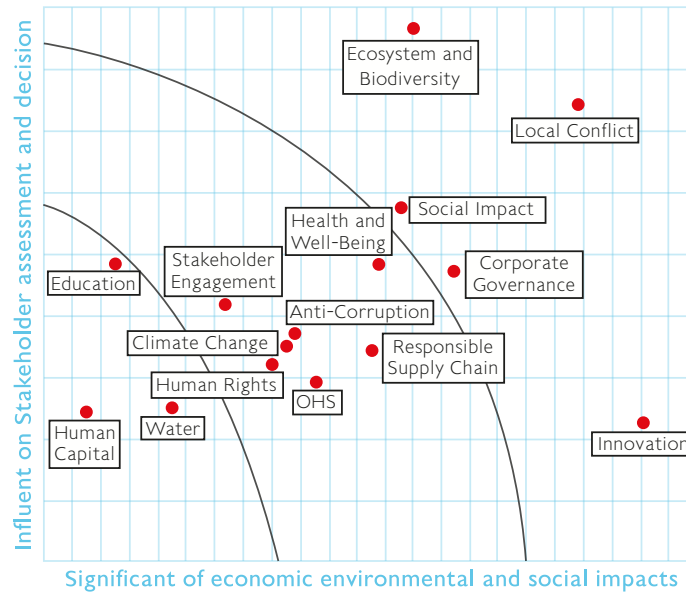


#### Review

With regard to the results from 3 prior steps of the materiality assessment, the Management Committee has reviewed and approved 2018 Materiality Issues.

From aforementioned process, the Company presents an overview of materiality assessment as illustrated.

**Illustration: Materiality Assessment Results of CP ALL 2018**



**Boundaries**

Topics	Materiality	GRI Indicators	Boundaries	
			Internal	External
<b>Section 3 Heart</b>	Corporate Governance	102- 19	X	
	Anti-Corruption	205-2	X	X
	Human Rights	412-1	X	X
	Stakeholder Engagement	103-1, 103-2	X	X
	Human Capital Development	404-2, 404-3	X	
<b>Section 4 Health</b>	Innovation	203-1	X	X
	Occupational Health and Safety	403-4	X	X
	Health and Well-Being	FP5-FP7, 417-1	X	X
	Education	103-1, 103-2	X	X
	Social Impacts	103-1, 103-2	X	X
<b>Section 5 Home</b>	Ecosystem and Biodiversity Protection	304-2	X	X
	Climate Change Management	302-4	X	
	Water Stewardship	103-1, 103-2	X	
	Responsible Supply Chain Management	204-1		X
	Local Conflict Management and Community Acceptance	103-1, 103-2	X	X

All information in this reported has been reviewed by an external verifier, which passed through a selection process by a Board of Governance to ensure that agency is independent from the Company and has the qualifications and capacity to perform such verification, per ISAE3000 and AA1000AS audit standards.

# Heart



Corporate of Good Governance,  
Manage Transparently

CP ALL is committed to conduct business adhering to principles of good governance, transparency, traceability, non-discrimination, anti-corruption in all forms, rights equality, harmonizing benefits of all stakeholders, professionally respecting all trading partners and competitors within rules frameworks, while offering development opportunities to its human resource, enabling their growth in tandem with the organization in a sustainable fashion.



Corporate of Good Governance,  
Manage Transparently



Standing beside honesty,  
stepping aside corruption



Respecting Human Rights,  
Committed to International  
Principles, Creating Peace



Embracing Differences,  
Building Bridges, and Forging  
Shared Benefits



Mix the similar, mend the  
different, and make good and  
talented individuals, mould to  
unite a force

## Corporate of Good Governance, Manage Transparently

“

CP ALL believes that a good organization must have good governance. This means operating business with integrity and deep-seated morality—values

which we have always deemed important. More than prestigious policy declarations, everyone in the organization adheres to “good governance” as a pillar in a systematic and tangible fashion.

”







**Giving and Sharing Opportunities**



# Corporate of Good Governance, Manage Transparently

For over 31 years, CP ALL Plc. and its subsidiaries (“the Company”) has been operating with determination and dedication to give customers quality products and convenience. This is in conjunction to the Company’s fair business operations with stakeholders, while upholding good corporate governance. It remains unwavering considerate to the community, society and the country.

## Challenges

The Company believes that good corporate governance is the heart of the Company’s operations. It is also the crux for establishing directions and working framework. The Company is cognizant of the issue’s importance, and has been making management efforts for good governance in a tangible way. The challenge is to create understanding and communicate to over 150,000 diverse employees across the country. This ensures awareness, understanding and standard compliance in all functions; enabling a business culture that is right, responsible, transparency and traceable.

### Progress in 2018

- >> Set Data Privacy Policy and Guideline
- >> Set Anti-Laundering Policy
- >> Organize trainings on Business Ethics and Code of Conducts for Critical Tier 1 Suppliers
- >> Integrate the curriculum into Onboarding Program

### Key Performance in 2018

- **100%** of management-level employees or equivalent have been trained in business ethics and code of conducts
- **100%** of critical Tier 1 Suppliers have been trained in business ethics and code of conducts
- **100%** of store partners have been trained in business ethics and code of conducts
- **100%** of training participants passed CG Quiz
- **97%** of the employees acknowledge, understand and able to implement business ethics and code of conduct

## Benefits to Society, Environment and the Company

It’s crucial that the Company has a management system in accordance to the principle of good governance, which is ethical, moral, transparent and traceable. The Company must uphold its responsibility to all stakeholders, maintain its compliance to the laws, rules, and regulations; as well as international standards. This gives confidence to all groups of stakeholders; creates values to society as a whole, and helps company to readily adapt under changes.

**2020  
Goal**

▼

**100%**

**of CP ALL Plc. and its subsidiaries  
shall disclose corporate governance  
and sustainability performance  
in sustainability reports.**

with independent, third-party financial auditors to surface insights on financial statements and internal controls. Findings and recommendations are reported to the Company’s Board Meeting every quarter. For immediate improvement, the Company has implemented these recommendations from auditing committee and external auditors. Intervention results will be reported in the following Board meeting.

**2. Sustainability and Corporate Governance Committee** The Committee is responsible for drafting the corporate governance policy, anti-corruption policy, relevant code of conducts, business ethics code, and good work practice. The aforementioned policies and codes of conduct are regularly revised annually. This helps ensure compliance to international standards, governmental and relevant authority’s regulations.

### Performance against Goal

Performance against Goal	2016	2017	2018	2020 Goal
Number of subsidiaries disclosing corporate governance and sustainability performance in sustainability reports (%)	15	46	61	100

### Performance

The Company’s Corporate Governance management beings from the governance management structure itself, which is overseen by the Company’s Board of Directors. The Board has an important role as the Company’s driver, with the duty and responsibility to ensure corporate governance effort is in alignment with objectives and goals. This will ensure the greatest benefit to the Company, with regards to social responsibility, consideration to environmental impacts, and fairness to all stakeholders. The Company’s Corporate Governance and Anti-Corruption Policy will serve as an overarching guidance. All will be implemented according to the laws, the Company’s objectives and rules, the Board’s charter and guideline, the Board’s resolution and the General Assembly’s Resolution.

The Company’s Board has set up 3 committees. All of which are under the Board, are independently carrying out their duties in accordance with the charter. They are directly accountable to the Board. These committees include:

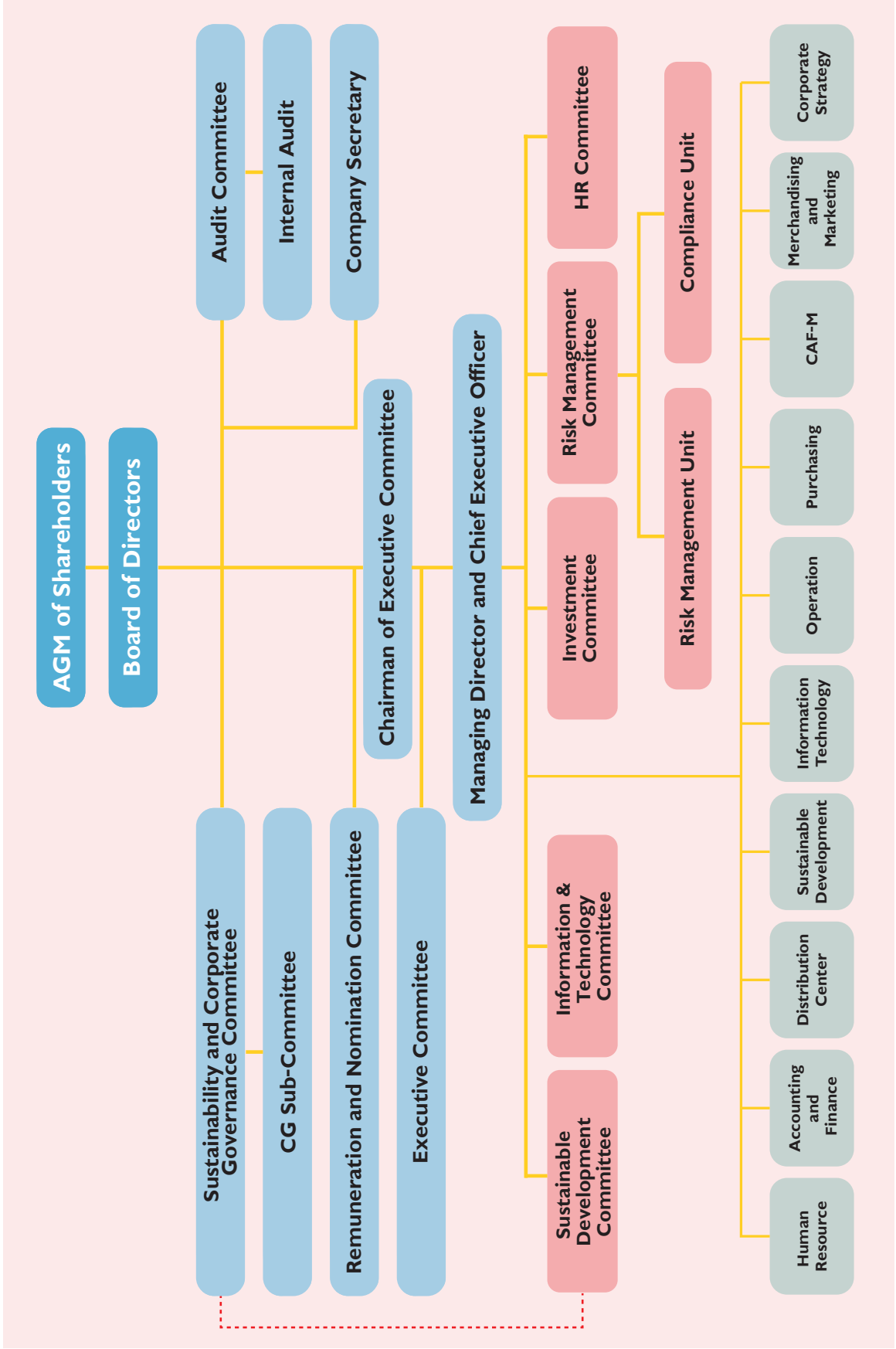
**1. Audit Committee** In addition to financial auditing, the committee also verifies the Company’s performance to ensure compliance to policy, regulations, legal requirements, and rules from regulatory authorities. It also assesses and ensures that there is a robust internal control system, internal audit system and stringent risk management system. There are consultations conducted

The committee also produces reports summarizing performance and recommendations to the Board of Directors. The said submission will address corporate relevant areas, comprises: corporate governance, anti-corruption policy, social responsibility, sustainability management, as well as relevant code of conduct. There are two submissions per year. Furthermore, the Committee monitors the Board’s and employees’ compliance alike. The monitoring considers corporate governance policy, anti-corruption policy, sustainability policy. Compliance audits and assessment are simultaneously conducted with the Board and Management. Both would make recommendations in light of policy compliance.

**3. Remuneration and Nomination Committee** The committee is responsible for establishing the criteria and compensation form for the Board and executives. The executives’ compensation will be variable according to their performance. The Board of Directors holds the authority to approve the executives’ compensation, in conjunction with the General Assembly’s approval. This committee also appraises the criteria and process to nominate individuals with appropriate qualification as a Board member, as well as making selection, accordingly. This is supplemented with nominees from shareholders. Shareholders’ opinions will also be noted in the Board’s meeting, prior to being proposed to shareholders, in light of the Board’s nomination



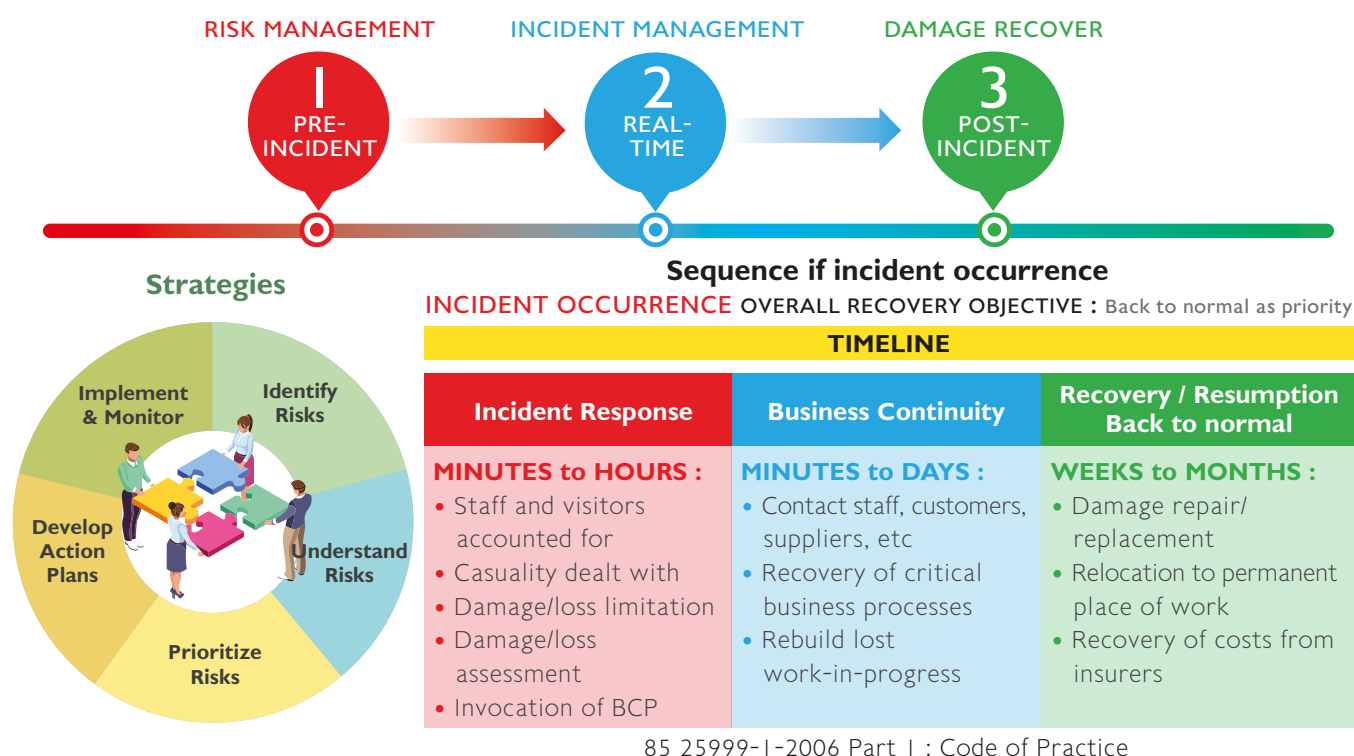
# Corporate Governance Structure



Corporate Governance Committee’s performance reflects its determination. This is particularly the case in its work to set corporate governance policy, and corporate governance guideline addressing 5 main topics: shareholders’ rights, equality between shareholders, consideration to shareholders’ roles, disclosure and transparency, as well as the Board’s responsibilities. Policy and guideline reviews were conducted to ensure

from all work sectors within the organization to ensure work effectiveness. The unit reports their actions and performance to Executive Committee, Audit Committee, and the Board’s meeting twice a year. This is to review the efficiency and effectiveness of risk management process, be it for strategic risks, operational risks, financial risks, compliance risk, social, environment and economic risk, tax risks, corruption risks and reputational risks.

## Risk and Crisis Management Framework for Continuous and Sustainable Business Operations



they continue to be relevant, as well as in compliance with regulations and international standards. The Company adopts Corporate Governance Code (CG Code) 2017 by The Securities and Exchange Commission (SEC). It is implemented as appropriate to the Company’s business context.

**For Risk Management,** the Company has set Risk Management Unit and Compliance unit to address the topic. They work under Risk Management Committee, while they are, themselves, comprise of representatives

Every year, the Company reviews risks and regulations related to its business. Following from 2018 review, the Company continues to identify emerging risks as digital transformation, our digital presence risks, artificial intelligence, and governmental regulatory and policy change. The Company has studied and developed responsive approach, in the form of appropriate policies and guidelines. In 2018, the Company has identified a new emerging risk with potential impacts to the operations; as follows.



## Cybersecurity Risk

As business operation and approach shift to become more reliance on digital technology, the Company provides different services on internet network, web application. Employees can now access internal drive when they are outside the Company. Remote access is now available and being utilized more in internal network. This leads to increased possibility of cyber threats, such as data theft. This maybe data on trades, or employee's and customers' data, which will affect the Company's finance and reputation.

## The Company's Management Approach for Cybersecurity Threat

The Company has appointed a Chief Security Officer to be responsible for the Company's information technology security. The information technology security management is provided by Go Soft (Thailand) Company. They also support in management of Internet Security Strategy System to ensure business continuity and mitigate risks to acceptable level. The strategy is reviewed at least annually. There is awareness building for employees on cyber security awareness continuously through internal communication channels. Employees are tested on Cyber Simulation Program to ensure accurate understanding of technology and relevant security practice against cybersecurity. This is in compliance to international standards, such as ISO 20000 and ISO 27001.

## Performance Assessment for the Company's Board and Sub-Committee.

The assessment mechanisms for corporate governance performance is a crucial driver facilitating the performance to meet expectations. It enables more effective development of corporate governance activities. The Company is cognizant of the assessment's importance and accordingly, set 2 assessments for the Board: one for the Company's Board as an entire Board, and the other, as an individual. The sub-committee comprises Audit Committee, Sustainability and Corporate Governance Committee, Board Remuneration and Nomination Committee. The Committees' effective performance is reflected in 2018's performance score. The average result is in 'Excellent', with the scores being

87%, 88%, 100%, 90% and 92%, respectively. Furthermore, the Company was rated for Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors (IOD). The Institute itself may be considered an external organization without stakes with the Company. The Report helps the Company ensures its corporate governance is effective and moving towards the right direction. The results show alignment with leading Thai companies' performance. The Company's assessment is in the range of 'Excellent.'

## Ethics and Compliance

The Company is cognizant of good business ethics' importance and has therefore published the Business Ethics and Code of Conduct handbook. The handbook will aid the Board, executives and all employees in conducting their works and duties with honesty, just, transparency, firmly in compliance to just and morals. The handbook provides guidance in customer prioritization, social responsibility, political neutrality, stakeholder engagement as well as non-complicity in human rights violations. All personnel are encourage to take actions against corruption, to refuse excessive compensation, to have no relation with bribery, either as recipient or the briber. They must have no conflicts of interests and does not partake in any acts that violate others' intellectual properties or copyrights.

## Highlight Performance in Corporate Governance and Business Ethics

There has been notable performance in corporate governance and business ethics. In 2018, the Company has foreseen the importance of continuously building understanding and awareness. As it is the foundation for performance alignment, the Company published a Business Ethics and Code of Conduct handbook for executives and all level of employees. The training encompasses 100% of management-level executives, or equivalent. Training's targets have also been set. All participants must pass CG Quiz by 100%. There are onboarding trainings addressing anti-corruption, which will be elaborated further in the net part. Furthermore, the Company has conducted a survey on employees' understanding and awareness of corporate governance. The survey shows that 97% of the employees acknowledge, understand, and are aware of how to conduct themselves. The Company set additional component of corporate governance policy on data



“The definition of good governance is fairness. If there is fairness on every issue and in every aspect, there will be good governance. An organization needs to have good governance, for without it, it will not be respected, not attractive to employees, and will be a danger to society. At CP ALL, we can say with confidence that we are free from corruption, we do not support it, and we are opposed to it. I have found that all items in “II Leadership” are important, but I most clearly recall fairness. It is the duty of all CP ALL members to be cognizant and put this to practice.”





privacy protection policy and guideline; anti-laundering policy, occupational health, safety and environment policy. To affirm the importance and the Company's dedication to operate with good governance, the Company's Board, Executives and employees took a stance together on the 12th December 2018. It was the Anti-Corruption day, and all came together to commemorate and declared their dedication for 'Good Corporate Governance, Against Corruption.' Expectations were communicated to suppliers, along with efforts to build their understanding and provide them trainings.

### Active Role in Driving the Government's Policy

The Company has become part of alliance with all sectors. This enables the Company to note the demands, trends; to join in and provide opinions, advices and financial support. Honorable members of the Company are also actively participated in various association. List of contribution is below:

No.	Associations	2018 Budget (Baht)
1	The Thai Chamber of Commerce and Board of Trade of Thailand	8,226,000
2	United Nations	656,002
3	The Development of Thai Capital Retailers Association	564,500

In 2018, the Company become part of the Board for The Thai Chamber of Commerce and Board of Trade of Thailand. There are 3 focus lines, commerce and investment, tourism and service, as well as economic structure. This year's notable project is driving Modern Trade (Modern Trade Sentiment Index : MTSI). This index is useful to data users in analyzing the economic trends through retail business' information. It can be used for both private and public sector planning. Additionally, the Company has also set up a formal committee to address permit request issues, particularly to make proposition for government's consideration to modify regulations. These modifications will help provide ease for retail business sector overall.



## Highlight

### Sentiment Index as surveyed from Modern Trade

operators, 65% of retail and wholesalers markets across Thailand. The survey's objective was to assess the situation of retail market, to reflect the country's future economy, particularly on income, profits, and employment.



### Modern Trade Sentiment Index (MTSI)

List	4 <sup>th</sup> quarter of 2018		
	Decrease	Unchanged	Improved / increased
Revenues from sales and services.	23.3	11.6	65.1
Profit from sales or services	2.8	25.0	72.2
Number of customers who use the service	25.6	16.3	58.1
The average selling price of durable goods per unit	24.2	72.7	3.0
The average product price is not durable.	0.0	67.9	32.1
The average selling price of non-durable goods per unit	22.2	50.0	27.8
Employment (number of people)	18.6	4.7	76.7
The ability to compete with the same business as you	0.0	25.7	74.3
Ability to compete with online businesses	0.0	27.3	72.7
Investment in technology, equipment and innovation	0.0	35.7	64.3

### The Process to reduce supporting evidence for annual permit requests

Reducing steps of permit request for operations and expansion, help resolve complication in the process. Permits may overlap in certain boundaries. The Company therefore uses this opportunity to raise awareness to governmental units, the Thai Chamber of Commerce, and Ministry of Commerce. This is in accordance to the Company's aim to streamline the document collection's process, enabling business expansion in Thailand overall. Approximately 2,773,000 Baht was spent to drive this project in 2018.

Hence, Should "good governance" be the driving force that propels, strengthens and unifies the nation, Thai people will, with confidence, march forward together to victory.

## Standing beside honesty, stepping aside corruption

“

CP ALL recognizes that corruption is a big challenge in the global community. We have therefore made clear public commitments to conduct business and manage the organization

rooted in the principle of transparency, and considers corruption as the enemy that deteriorates the nation's development.

”





**Giving and Sharing Opportunities**



# Standing beside honesty, stepping aside corruption

## The challenge

Corruption is unacceptable for the private sector, and directly impacts sustainability and trust of stakeholders.

## Social, environmental and organizational benefits

The Company has remained firm towards good governance, while promoting policies and standards of practice that combat corruption. This has been the strict guiding principle for employees at all levels. Such practice has helped curb corruption that could have otherwise occurred in various instances throughout the Company. Moreover, these measures have created a protective shield against adverse effects, promoted trust, resilience, and a culture of honesty in doing business. The Company remains committed to produce bright and good social citizens.

### 2020 Goal

The Company is determined to prevent corruption from occurring in all its forms, both within its own organization and Critical Tier 1 Suppliers.

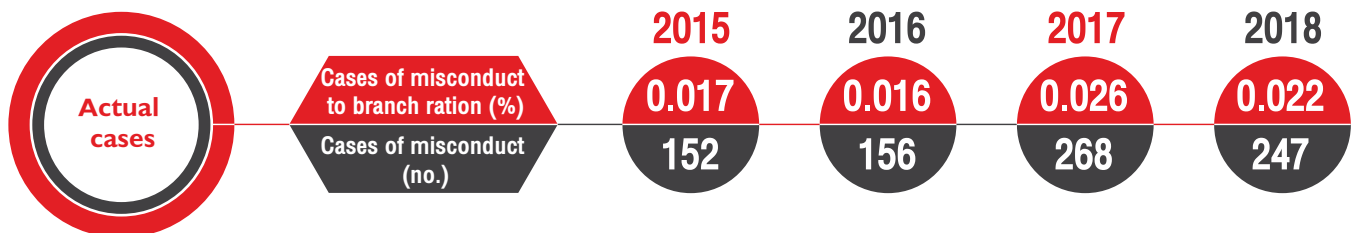
### Progress in 2018

- >> Establishment of procedures for whistle-blower protection
- >> Promotion of anti-corruption, for instance, encouraging staff participation in the “Thais, aware and against corruption” campaign

### Key Performance in 2018

- Membership into Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC)

In 2018, there were reported 247 cases, the majority being abuses by store employees; attaining the store’s cash and revenue for personal gain, and consumption of store’s products.





The Company has used such information to develop effective measures to prevent misconduct in a suitable manner and to decrease recurrence. For instance, measures taken to prevent misconduct in 7-Eleven stores include:

1. The branch taskforce ensures compliance of protocols by store employees, such as:
  - The Manager personally handles the cash count after each shift.
  - FC is responsible for the overall performance of the Manager which must be present at the branch to handle and monitor cash count.
2. The cash count team will perform immediate counting upon arriving at the store.
  - Cash count will be audited with the stock and account book.
3. The QSSI team will inspect product quality, service, and compliance to protocols, such as cash organization within the cash registry and cash reserve set aside.
4. The Loss Prevention team follows up on imbalances in cash count figures and conducts surprise site inspections at stores, frisking of cash register, account entry, and reviewing of CCTV footage.
5. Constant communication and awareness raising with all 7-eleven employees.

The above measures have resulted in a decrease of cases of misconduct in 2018.

### **Management Approach Anti-corruption policies**

During the past year, the Company has developed anti-corruption policies and related regulations, which include regulations on anti-corruption, guidelines on charitable contributions, financial sponsorship, receiving/giving souvenirs and reception, and gift-giving. Measures to curb corruption form working methods and standards of practice that are consistent with the above policies and regulations. These are communicated through all channels and levels within the Company, including with trade partners to ensure actual enforcement. In 2018, the Company trained 100% of executive level and equivalent ranking employees. Moreover, the Company organized on-Boarding curriculum for 100% of new employees and Store Partner. This ensures that all employees are aware, understand, and can put to practice in a manner that is consistent with good governance and anti-corruption policies. It is also hoped that employees will communicate such anti-corruption policies to 100% of Tier1 Suppliers through the Supplier Code of Conduct and Guideline. In 2019, the Company plans to expand the training to cover 100% of staff and employees at the operations level and include corporate governance and anti-corruption as standard topics in the pre-promotion curriculum through the E-Learning system for employees at all levels.


The Company has supported the attendance of employees at the Anti-Corruption Day 2018, “Thais, aware and against corruption” organized by the Anti-Corruption Organization of Thailand on September 6, 2018. Total of 71 attendees




Apart from anti-corruption measures that can decrease misconduct, the Company has drawn up measures to help detect and report actions that may be categorized as misconduct in due course. The measures define communication channels for stakeholders and related persons, including executives and employees. These channels offer the opportunity as a grievance mechanism or can be used to submit evidence of

misconduct or file complaints if cases are treated unjustly. Further information and guidelines are publicly published on the Company’s website. Furthermore, the Company gives importance to the confidentiality of informants. In 2018, the Company established measures to protect informants from harm and intimidation, and defined compensation for possible damages to informants.

**The development of the grievance mechanism and investigation procedure, which includes submitting anonymous evidence**

 **By Email**, to one of the following recipients:

- Audit Committee                              AuditCommittee@cpall.co.th
- Corporate Governance Committee      CGcommittee@cpall.co.th
- Board of Directors                            BOD@cpall.co.th

 **By post**, addressing to the Internal Audit Department, CP ALL Plc., 119, 16<sup>th</sup> Floor, Tarasathorn Building, Sathorn soi 5, Sathorn-south Rd., Tungmahamek Subdistrict, Sathorn District, Bangkok 10120

 **Through the information center**

- Phone 02-071-2770 and 02-826-7744
- Fax 02-071-8623

 **Website** cpall.co.th, topic “report evidence of misconduct”

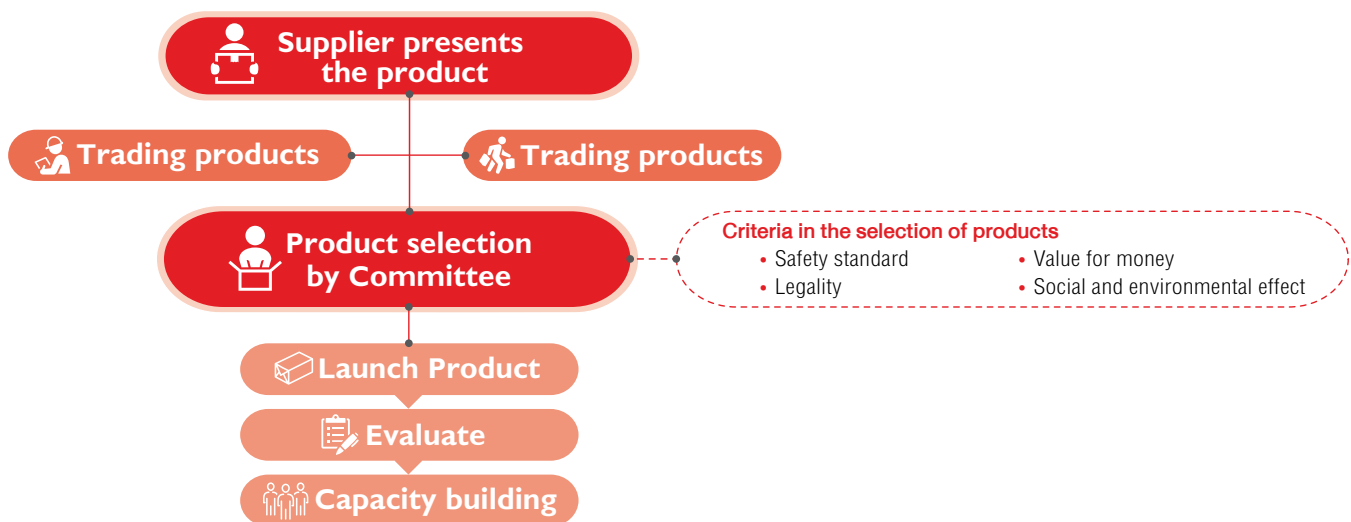
## Transparent and Equitable Business Conduct

Conducting business in a transparent and equitable manner is an integral principle which supports the overall functioning of the anti-corruption policy and is the most important mechanism in a sustainable working relationship among various stakeholders, such as shareholders, clients, and trading partners. This issue is an important one for employees and there is high expectation that the Company will put this principle into practice in a tangible manner. The Company is aware of the value of operating on the basis on transparency and equity by developing policies and regulations that are clear and fair, and communicating these practices, including internal and external procedures, to all sectors to promote mutual understanding.

## Procurement procedures

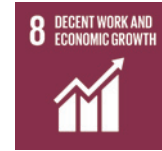
Procurement procedures for products sold at 7-Eleven stores. This procedure is one of the central procedures of the Company and involves a myriad of stakeholders. The Company gives high importance to the procedure and has a defined framework that is transparent and can be communicated to stakeholder from all sectors. This ensures mutual understanding amongst practitioners, including those interested to propose products for the Company’s consideration. All decision-making procedures for product procurement are done in line with the Product Selection Committee guidelines, which guarantees neutral treatment based on fairness, transparency, and equitability.

### Supplier presents the product



In 2018, the most noticeable internal procedure, which reflects transparency, was the change in the performance review of employees. This was made to increase transparency, fairness, reasonability, and to showcase capable and moral persons, as well as, create a performance and achievement-based culture. This was done through the ALL Perform platform, which had the participation of employees since the planning and goal selection phase. The reporting of outcome gave focus to giving and receiving feedback together between supervisors and employees to foster improvement. The principle of “coaching”, including calibration to build transparency and fairness, was used by the Human Resource Committee. Moreover, the performance review was linked to reward and recognition, career path development, and talent and succession. The Company believes that employees are an important resource and transparent performance review will help lift the confidence, social bond, and spirit of employees and will allow them to produce outcomes that are creative, sustainable, and foster growth for them and for the Company.

**A forward-looking nation and a transparent global community  
that is free from corruption all depends on our collection action.**



## Respecting Human Rights, Committed to International Principles, Creating Peace

“

CP ALL understands and respects the human rights of stakeholders in our value chain, with a commitment to act with fairness and equality, following human rights principles that are accepted by the international community.

”







**Giving and Sharing Opportunities**



# Respecting Human Rights, Committed to International Principles, Creating Peace

## Challenges

In the modern world, the business sector’s participation in the human right issues has been brought to the forefront. The market demand and supply and technological advancement are viewed as key factors in the business expansion. Mismanagement with regards to the human right issues can potentially lead to human rights violations such as the use of illegal workforce in the construction sector and the leakage of personal information, for instance.

## Benefits to society, environment, and organizations

Human rights violations need to be prevented as it negatively affects the Company’s reputation and operations such as suspension of sales and purchases, resistance from the community, undermining the employees’ confidence, among others.

<b>Progress in 2018</b>	<ul style="list-style-type: none"> <li>&gt;&gt; Human Rights Risk Assessment</li> <li>&gt;&gt; Human Rights Risks Management</li> <li>&gt;&gt; Human rights impact assessment with current employees</li> </ul>
<b>Key Performance in 2018</b>	<ul style="list-style-type: none"> <li>• Identify salient human right issues throughout the supply chain</li> <li>• Create human rights risks mitigation plan</li> </ul>

**2020 Goal**

▼

The Company has performed Human Rights Due Diligence based on the UNGPBHR Standards (covering 8 core businesses, accounting for 100% of operating locations and 100% of all its core business units activities)

Performance against Goal	2017	2018	2020 Goal
Number of Subsidiaries that have conducted Human Rights Due Diligence based on the UNGPBHR Standards (%)	100	100	100



## Management Approach

As a retail business industry leader in the country, CP ALL Plc. and its Subsidiaries (“The Company”) is committed to respecting human rights through managing human rights throughout its supply chain. It follows stipulations in the Thai laws and those of countries in which the Company operates. It also adheres to the UN Guiding Principles on Business and Human

Rights (UNGPs) in order to protect human rights and prevent their violation among its employees and business partners (contractors and customers). Pursuant of this commitment, the Company has a comprehensive Human Rights Due Diligence process, which forms its human rights management framework, as indicated in the UNGPs. The process is as follows.

## Human Rights Due Diligence Process



- Human Rights Policy

- Identify existing and potential human rights risks in the business operations
- Identify concerned parties that may be affected from human rights violations, including those belonging to vulnerable groups, such as women and children, migrant workers, people with disabilities, and elderly people
- Human Rights Risk Assessment
- Human Rights Impact Assessment

- Design preventative and mitigation measures pertaining human right risks
- Implement initial measures with relevant functions
- Result monitoring and process reviews

- Engage with various stakeholders, both internal and external, consists of employees, community, public agencies, civil organizations. The aim is to communicate the Company’s human right performance

- Remediation for impacted individuals, pertaining human right violation
- Setting a grievance mechanism for human rights grievance



## Human Rights Policy

Our commitment to respect human rights is evident the Human Rights Policy that the Company publicly announced in 2017. The policy encompasses the Company’s business operations and those of its business partners, extending to all involved stakeholders in the supply chain. This is in line with international human rights principles, which includes

the Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Organization Conventions on labour rights. Through the years, the Company has supported human rights through ethical business conduct and in uplifting the quality of life of its stakeholders throughout the supply chain.



Staff



Partners



Customer



Community, society, environment

For additional information, visit [www.cpall.co.th/sustain/social-dimension/human-rights/](http://www.cpall.co.th/sustain/social-dimension/human-rights/)



**Remarks of Mr. Suraphan Pussadej  
Senior Assistant Chief Executive Officer Human Resource  
CP ALL Plc.**

“Business operations should not violate the human rights of employees, customers, and citizens.”

## Human Rights Risk Assessment

### Background

Human Rights Risk Assessment is part of a comprehensive human rights monitoring, which facilitates the Company’s awareness on risks in business activities and salient human rights issues along its supply chain. Assessments gauge impact severity and occurrence likelihood in order to rank salient human rights issues to develop action plans and measures to appropriately reduce and prevent such risks.

### Management Approach

In 2017, the Company conducted a Human Rights Assessment, and achieved coverage of all 8 core businesses, accounting for 100% of operating locations and 100% of all its core business units activities: (1) procurement, (2) production and distribution, (3) marketing and sales, and (4) consumers and services. In addition, the Company expanded its Human Rights Risks Assessment to 100% of its first-tier suppliers (6,634 suppliers). The Company has defined targets to continuous perform such assessments in order to ensure no human rights violations in its supply chain.

## Salient Human Rights Issues in the Supply Chain

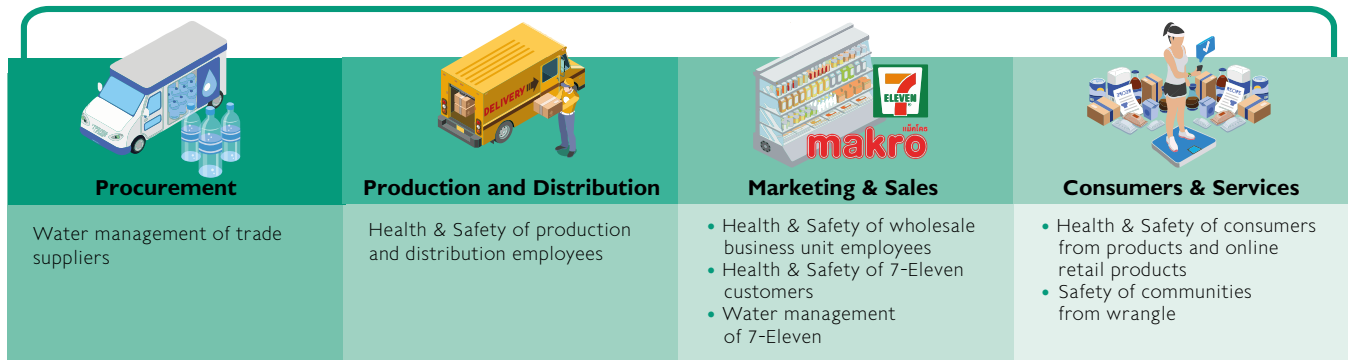
In 2018, the Company conducted the second Human Rights Risk Assessment, with coverage of all 8 core businesses, accounting for 100% of operation locations and business activities throughout the supply chain. The Assessment also covered all its first-tier suppliers. Salient human rights issues include the following:



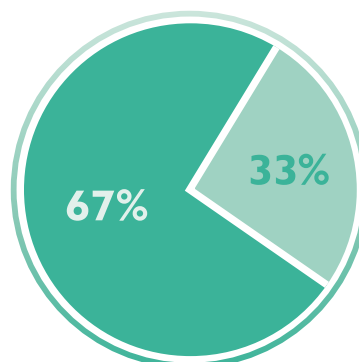
### Results

The assessments revealed high ‘Residual Risks’ among salient human rights issues in some core business units’ activities. They also indicated that all business units with high human rights risks have 100% control mechanisms on all risk areas.

## Salient Human Rights Issues



Percentage of Business Activities/Operating Locations with Human Rights Risks



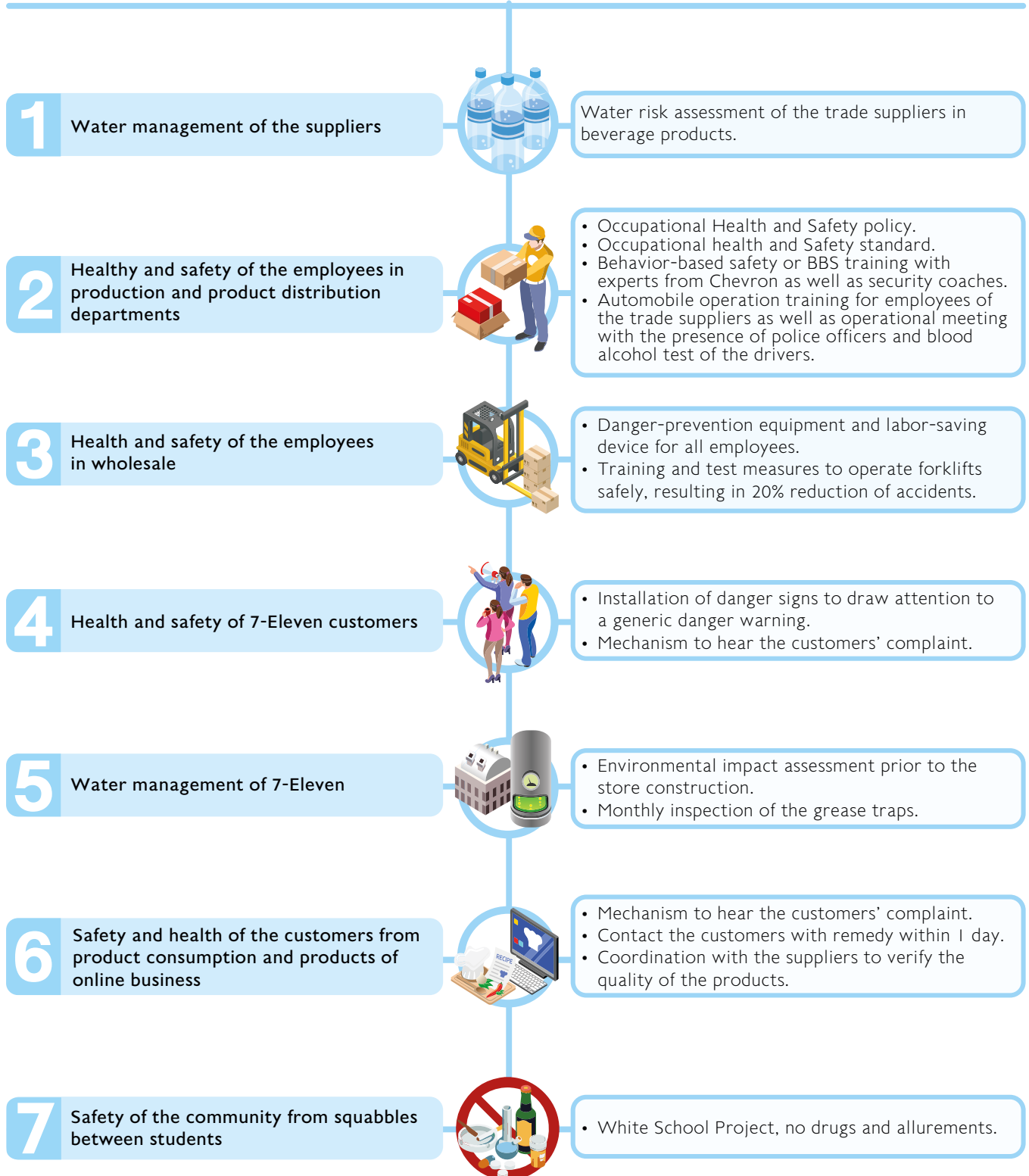
- Salient human rights issues were identified
- Salient human rights issues Non identified



## Current Human Rights Risk Management Guideline

### Salient Human Right Issues

### Examples of Current Risk Management Measures



In addition, the Company conducts out human rights impact assessment to study the level of impacts of any remaining human rights risks through surveys and interviews with the various rights holders. This allow the Company to have an in-depth understanding of risks as well as the procedures to manage risks and to come up with more effective counter measures. In the first year of the risks assessment, the Company specified the rights holders into 2 groups which are the employees and the customers of 7-Eleven and the results of such should be ready by mid-2019.

The Company has continuous procedures to manage human rights and so far, no human rights violation has been found in its business operation. Therefore, in the last year, the Company did not have to carry out any remedy to any violated party but the Company is well aware of the potential risks that could happen and prepared appropriate remedy measures to any violated party to reduce any impacts of human rights violation.

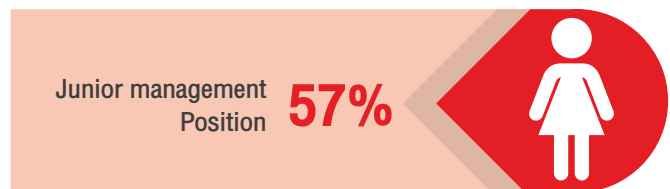
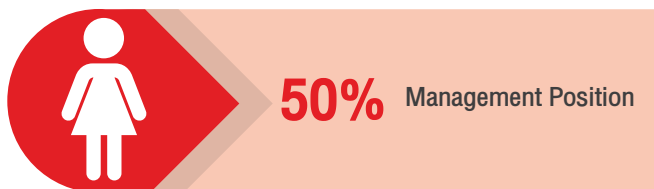
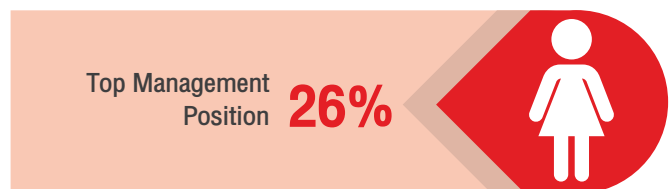
All employees' rights such as fair employment, safe working environment and social benefits entitlements are all clearly established in its human rights policy as well as documents and guidelines like employee ethics. In addition, the Company effectively communicates such rights to the employees from prior to the employment and during through trainings. In 2018, the Company arranged for the Sustainability training offered to all employees, beginning with the management level of each business departments to be informed on human rights issues and labor rights. The Company plans to expand such training to cover every employee for next year.

The Company has established various grievance channels for feedbacks and suggestions of employees such as the Bell ringing (Koh-Rakang), suggestion boxes placed at distribution centers as well as sharing opinions through the Welfare Committee in the Work Place, established under the Labor Protection Act B.E. 1998, as an intermediary to listen to opinions and discuss on appropriate welfares for the employees. All 100% of the employees are members of the Committee.



### Human Rights of the Employees

The Company firmly supports the human rights of the employees by treating them fairly and equally from the selection process, the performance process and career growth without discriminating on gender, age, nationality, religion and physical traits. This can be seen since the Company has employed over 1,384 disabled persons (accumulate 2017-2018) with convenient work facilities and safe working environment. Furthermore, the rights and roles of the female employees are promoted and there are currently 66% female employees out of overall employees, with 55% of those being at management level of the Company.



**When human rights are managed systematically,  
the quality of life throughout the value chain will also be uplifted.**

# Embracing Differences, Building Bridges, and Forging Shared Benefits

“

CP ALL never overlooks the needs and expectations of all its stakeholder groups.

To weave the highest shared benefits, our hearts are open too all, akin to opening the door wide for all to access, satisfying the concerns of all stakeholders.

”







**Giving and Sharing Opportunities**



# Embracing Differences, Building Bridges, and Forging Shared Benefits

## Challenges

CP ALL Plc. and its Subsidiaries (“the Company”) is cognizant of the increasing role that stakeholders play in conducting business today. We hence place importance in fostering holistic relationships with stakeholders. As the Company has 7-Eleven stores dispersed across all regions of Thailand, the scope of engagement creation is thus expansive, covering large numbers of stakeholder groups. Considerations have to be made on value creation and value sharing of products and services that are in line with regulations and that meet the demands and expectations of diverse stakeholders. This includes coping with complex challenges and preparing for changes in the modern business world. The efforts require building good relationships with stakeholders.

## Benefits for Society and Organization

From our commitment to prioritize the needs and the expectations of our stakeholders, we continuously search, identify, and consider those needs. This allows us to integrate their expectations as part of our strategy. We aim to balance between the business operations of our organization and our stakeholders’ expectations. This has resulted in recognition and collaboration to drive our business into a sustainable future.

### Progress in 2018





- >> Revise, analyze, prioritize and categorize the stakeholders
- >> Improvement of the performance management process (ALL Perform)
- >> Supporting our store partner in succession planning for sustainable cooperation
- >> Community product project

### Key Performance in 2018





- World’s best employee survey (World’s best Employers 2018) No. **84** from **2,000** companies globally
- 82% Employee engagement




## Management Approach

The Company has revised, analyzed, prioritized and categorized our stakeholders in 2018. The Company has adjusted the stakeholder categorization to 11 groups, adding Landlord / Landowner. The added category is considered influential in the online community because of their communication with all stakeholder groups. The Company has a different communication channel for each stakeholder group according to the nature of relationship. Similarly, the Company’s response to their expectations and concerns differs, as presented in the following table.





 <b>Stakeholders</b>	 <b>Engagement Channel</b>	 <b>Examples of Agenda and Expectations</b>	 <b>Example of the Company's Response</b>
<b>Employee</b>	<ul style="list-style-type: none"> <li>• Satisfaction and commitment yearly survey</li> <li>• Feedback and complaint channel                             <ul style="list-style-type: none"> <li>- Bell ringing (Koh-Rakang) channel 261 times</li> <li>- Visiting branches, office, and distribution center 18 times</li> </ul> </li> <li>• Intranet, internal gazettes, and daily digital feed</li> <li>• Performance showcase, meeting/innovation/risk identification, and assessment competition</li> <li>• Implementation of the welfare committee of the company covers 99.3%</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term compensation and benefits</li> <li>• Skill development and professional advancement</li> <li>• Health promotion and work-related stress management</li> <li>• Good working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Joint Investment Program: EJIP Phase 3 (2017-2022)</li> <li>• Analysis of skill development plan</li> <li>• Leadership readiness preparation and development</li> <li>• Provide skill and knowledge trainings suiting each employee's interests</li> <li>• Capacity development for all employees and retain the right employees</li> <li>• Consultation service and health promotion program, meditation program</li> <li>• Application of human rights principle in employee's treatment</li> <li>• Promoting business operators to adhere to labour standard and good labour practice</li> <li>• Improvement of the performance management process (ALL Perform)</li> </ul>
<b>Store Partner</b>	<ul style="list-style-type: none"> <li>• Commitment yearly survey</li> <li>• Feedback and complaint channels                             <ul style="list-style-type: none"> <li>- Communications via Call Center</li> <li>- Website feedback and complaint channel (quarterly)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Treatments in accordance to principle of good governance and business ethics</li> <li>• Promoting competitiveness capacity, and business management</li> </ul>	<ul style="list-style-type: none"> <li>• Communicating about good governance and business ethic</li> <li>• Promoting, facilitating, and training business operators to improve their management competency</li> </ul>







 <b>Stakeholders</b>	 <b>Engagement Channel</b>	 <b>Examples of Agenda and Expectations</b>	 <b>Example of the Company's Response</b>
<b>Store Partner</b>	<ul style="list-style-type: none"> <li>• Gazette and monthly publication</li> <li>• Conventions, seminars, and activities</li> <li>• Policy and business direction announcement event</li> </ul>	<ul style="list-style-type: none"> <li>• Informative news and announcement of the Company's policy</li> <li>• Business stability, business expansion and continue cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Sharing market information</li> <li>• Develop a variety of products in response to the market's demand</li> <li>• Cost and operational management</li> <li>• Supporting our store partners in succession planning for sustainable cooperation</li> </ul>
<b>Customer</b>	<ul style="list-style-type: none"> <li>• Feedback and complaint channel               <ul style="list-style-type: none"> <li>- Call Center for feedback and complaint 51,016 times</li> <li>- Website and social media channel 5,390 times</li> </ul> </li> <li>• Customer's opinion survey</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed and accurate promotional campaigns</li> <li>• Quality and safety</li> <li>• Informative and accurate product label</li> <li>• Service time</li> <li>• Local economy impact</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate with customers and consumers to ascertain their grasp of the Company's promotional campaigns</li> <li>• Increase channels broadcasting sale promotion</li> <li>• Develop and improve products for their quality, safety and nutrition</li> <li>• Clearly communicate nutritional facts, recommended product usage and services via the products' label</li> <li>• Improve purchase and production channel</li> <li>• Create a pleasing and enjoyable shop atmosphere</li> <li>• Sell products from local communities</li> </ul>





 <b>Stakeholders</b>	 <b>Engagement Channel</b>	 <b>Examples of Agenda and Expectations</b>	 <b>Example of the Company's Response</b>
<b>Supplier</b>	<ul style="list-style-type: none"> <li>• Supplier meeting and interviews: expectations on sustainability operation</li> <li>• Supplier satisfaction survey every 2 years</li> <li>• Supplier relation call center: 0-2826-7771</li> <li>• Visiting partners, gather suggestions and information on grievances</li> <li>• Co-creating innovation projects</li> <li>• Inspection, consultation, and capacity enhancement</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable agenda in supply chain such as human rights</li> <li>• Deliverability</li> <li>• Collective bargaining and fair contract</li> <li>• Promote opportunities for small-scale suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Established procurement policy for supplier sustainability and good practice. Founded a product selection committee.</li> <li>• Adhere to principle of equality and fairness, applicable to all suppliers</li> <li>• Compliance with business agreements and business ethics</li> <li>• Communicate the importance of sustainability and include it as a criterion in supplier selection process and performance evaluation</li> <li>• Develop supplier inspection regulations in accordance with procurement policy for sustainability and good practice for supplier</li> <li>• Promote suppliers' awareness in social responsibility awareness</li> <li>• Promote the quality control and improvement of agricultural products</li> <li>• Collaborate with the government sector in projects supporting small business owners</li> </ul>
<b>Shareholder Investor</b>	<ul style="list-style-type: none"> <li>• Quarterly analysis meeting</li> <li>• Shareholder general assembly</li> <li>• Financial statement</li> </ul>	<ul style="list-style-type: none"> <li>• Overall operations and growth</li> <li>• Reasonable investment yield</li> <li>• Good governance</li> </ul>	<ul style="list-style-type: none"> <li>• Elevate the compliance efficacy to good governance principle</li> <li>• Ensure shareholder equality, protecting shareholder and investor interests</li> <li>• Aim for business growth, risk reduction, transparent operations</li> </ul>







 <b>Stakeholders</b>	 <b>Engagement Channel</b>	 <b>Examples of Agenda and Expectations</b>	 <b>Example of the Company's Response</b>
<b>Shareholder Investor</b>	<ul style="list-style-type: none"> <li>• Annual Registration Statement (Form 56-1)</li> <li>• Annual Report</li> <li>• Sustainability Report</li> <li>• Invitation letters, documents, informative media</li> <li>• Communicate through other channels, i.e. website, telephone, email, fax and mail</li> <li>• Roadshow both locally and internationally</li> <li>• Company visit (store, factory, and distribution center)</li> </ul>	<ul style="list-style-type: none"> <li>• Operational transparency and information disclosure</li> <li>• Reputation and public acceptance</li> </ul>	<ul style="list-style-type: none"> <li>• Listen to feedback from shareholder and investor to consider and set strategy for the Company's operation</li> <li>• Set up policies for Connected Transaction Report and prevent obvious conflicts of interest</li> </ul>
<b>Community Society and Environment</b>	<ul style="list-style-type: none"> <li>• Annual community relations activities in close proximity to the factories</li> <li>• Regular area visits</li> <li>• Education and relation -strengthening activities</li> <li>• Complaint channels</li> <li>• Billboards, public relation media</li> </ul>	<ul style="list-style-type: none"> <li>• Community development, creating common value between community and business, society participation</li> <li>• Education opportunity for sustainable skill development</li> <li>• Good environment management</li> <li>• Product quality improvement, market accessibility, community sale channel</li> <li>• Promotion and preservation of local culture</li> <li>• Local economy impact</li> <li>• Small-and-medium size producer support</li> </ul>	<ul style="list-style-type: none"> <li>• Professional and living quality improvement program, through distribution channel</li> <li>• Energy and waste management program</li> <li>• Increasing numbers of energy-saving and innovative convenience store</li> <li>• Planning and improving environment management system</li> <li>• Landscape improvement and adjustment around the program to fit the local culture and context</li> <li>• Increase sale channels for small local producers</li> <li>• Provide knowledge and training about cultivation and agricultural best practice</li> <li>• Community health initiatives such as preliminary health check-ups, consultations with doctors, and medical advice from pharmacists</li> </ul>

 <b>Stakeholders</b>	 <b>Engagement Channel</b>	 <b>Examples of Agenda and Expectations</b>	 <b>Example of the Company's Response</b>
<b>Government</b>	<ul style="list-style-type: none"> <li>• Support and cooperation in government projects 61 times (with Department of Internal Trade, Thai Food and Drug Administration, Department of Health; Department of Environment, and 50 District Offices of Bangkok Metropolitan Administration)</li> <li>• Participation in feedback process, openly foster good relationship with government sector 20 times</li> <li>• Mutual support from government sector, with governmental inspection and visits conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Strict compliance to relevant laws and regulations</li> <li>• Setting example for private sector concerning social and environmental responsibility</li> <li>• Fair trade with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Study and ensure comprehension of new laws and regulations, which are applicable and area specific, in order to apply them to related business context</li> <li>• Express criticism and feedback through unions and trade association</li> <li>• Compliance to relevant law and regulations</li> <li>• Support government's primary inspection related to sustainable development</li> </ul>
<b>Non-governmental Organization and Opinions leaders</b>	<ul style="list-style-type: none"> <li>• Listen to feedback and exchange vision through various platforms, collaborative efforts, and other applicable engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Plastic waste management</li> <li>• Environmental impact</li> <li>• Local economy impact</li> </ul>	<ul style="list-style-type: none"> <li>• Understand expectations, discuss and exchange operational expertise in order to integrate them as part of sustainable operation</li> <li>• Public disclosure of annual performance through various media channels</li> <li>• Consider participation in sustainability-oriented projects</li> <li>• Develop projects to provide knowledge to and improve livelihoods of locals and farmers</li> </ul>

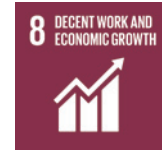


 <b>Stakeholders</b>	 <b>Engagement Channel</b>	 <b>Examples of Agenda and Expectations</b>	 <b>Example of the Company's Response</b>
<b>Media and Blogger</b>	<ul style="list-style-type: none"> <li>• Media producer support programs such as Thailand Best Blog Awards by CP ALL, Best Digital News of the Year Award, and Thailand's Goodness Award in Media Supporting Morality and Ethics</li> <li>• Promote and actively participate in media activities i.e. anniversaries and CSR activities</li> <li>• Giving interviews and information to media</li> <li>• "Co-Project with Media" campaign i.e. in collaboration with medias to support communities and society during disaster period, charity activities, and Dharma training with media</li> <li>• Acknowledgement via social media</li> <li>• In-depth interview and group discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosed information in an accurate, precise, and timely manner</li> <li>• Promote and maximize social media usage, specifically on the aspect of creativity</li> <li>• Promotion of youth education and development through media</li> <li>• Reaffirm the Company's CSR policy</li> <li>• Local economy impact</li> <li>• Public relations and socially beneficial activities</li> <li>• Discoveries of new inventions</li> <li>• Social and environmental support</li> </ul>	<ul style="list-style-type: none"> <li>• Proceed with continuous projects to promote quality newcomer reporters and content producers</li> <li>• Promote critical and creative media usage</li> <li>• Disclosing information accurately and timely</li> <li>• Develop projects that support innovation in an open manner</li> <li>• Communications via social media</li> </ul>
<b>Creditor</b>	<ul style="list-style-type: none"> <li>• Annual meeting and discussion</li> <li>• Publication and informative media letter</li> </ul>	<ul style="list-style-type: none"> <li>• Strict compliance to existing contract and applicable conditions</li> <li>• Pay creditor on schedule</li> <li>• Report financial statement that is transparent, correct, and accountable</li> </ul>	<ul style="list-style-type: none"> <li>• In the event where the agreement between the Company and the creditor (supplier) is not followed, there will be a meeting to allow the creditor to express its opinions, share past experiences and together find solutions to the situation</li> <li>• If there is a change in the Company's policy, relevant departments will issue letter or memos to notify the creditors so they can understand and act accordingly</li> </ul>



 Stakeholders	 Engagement Channel	 Examples of Agenda and Expectations	 Example of the Company's Response
Creditor			<ul style="list-style-type: none"> <li>Acting in compliance with contracts and contract conditions – Initially, original affiliations are responsible in managing and ensuring contract compliance. If there is a matter that might incur risks to the Company overall, the Company's legal department or legal advisory will help manage the matter.</li> <li>Regarding payment to creditors, the accounting team pays according to instalment and credit terms. It is transparent, timely, and in compliance with conditions. In the case which payments are not according to the conditions, there will be a notification to original affiliations for direct communication with creditors.</li> <li>Reporting the Company's financial status – As for the creditors, the accounting department monthly verifies overdue credits and reasons for overdue. The accounting department sends a letter confirming the amount payable during the year. The accounting department coordinates with and notifies the creditors and work together to clear the balance. The performance is disclosed in annual reports. Quarterly outstanding creditor check by auditors and disclosure in the auditor's reports</li> </ul>
Landlord	<ul style="list-style-type: none"> <li>Commitment yearly survey</li> <li>Feedback and complaint channels                             <ul style="list-style-type: none"> <li>- Providing information and receiving complaints via Call Center</li> <li>- SMS news</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct business in accordance to principles of good governance</li> <li>Informative news and notification of the Company's policy</li> </ul>	<ul style="list-style-type: none"> <li>System to oversee, track and resolve complaints from Landlord</li> <li>Continuously build relationships e.g. giving New Year gifts</li> <li>Provide support in various occasions e.g. funeral</li> </ul>

In the next part, the Company would like to present our operations to address concerns. The genesis of all success starts with the simple thought of accepting differences and respecting each other, stepping into the shoes of others.



Mix the similar,  
mend the different,  
make good and  
talented individuals,  
mould to unite a force

“

For an organization to make strides, its human resource cannot only be skilled, but also good members of society, capable and adept to weather changes in the world.

Love for organization is also foundational. For this reason, CP ALL always maintains a policy of open opportunities for everyone, at all levels to realize their potential.

”





**Giving and Sharing Opportunities**



# Mix the similar, mend the different, make good and talented individuals, mould to unite a force

## Challenges

Based on the increasing level of competition within today’s retail and distribution industry, the use of technology in doing business has increased. This makes quality of human resource and human resource management, issues of mounting importance. These issues have become vital indicators of successful organizations around the world in driving forward their businesses. Furthermore, personnel are a foundational resource that helps drive an organization towards fulfilling the sustainable development goals. The Company believes that good development of human resource ensures productive synergies in the workplace, lifts social bonding and working spirit, allows for creative work, and retains personnel with the organization, which in turn moves an organization and its personnel forward.

## Benefits for society and for the organization

The Company believes in the value of “people” and has therefore supported the growth and capability of its human resource. This has been done through good human resource management and building a decent working culture to ensure that employees enjoy work and are given the support they need to become good people and excel in their career. Furthermore, the benefits extend beyond merely having good personnel that are loyal and can well contribute to the Company, but also helps produce a talented population that will lift the standard of life for the whole society.

CP ALL Plc. and its subsidiaries (“The Company”) realizes the importance of this matter and has plans to boost talent and develop capacity for employees at all level to become “good and able”. The Company places human resource development at the heart of the Company’s strategic mission. It is hoped that the outcome will reflect better relationships between employees and the Company and decrease turnover rates.

### Progress in 2018

- >> Organized the training, “Developing the organization for sustainability” for leaders
- >> Designed ways to develop employees to suit the 4.0 era target groups
- >> On-boarding program for new recruits
- >> Project for life after retirement
- >> Project to improve the Performance Management System
- >> Project to improve the career path growth

### Key Performance in 2018

- Average hours of training per person/ per year 12.24 hours
- Number of leaders that took part in the training on sustainability 43,958 persons
- Listed no. 84 from 2,000 companies on the World’s best Employers 2018 index

## 2020 Goal

100% of executives and employees take part in the training to enhance understanding and knowledge on sustainability.

Performance against goal	2017	2018	2020 Goal
Number of leaders and employees that took part in the training to enhance understanding and knowledge on sustainability. (%)	33	52	100

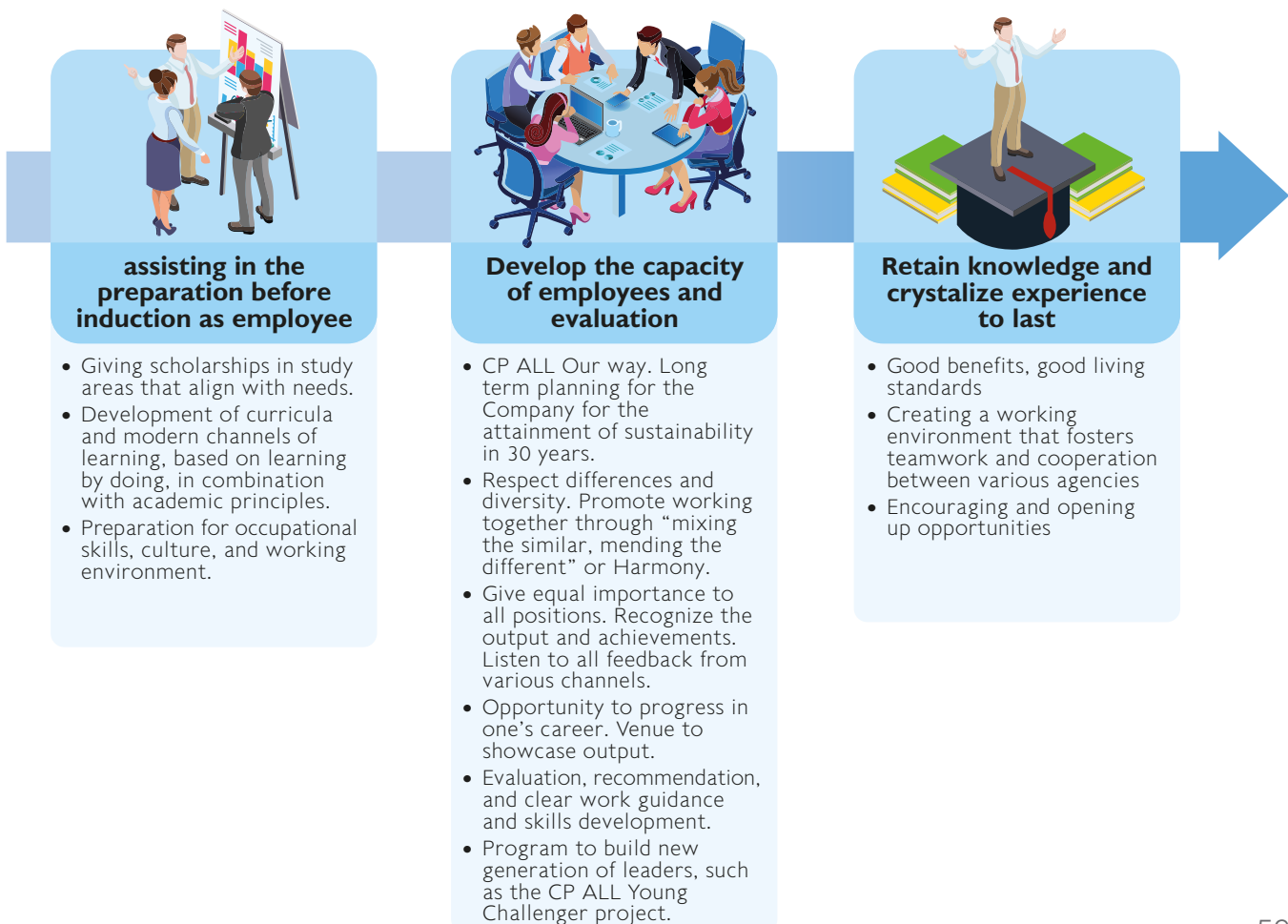
### Management Approach

With the Company's determination to developing skills and capabilities of all employees, the Company noted several elements in the consideration of human resource development:

- Vision, mission, and objectives of the organization, including human resource management policies of the Charoen Pokphand Group.
- Business Strategy of the Company.
- Employees having the readiness and competency set, such as leadership, necessary working skills, and necessary skills for the future.

- Survey results on contentment and bond of employees and clients.
- Analysis of results and approaches in the development of employees.

The above elements combined with the Company's policies on treatment of laborers, employees at all levels are given the opportunity to develop and progress in the careers. The Company therefore developed operational frameworks for the human resource development, which can be categorized into 3 main stages:





The Company operations in line with the above framework to give employees at all levels the opportunity to access development of knowledge, skills, and the chance at equal career progression. There are three standard curricula for the three fields of work, which are, store-based, office-based, and logistics. The curricula are also designed appropriately for different levels of employees, which are practitioner level, command level, and executive level. These curricula are reflected in the

annual human resource development plan so that all employees can have the chance to mature their knowledge and skills that are essential to their position and profession, consistent with the Competency Based approach.

Furthermore, the Company is determined to help foster good and talented citizens by caring and supporting employees since day one of work through the On-boarding program for new employees. The program aids employees in the adjustment to the organizational culture and building a social bond with the Company. The Productivity Improvement (PI) project aims to foster a suitable working environment to boost productivity by opening avenues for all employees to raise proposals and use their capabilities to improve the nature of work for better outcomes. Employees are also able to develop new innovations and ways to improve work for employees and organize competitions to select the finest of these. This helps stimulate constant improvement and foster a strong foundation of morals, ethics, good governance, and spiritual development to build happiness and balance in the workplace and in life.



In 2018, the Company gave importance to human resource development, which can be divided into three methods of development to suit different target groups, such as

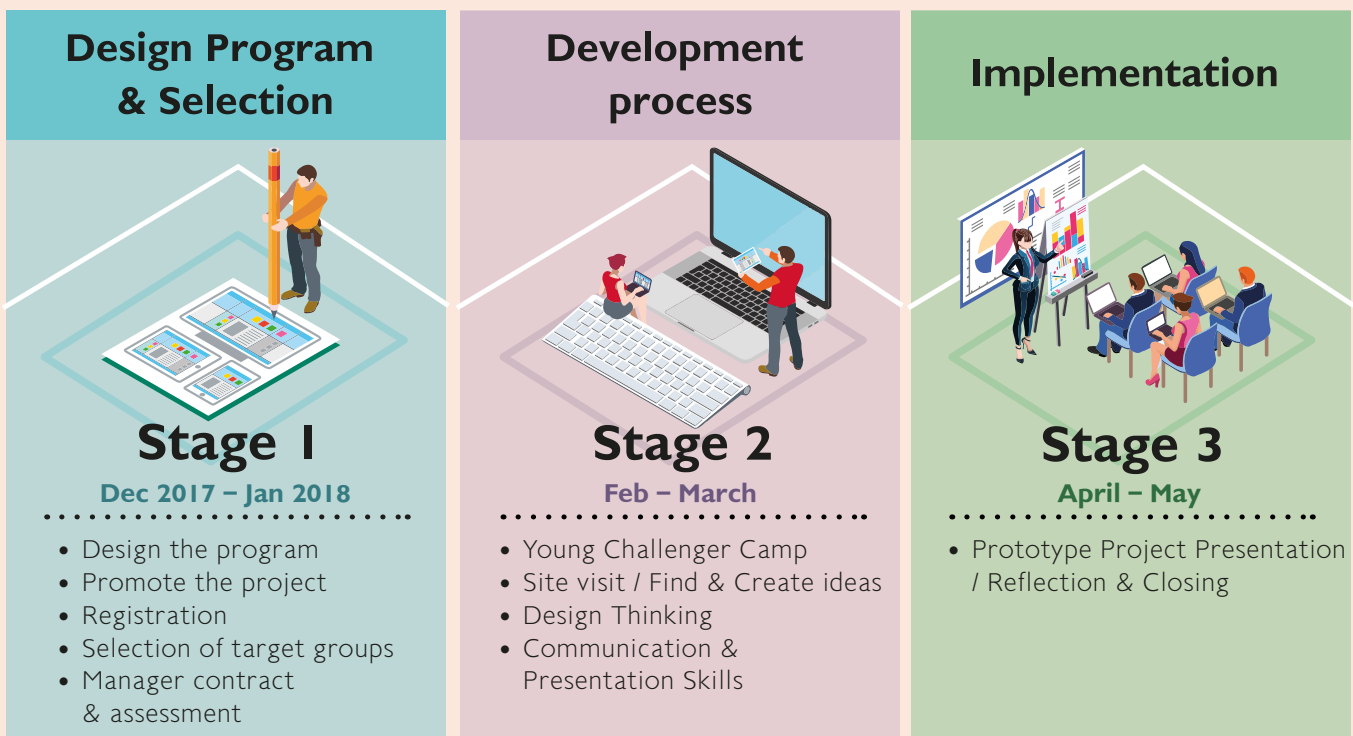
## Highlight

### CP ALL Young Challenger Project for new employees (GEN Y)

#### Project Background:

The Company has a policy to push the organization toward an era of intellectual and technological innovation, “CP ALL 4.0”. The CP ALL Young Challenger project was initiated to help build the new generation of employees to meet the policy demands of CP ALL 4.0 and Our Way. This opens opportunities for employees that voluntarily seek to develop themselves, to showcase their talents through learning by doing (Learning Experience). This as well promotes learning and leadership skills for the digital era.

#### CP ALL Young Challenger Project 2018



Planned execution 4 month (Feb - May), total of 5 times involvement, total of 8 days

#### Performance results:

The performance results indicate that the project fulfilled its objectives with a participation from 115 people in three batches of the activity. Furthermore, the Company monitored and surveyed the behaviors of employees that took part in the project and found that there were developments which were consistent with the Company’s “Future Competency” and “Our Way” policy.

## CM Champion project for employees in CAF-M responsible for the construction and refurbishment

### Project Background:

The opening of new 7-Eleven stores, as part of the expansion and improvement plan for the stores, the Company discovered problems from actual practice. These problems were professionalism problems of practitioners and reflected the quality and standard of the structures within the stores. The Company therefore began the CM Champion project to lift the capabilities of employees to be able to manage the structures within the store in an appropriate manner. This ensures that stores retain their standards and that structures within the stores are completed in the planned timeframe and budget.

### Performance:

Organize Training Roadmaps to develop employees in parallel to the building of structures within the stores. The necessary knowledge and practical training to carry out the mandate will be given to employees. An evaluation of performance in conducting the project, including written examination, behavior assessment, and interviews will be conducted. Those who pass the evaluation will be certified as CM Champion.

### Performance results:



**70** persons

entered the process of the CM Champion project.



**36** persons

were certified as “CM Champion”.  
The goal of the project in 2019 is to certify 65 people.

## Service Leader Academy project for store managers

### Project Background:

Service is an important factor that can make customers satisfied. The Company therefore must seek and develop a signature service. The Company began the Service Leader Program to create service leaders and improve the capabilities of employees at the store manager level and above, as well as to ensure that these employees understand the thinking behind the signature service concept of the Company and can put into to practice at the stores. Furthermore, employees will have the chance to develop their knowledge, skills, and behavior that will boost confidence in their service and benefit overall work performance.

### Performance:

The project started with the selection of store managers in different districts to join the “Service Leader Academy” training course. The course then required the store managers to initiate projects to improve service at their own store by using the “Action Learning” strategy and evaluated the performance via the “Service Leader” grading scheme on an individual basis. Furthermore, the project also supported these managers to be named best service provider at the provincial level.

### Performance results:

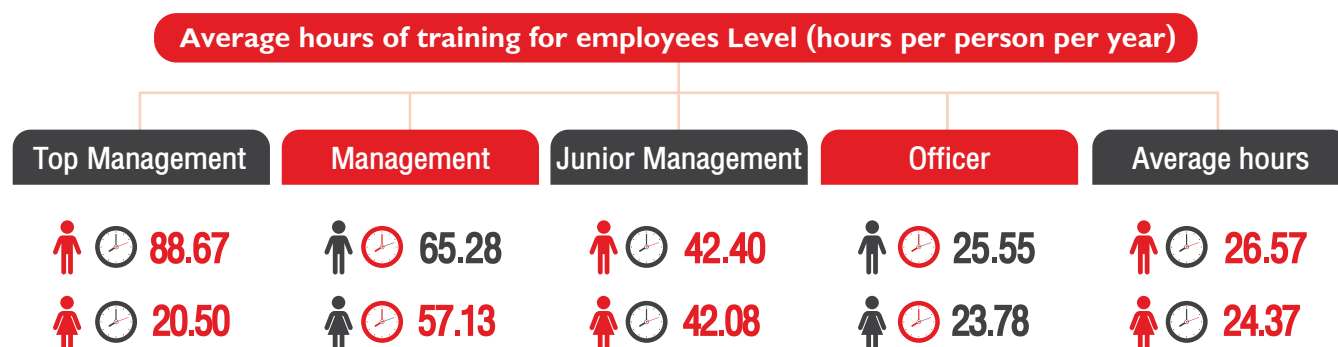
**In 2018, 890 store managers participated in the project**



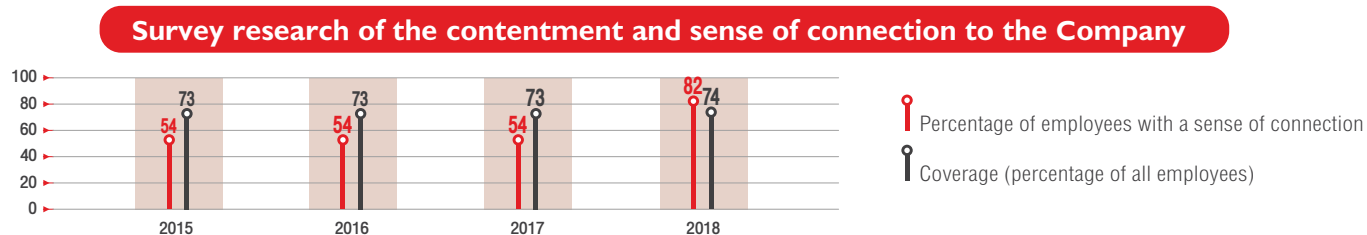
## Retirement program

The plan to retain knowledge and crystallization of experience, under the human resources development framework, the Company sees value of dedication of employees and the sustained loyalty towards the Company. The Company therefore set up the retirement program for employees who fit the criteria by giving financial benefits, as well as health insurance. Retired employees can join the club for retired employees and have the option to become an owner of a 7-Eleven or can extend their employment with the Company as an advisor. For the past three years, 2 have become 7-Eleven owners and 8 have become advisors.

For 2018, the Company carried out the following activities, consistent with the human resource development plan in order to boost the capacity and capability of all employees:



In 2018, when taken together with the social bonding program, the survey results on social bonding and contentment of employees was as 82%, which meets the Company's annual goal of 62% and this trend is clearly on the increase:



The quantitative research survey in the form of online questionnaires, the employees personally responded and reflected that the rise in scores were attributed to the combined efforts by the HR Business Partner center and the Human Resources Committee in various sectors that have supported personnel to work in different sectors as joint-working groups. This has helped ease the working environment and communication, with three projects that are key improvement topics:

**1. Improvement of Performance Management System project** with defined goals and indicators, both qualitative and quantitative. The result is then evaluated to use in further development by utilizing the Key Success Factors. This allows the supervisor to be able to manage work in a holistic manner, communicate and build a good environment for the supervisor and team. Presently, the progress of performance evaluation to review career progress for employees are:

Types of evaluation	Employees that were evaluated for performance and reevaluated for career progression from all employees
Performance Management System	97% (55,423 person/all employees)
All perform	3% (1,705 person/all employees)

**2. Improvement of Career Path** Progression project has given knowledge of career conversation with supervisors to enable supervisors to discuss and plan with their subordinates in the direction of progress, vertically and horizontally. After this, the drafting of policy on work rotation is made and communicated for enforcement through the different field committees. This is done via “Career Policy” and the indication of “Career Matrix” which is based on the principle of 4 colors to foster “Job Mobilization” (as illustrated).

Color	Meaning	Competency	Other	Experience	Certifying qualifications
Green	Movable within the direct job/sub-job family	✓			
Yellow	Possible to move across job/sub-job family	✓	✓		
Orange	Difficult to move across job/sub-job family	✓	✓	✓	
Red	Very difficult or rare to move across job/sub-job family	✓	✓	✓	✓

**3. Reward and Recognition** project by developing knowledge and “Performance Feedback” skills with supervisors on “Positive Feedback” and “Constructive Feedback” to foster an environment between the supervisor and team. After that, each field of work organized various activities to build a good environment during and outside working hours. Apart from the main project, the Company allocates responsibility to each field of work to establish sub-working groups in each field to extend opportunities and encourage involvement of employees in the thinking and organizing of activities to foster social bonding. Examples of projects by each field for 2018 are Fun with the Gang project, The Whole Gang is Full and Goes Together, and Mer Her Day project.

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**It is evident that an organization supported by human resources that have good wellbeing, advancement in their profession, and an endearing love for their organization has the driving force to success at the highest levels.**

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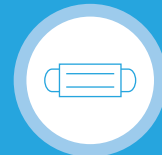
# Health

Aspiration with Action,  
Weaving Society with Strength  
Strong Families and Nourished Hearts

CP ALL is committed to creating a well-lived society, which starts with weaving strong, loving fibers of family with the development of new innovations. It shares experiences and knowledge with down-stream famers, local enterprises, and small and medium enterprises (SMEs) to create growth opportunities for them blaze their own trail, while extending a helping hand to empower those with fewer opportunities to realize their own value and to jointly uplift quality of life sustainably.



Innovation creates intellect,  
increases business value



Elevating Occupational Safety,  
Creating Friendly  
Work Environment



Selecting Hygienic Food with  
the Consumer Health at Heart



Creating educational  
opportunities, creating jobs,  
creating the future



Sharing Opportunities  
and Creating Value for  
Society



# Innovation creates intellect, increases business value

“

Let it be known that “innovation” has the power positively change the world. CP ALL does not cease its dedication in developing innovation and technology, adding value to offline and online businesses, **with a conviction to fulfil the lives of modern souls with greater ease that meets the tenor of our time.**”

”





For more information can be found  
at QR Code or  
[www.cpaill.co.th/skoehgonwo/kwp](http://www.cpaill.co.th/skoehgonwo/kwp)  
[fktp/owjgoejfobjeugofnwi496840](http://fktp/owjgoejfobjeugofnwi496840)

Giving and Sharing Opportunities



# Innovation creates intellect, increases business value

## Challenges

The heart of helping a business move forward in a forever changing world is for an organization to constantly be improving itself. CP ALL Plc. and its subsidiaries (“the Company”) realizes this importance and has supported research and development of technologies and the creation of innovation that covers all aspects of work. This includes management of implementation, environment and society, and promotion of organizational culture on innovation of the Company.

## Benefit to society, environment and organization,

The Company is determined to create value for the nation, society, environment and organization. This is not only done for the survival of the business, but also to promote value growth and produce positive impact or decrease negative impact on the society and environment.

**Progress in 2018**

- >> Project to advance innovation
- >> Development to e-commerce
- >> Internet of Things project

**Key Performance in 2018**

Over **30** million Baht used for innovation development

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**4,506** million Baht Value from Innovation of products, services and procedures

**2020 Goal**

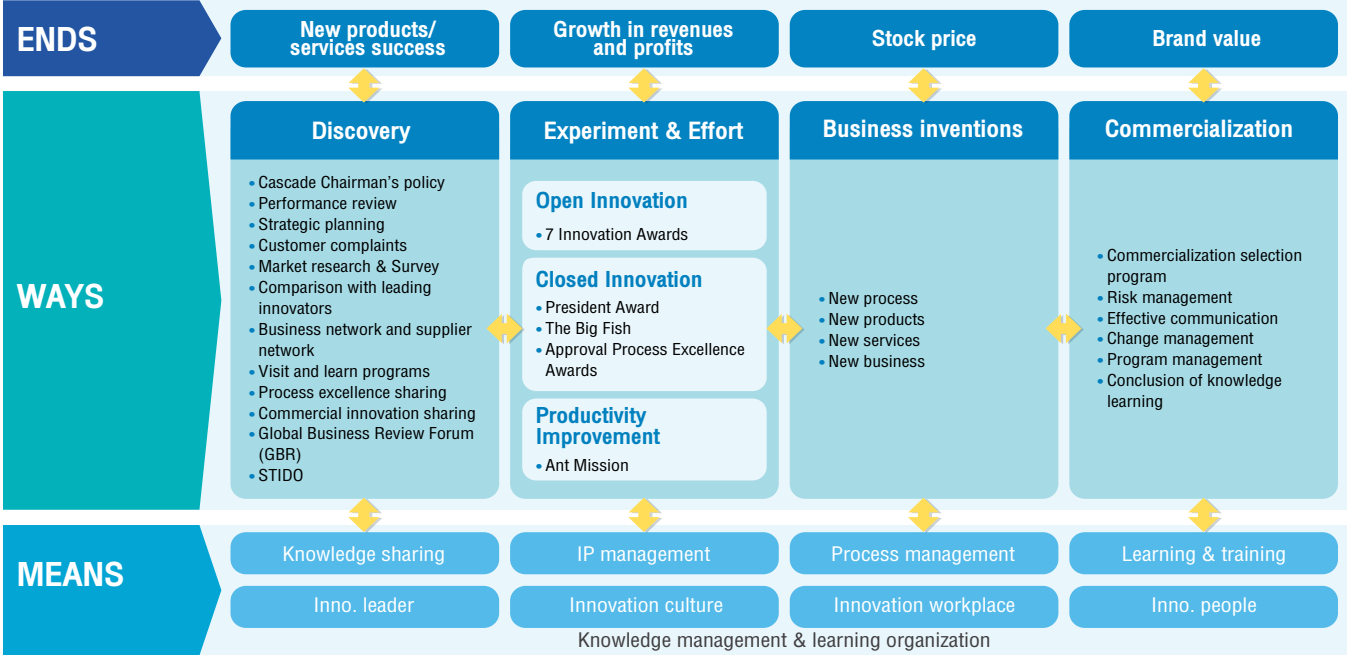
To increase innovation value for produce, services, and procedures by **50%** more than 2016

Performance against Goal	2016	2017	2018	2020 Goal
Innovation value for products, services and procedures (Million baht per year)	4,547	4,642	4,506	
Accumulated Innovation value for products, services and procedures (Million baht)	N/A	9,189	13,695	6,821

### Implementation

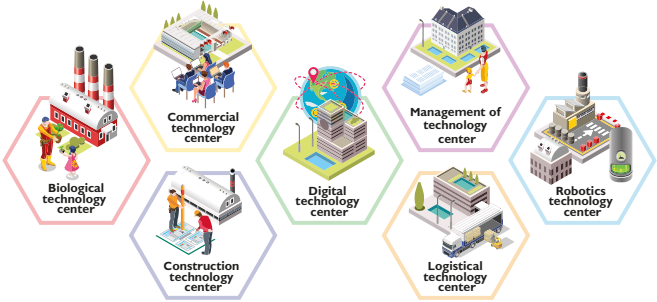
The company has pushed to create innovation to be the core of driving the organization to become an innovation organization in the future. By setting the operational guidelines or CPALL Innovation Model which can show details as shown in the picture

### CP ALL's Innovation Model



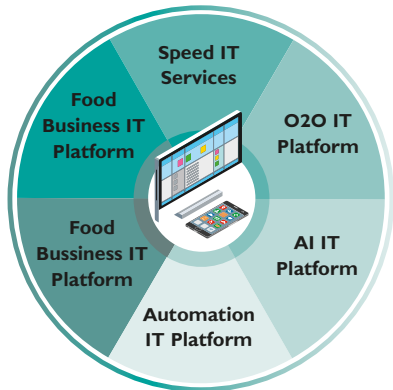
### The Company established the Science Technology and Innovation Development Office (STIDO)

To manage and advance implementation on technological development for the expansion in the field of innovation of products and services, including the functioning within the Company. For instance, research and development, inventing, transfer, and monitoring of technological progress, both domestically and internationally. In 2018, the Company invested more than 30 million Baht in technological development through the work of STIDO which operates 7 centers as illustrated below:



Furthermore, the Company has an Information and communications technology unit that is responsible for the maintenance of security of Information and communications technologies.

There are 3 main goals which are raising awareness amongst employees about the various risks from external sources that may infiltrate information and communications systems, decreasing the time needed to recognize and investigate faults in the information and communications systems, and decreasing the time needed to resolve these issues. The Information and communications technology unit also maintains a database center used in the analysis for improving other operations and innovations, including for the environment, society, and management. The unit is also responsible for the strategic development of 6 fields as illustrated below:



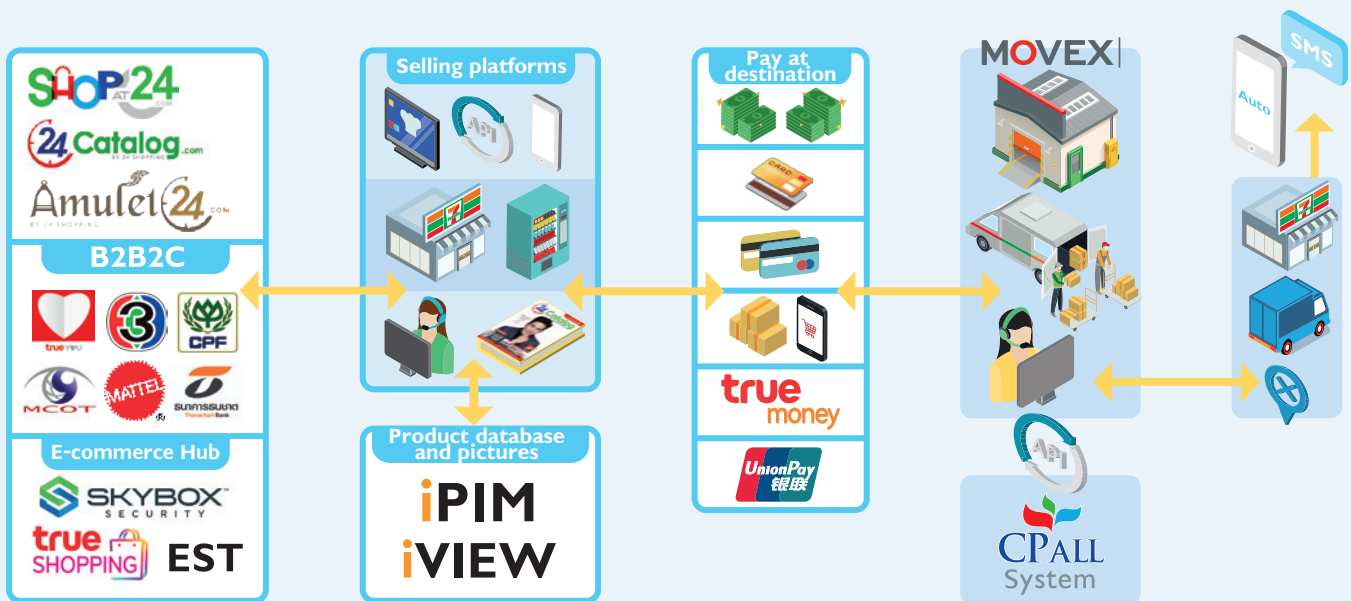
Apart from innovation for products and internal operations, both units have taken part in supporting E-Commerce which is another channel for the distribution of 24 Shopping’s main products and operations. The unit also employs Internet of Things to help in advance the

operational systems towards a true digital era. This helps add value to society, reduce consumption of resources and time in work, decrease risks of damage to equipment and improves the working convenience and efficiency of work for employees.

## Highlight

### Development of the E-Commerce Shopping Platform

One of the contributions of the two units that have been tasked with developing assistive technologies to support and handle the expansion of e-commerce. With the need to improve the provision of service to consumers, came the development of www.shopat24.com, a website and smartphone application platform that eases access and boost convenience for shopping. This also allows for more options for easier payment and offers various methods of delivery, for instance pick up via arranged 7-Eleven or by delivery to the home and getting notified via phone. Furthermore, the products sold by the Company are sourced from a variety of places, typical products, the Company’s products, products from small and medium enterprises and seasonal produce from agriculturalists such as durian and melon. In addition, to the information on e-commerce innovation platform, there have been implementation done to add value to society which readers can find out more details on such activities on the dedicated chapter to this topic.





### Outcomes and expected benefits



**A variety of logistical options**



**A variety of convenient payment channels**



**Consumers has access to purchase products with ease**

### Internet of Things

The project was developed in 2018 to gather and analyze information on the functioning of equipment with in the stores, such as coolers to help in their maintenance. The system always keeps track of the equipment, calculates and notifies when maintenance is needed when problems occur. These notifications help prevent the equipment from deteriorating before proper time, which helps reduce the amount of electronic waste and prevents the accumulation of spoiled fresh produce which may occur from poorly maintained equipment within the stores. Furthermore, the application helps to keep count of stocks in the stores, calculates and analyzes the import of new products, which also helps reduce waste.



### Outcomes and expected benefits

Extend the lifespan and equipment.

**1**



**3**

Prevent food waste from decaying equipment.

Decrease the amount of disposed electronics and electronic appliances.

**2**



**4**

Application to help keep count of stock to reduce waste from decomposed food



## Moving innovation forward project

As part of the Company's implementation in moving forward innovation in the economy, society and environment is the establishment of the competition on innovation both for the organization and to the public. The competition welcomes applications from outside the organization. The competitions have organized this since 1999 until present. Some of the examples of the innovations submitted by participants from the Company are

- The President Award program places emphasis on the creation of internal innovations among CP ALL's Subsidiaries in discovering new products, services, and processes, leveraging diversity in the business group in order to meet the needs of customers, communities, society, and the country.
- Big Fish Award is project emphasizes the creation of innovations from 7-Eleven branches that are present across the country, providing services to large numbers of customers daily. Operations leverage a cross-functional approach between different units within CP ALL to improve efficiency in product procurement and service.
- Process Excellence Award is importance on process efficiency improvements in the decision-making and approval process to operate with speed and quality. This is done through leveraging IT to improve efficiency, meeting the needs of all involved parties, and making employees happy.

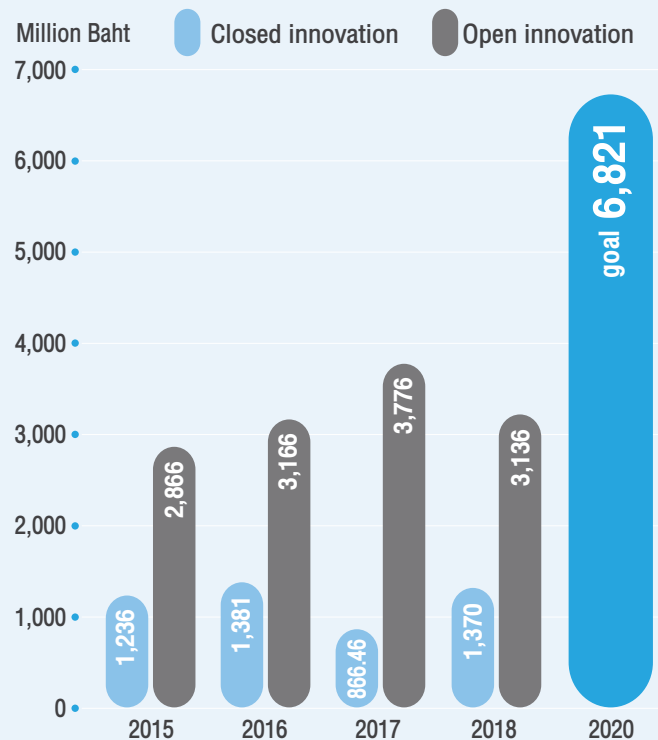
## For open innovation contest projects including

- 7 Innovation Awards which have been awarded to innovations on products and services that have impacted the economy and society, and gives opportunity to the winners of the competition to expand their business with the Company. In 2018, the competition was held at the Thailand Synergy event for Thai SMEs. The event was jointly organized by the public sector and 10 related associations, which are National Science Technology and Innovation Policy Office (STI), National Science and Technology Development Agency (NSTDA), National Innovation Agency (NIA), The Federation of Thai Industries (FTI), Stock Exchange of Thailand, Office of the Permanent Secretary, Ministry of Science and Technology, Thai Business Incubators and Science Parks Association (Thai-BISPA), The Thai Chamber of Commerce and Board of Trade of Thailand, The Thai Bankers' Association and Office of Small and Medium Enterprise Promotion (OSMEP).



Another project as part of the Company’s work to advance innovation by CPRAM Co., Ltd. is the promotion of personnel in innovation project which can be divided into two main parts; the promotion of personnel according to each skill group and the promotion and encouragement of innovation creation through award incentives and score accumulation gained through winner different competitions. At present, there are 65 persons which are being implemented in CPRAM Co., Ltd. For instance, the withdrawal of products via the online system which helps cut down on many procedures and increases time that can be used for work and helps reduce product shortage, and the “chang-rew” project which helps minimize procedures, time and possible errors of in work.

From these initiatives to move innovation forward, can be used to calculate added value to monitor progress. Implementations in innovation that can be shown in terms of economic value are



\* Innovation from within the organization gathered and evaluated for value expansion for the organization through Big Fish Award, President Award and Process Excellence Award.

\*\* Innovation open to public gathered and evaluated for value expansion for the organization through the 7 Innovation Awards.

### The EAT Well Project the company receive the TMA's Awards in the field of product and service



### TMA Awards

From the implementation of the efforts in support of creative thinking and innovation, the Company received the Thailand Management Association’s award in the field of innovation, products and services. Specifically, for innovation, the Company received the CP ALL’s Innovation Awards which is a project of the CP ALL Innovation Model. The competition was organized both in an open and closed manner and the award was in the form of cash. The selected project for the products and services category, were products that were hygienic, fresh, ready to eat and had the core elements of the Eat Well project; highly nutritious and able to be conveniently purchased by consumers.

More than the increased business value, the nation’s economic has also evidently increased.



# Elevating the Occupational Safety and Creating a Friendly Work Environment

“

Human resource in the organization is akin to a family member, in the same way that the workplace can be a home. CP ALL therefore has thrived to care for occupational health & safety and the holistic good working condition. This is so that everyone will be safe and happy in the place we call a second home.

”





Giving and Sharing Opportunities



# Elevating the Occupational Safety and Creating a Friendly Work Environment

The corporate philosophy of “3-Benefit Principle” to the nation, its people and the organization are the cores of what CP ALL Plc. and its subsidiaries (the “Company”) have always cherished and operated on. This extends to priorities in safety management, occupational safety and working environment of the Company’s employees as well as contractors. These components are considered crucial for all operations.

## Challenges

A company is an enterprise mainly operates by its human capital, supported by various machines and technologies to carry out the numerous business activities. Such reliance on human capital generate a challenge for the Company, one which the Company willingly embrace, in creating safeties and quality of life measures for all of its personnel as well as contractors.

## Benefits to Society, Environment and Organization

The management of occupational health, safeties and ameliorate personnel’s quality of life all have direct impacts on the wellbeing of the personnel and their families, which in turn directly impacted the society and environment by reducing the utilization of resources in cases of unforeseen events. Moreover, the Company’s management of occupational health, safeties and amelioration of quality of life shall, in the long run, result in the contentment of its personnel and how they will support the operation of the Company.

**Progress in 2018**

- >> Adjustment of the Committee’s structure.
- >> Elevating the management of occupational health, safety and working environment to meet the standards of ISO 45001.
- >> Safety-Seeking Behavior project.
- >> Safety Patrol and Safety Audit activities.
- >> Work Flexibility Pilot Project.
- >> Stress Management Project.

**Key Performance in 2018**

- A total of **49** place of businesses were awarded with Safety, Occupational Health and Environment Excellence Award
- There were zero fatalities of its personnel and contractors.

**2020 Goal**

All personnel of the Company must be protected by an international standard of occupational safety and work environment within 2020.

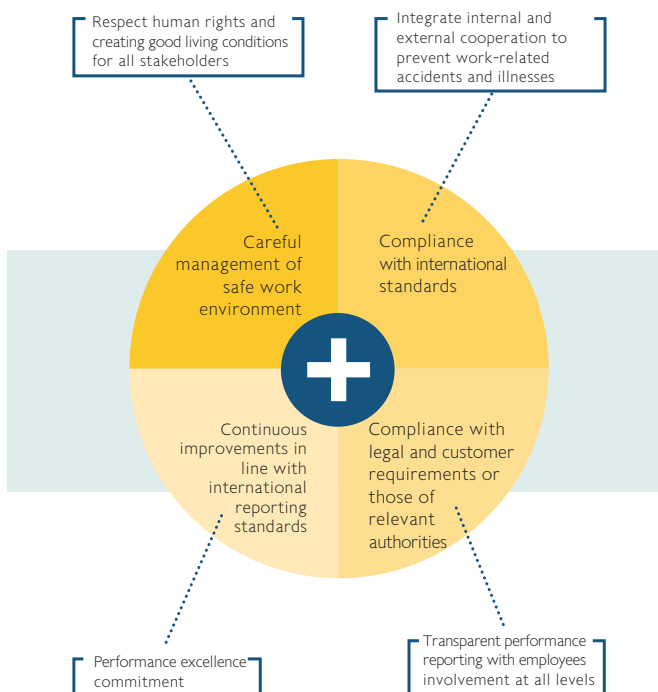
## Management Measures

The Company is a big organization with various business operations and have to effectively manage the occupational health, safety and working environment as well as improving the quality of life of its personnel and related persons. Consequently, the Company has amended the guideline on how to manage and operate on an international standard for occupational health, safety and good working environment as well as equal treatments to all related personnel. Along with the aforesaid, how the Company should operate its business, initiate activities, plans, appropriate indicators for business types or context and specific risks of each business. These are all to bolster the effectiveness in the areas of safety, occupational health, and amelioration of quality of life, instill the attitudes, viewpoints and awareness for safety and management of good working environment.

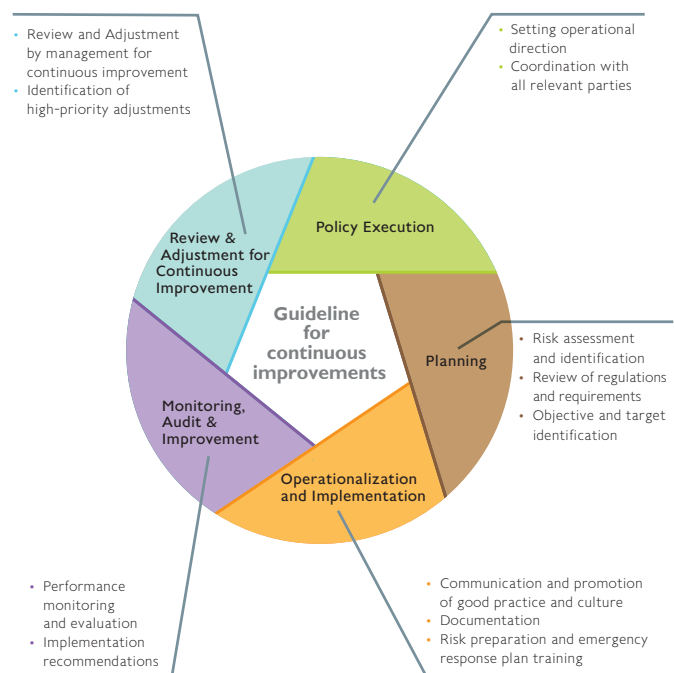
## Continuous Improvements to lift the Occupational Health and Safety to be on par with International Standards

The policies for safety, occupational health and the working environment announced by the Company in 2017, specified for the scopes of operation and promotes the safety, occupational health and the working environment, as per the supply chain image. Such crucial management process was closely monitored and resulted in various activities and in 2017, the Company implemented the Safety Health Environmental Standard (SHE Standard) which was originally developed in 2016. However, the Company is of the view that the structures of the board of directors and board committees of the previous year still have potential to develop to better reflect the various operations of the Company.

### Scopes of the Policies for Safety, Occupational Health and the Working Environment

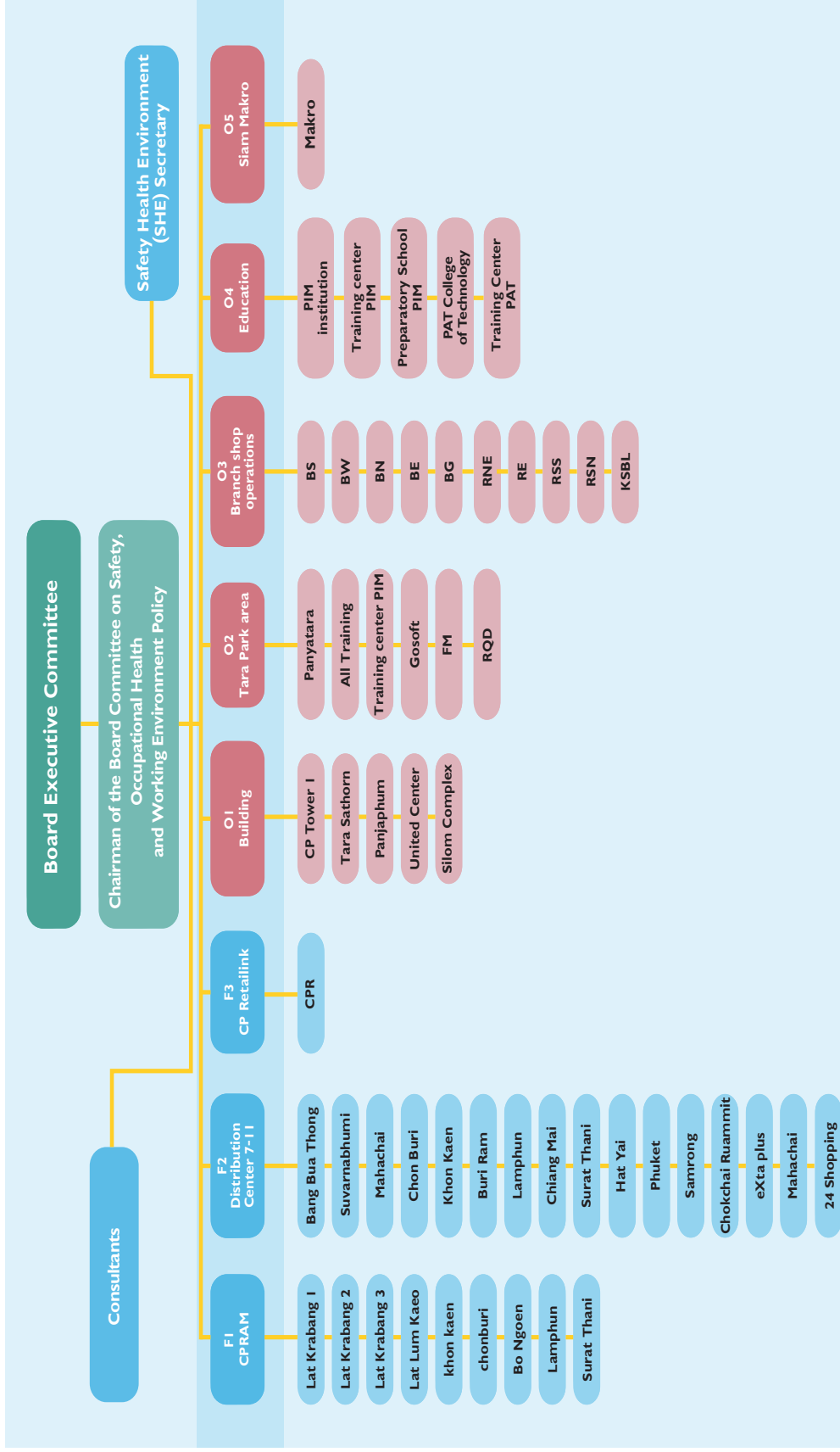


### Management Approach of occupational health safety and working condition for continuous development.





## Structure of the Committee on Safety, Occupational Health and Working Environment Policy Business group Marketing and distribution



In 2018, the Company has improved the structures of the board committees which are responsible for monitoring the compliance of policies for safety, occupational health and the work environment by appointing and specifying roles of the Board of Directors and Board Committees by areas and characteristics of each operation, as portrayed on the diagram.

The aforementioned Board of Directors and the Board Committee were officially appointed in August 2018 and there were policies and goals specified to be in line with the context and characteristics of the operation of each department, which are all under the supervision of responsible committee. Such committee supervised all 100% of the employees' as well as contractors who are included in the value chain.



Management Approach

HIGHLIGHT

**Safety Standard Elevation Project of the Branch Stores**

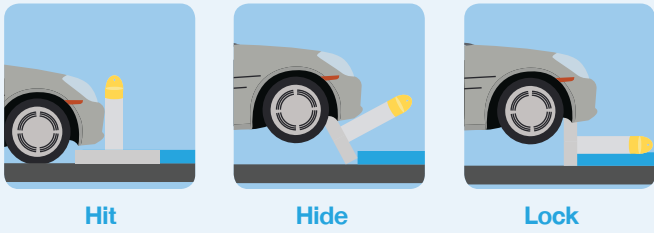
The Company values the safety of its customers and employees that work in the 7-Eleven stores by including in the store construction guideline on the safety standards, management procedures from the construction of the store up to the handover, the maintenance of such 7-Eleven stores. This includes the installation of ground anchors to reduce dangers from automobiles as well as mitigating the severity and losses to all 7-Eleven stores which are typically located main roads with high-speed traffic, since the risk assessments revealed that such areas are at risks of suffering injuries from automobiles to customers, pedestrians and employees. In 2018, the Company began to install ground anchors at 7-Eleven stores that fall within the aforementioned criteria to mitigate the injuries and



fatalities from automobiles that may occur to any personnel. The Company value and view its personnel and related persons as family and is of the view that any loss and undesirable consequences are avoidable.



**Ground anchor working principles :**  
Hit - Hide - Halt, brought to a stop



**Results and Benefits of the Project**

Information of Accidents	2016	2017	2018
Total number of car crashes into the store (incidents)	25	29	84
Total number of preventable car crashes with ground anchors before hitting store (incidents)	17	14	25
Average damage per time (Baht)	73,395	65,107	13,514
Number of injuries of preventable cars crashes with bollards before hitting store (incidents)	1	1	0

**Integration of Occupational Health and Work Safety is Part of Business Operation**

In 2018, in addition to the supervision of the operation procedures and care for work environment of each area to comply with the law such as the intensity of dangerous chemical, dust and brightness of the work area etc., the Company has set the goals and guidelines in

Occupational health and Safety as part of normal business operations in accordance to their types within the Company's group. An example would be the safety culture for all levels of employees as well as business partners and stakeholders, which is part of the Company's policy for one to look after himself while also caring for his colleagues' safety at work.

### Behavior Based Safety (BBS)

Behavior Based Safety (“BBS”) is a development in safety which focused on reducing risky behaviors which may result in accidents by reducing, refraining and renouncing such behaviors as well as building a sustainable safety behavior.

CPRAM Company Limited developed the BBS to elevate the safety level of the organization with specific safety policy to develop sustainable safety in a substantial form by reducing, refraining and renouncing risky behaviors. This is due to how accidents and incidents somewhat occurred from certain safety behaviors or their lack of. That being said, the Company focus on risky behaviors of its employees, especially those who are involved with production, considered to be at more risks than other work. The Company has begun to proactively take on the occupational health and safety issues by encouraging cooperation on safety from employees at all levels, with focus on prevention measures. This was done by fostering effective communication, which portrays the place of importance on equal human rights, through the safety reports that the Company prepared in 3 different languages which are Thai, Cambodian and Burmese to allow for effective communication and reduce risks arising

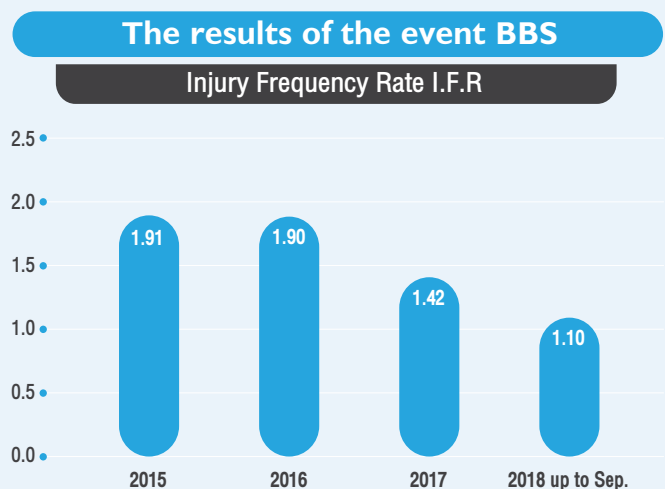
from lack of awareness at the workplace such as letting the employees to express their opinions, raise awareness and care of OHS to their colleagues via the activity “Friendly Reminder”, in which each employee can report on 1 topic in this activity each month. This is to develop analytical skill or the cause of danger within the area of operation of the employees. Reports that are submitted by the employees are then analyzed and prioritized by the committee to manage the risks reduction, as per the procedure diagram here.



#### Reports are then categorized by the following

- Moving of objects by lifting, pushing or pulling.
- Selection of tools and equipment.
- Spots that could lead to a pinch, cut or pull.
- Cleanness and tidiness of the area.
- How to act in dangerous areas.
- Tools of prevention, separation and warning.
- Going up and down the stairs or different ground levels.
- Compliance with related safety procedures.
- Reaching for objects.

The preliminary results of the operation indicated that accidents resulting in injuries for employees in production reduced drastically. In addition to the “Friendly Reminder” and unsafe behavior reporting, the Company arranged for reporting in case of near miss incidents as part of the Hidden Danger in the Workplace Project, to improve the safe working environment for employees. The Company also intended to develop such reporting in 3 languages. The next steps of the project are: to campaign for employees to submit near miss incident reports, to award for excellent reports as well as to improve the work environment to reduce risks and achieve the ultimately goal of the Company, the reduction of the number of accidents to zero.

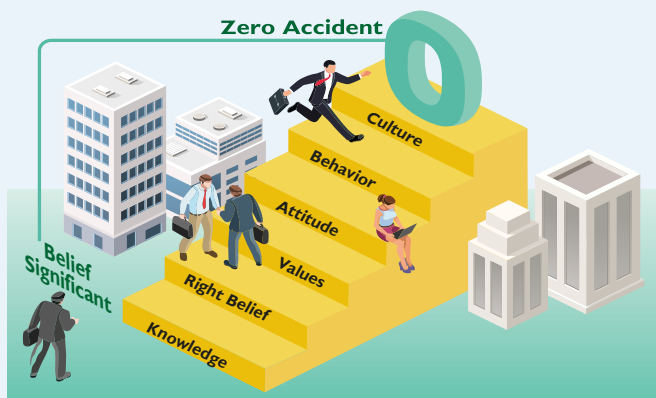


## Safety Culture Project

The Company has initiated the project of “Safety Culture” to elevate the safety level of the organization via policies such as the safety of distribution centers policy. Additionally, the Company also proceeded with the creation of sustainable safety culture in the substantial forms of reducing, refraining and renouncing risky behaviors as well as to condemn, remind and compliment, the procedures as per the diagram. The distribution center has also set policy for supervisors to have the awareness and possess the right safety skills to ensure that the employees as well as themselves are safe at work. This are efforts to create correct understandings on accidents and avoidable accidents that could potentially occur to employees by measures such as by observation, follow up on safety behaviors at work, preparations that could be taken prior to work, during work and after work. This systematic risk management searched for and identified existing risks to remedy and seek preventive measures before such risks may cause accidents and ultimately resulting in the drastic decreased of overall number of accidents of the distribution centers.



## Results and Benefits of the Project



## Results of Safety Culture

The Company oversee the safety engineering of the branch stores through the Safety Store Visit (“SSV”), which carry out random checkups once a month. It aims to check on every store as well as to test the safeties by the Quality Store System Inspection (“QSSI”), who carry out quality and safety checks of the store as well as the driving of the store employees. For safe driving, if the store manager fill out complete information in every topic of the motorcycle form then an extra premium score of 1% shall be rewarded by the QSSI. However, and store in which its employees refuse to wear crash helmets then such branch shall be immediately deducted of the premium points by 5%, to create awareness in safe driving.

For the production department, the Company has augmented the effectiveness of the Safety patrol by rotating the works committee as well as personnel between each factory of CPRAM in the checking of occupational health and safety of other factories. This allows for sharing of different opinions and views which could be utilized and develop as well as instilling confidence in machine safety, which shall be considered from the process of procurement of machinery which may reduce risks of danger as well as risks from improving machinery. This include clear, safe and up to standard work procedures prior to commencement of work to reduce potential risks of danger.

For the branch stores, the Company has specified for the Safety Committee and the central safety team to jointly carry out safety audit on a monthly basis with the senior executives joining such audit once every quarter.



## Good Logistics Practices or GLP

In 2018, the distribution center has developed the Good Logistics Practices (“GLP”), which derived from OSHA18001. It is currently undergoing a system upgrade as well as applying for the Occupational Health and Safety certification of the ISO 45001, which is expected to be approved in 2019.

## The Implementation of Ergonomics to Work

The Company has carried out various surveys and improvements to work areas for both operations and office departments to be appropriate and sufficient for working with the principles of ergonomics in mind for different postures for working in different kind of work. In 2018, the Company procured office equipment which would supports the work postures such as ergonomics office chair to reduce risks of sickness and fatigued from sitting or computers usage in improper postures. This is inclusive of the utilization of automatic systems which would make the work of practitioners more convenient and reduce risks of injuries from improper work postures or repeated postures, as well as development of tools, equipment and work stations which would eradicate improper postures such as bending down, bending or moving of excessive weight. The distribution center measured the strength of the muscles prior to work and CPRAM’s factories have introduced the One Point Lesson which included lessons in the know-how and proper postures to work safely, specifically the lessons in proper postures for each type of work at CPRAM’s factories in Chonburi, Lat Krabang and Lat Lum Kaeo, which the Company shall further expand to include every operational area. The Company is currently in the process of collecting feedbacks/satisfactions of the aforementioned activities so that they could be utilized in further development in efficiency. The office departments have also intimated a project to prevent office syndromes by educating employees and assessing preliminary ergonomics via the body discomfort and ROSA assessment to reduce sickness and losses.



## Defensive Driving Course

The Company place high importance in safety driving of the employees, not only within the work area or during work hours, but also their drive to work each day. Any accident that happen would cause great loss to not only their families but also to third parties, hence the Company commenced the defensive driving in 2016 as a course to increase driving skill and test the driving performance of the drivers to ensure safety. In 2018, the project also covered the employees’ mean of private transportation such as motorcycles and automobiles, in which over 10,000 of such have registered for the course.



The Company also set a goal to jointly set out courses with the Department of Land Transport to train and create awareness of safe driving. This is inclusive of obtaining driving licenses with the Department for all employees, which shall be followed up to improve the driving skill, safety attitude and communication on life importance as well as safety from the executive level.

In addition to the physical safety at work, the Company also focus on looking after its employees in the areas of quality of life as well as mental health as per below.

## Work Flexibility Pilot Projects



### Flexible Time

Flexible Time allows the employees to choose appropriate work hours from 4 different time periods. This program was officially effective from October 2018 and with 819 out of 3,779 office-based employees or 21% joining such project.



### Work from Anywhere

Work From Anywhere allows the office-based employees to work from out of the offices, in which it is currently in the second trial period. This project covered 1,704 out of 2,999 employees and the results of the first trial period indicated that 89% of such employees are satisfied with the project so the Company intended to continue with the program officially.

## Stress Management as per below

1 Wisdom Program since mental health is significant to all employees and stress could occur to anyone from the way of life nowadays or effects from basic states up to work operation. Therefore, the Company arranged for mental management program or stress management activities such as drawing/coloring etc.

2 Looking after the Employees' Inner Health such as the nutrient provisions to employees without any costs, inspection of food safety or food preparation facilities as well as providing personnel to prepare food to employees to campaign to educate and



follow-up on results for the employees to maintain weight by proper standards and via the correct methods (to follow-up with the results in 2019) as well as hiring trainers

for work out lessons on working days.

3 Area and Conveniences for exercise on a daily basis and offering a variety of options based on employee's interests, such as Hatha-Yoga, Zumba, and Piloxing.

4 Facilities and Conveniences to care for employee's children under the age of 18 during the wait of such employees, to reduce risks and dangers from lack of maturity of the child/youth as well as unfamiliarity of the Company's operational area such as drivers.

The Company is proud to be awarded with the National Safety in Operation for the year 2018, to revisit operations in occupational health and safety of the Company and clearly portrays the continuous dedication in the related occupational health and safety. Moreover, the Company was also awarded with a total of 33 national safety awards with multiple places of business consistently receiving awards such as Outstanding Model Business Operators Award in Safety, Occupational Health, and Environment at the platinum level for: 13 years consecutively for CPRAM Company Limited (head office), Pathum Thani; 11 years consecutively for the CP ALL Plc., Distribution Center in Chokchai Ruammit; 10 years consecutively for Distribution Center at Surat Thani; diamond levels for: 9 years consecutively for Siam Makro PCL at Sakon Nakhon branch and Chaing Rai branch. Outstanding National Health and Safety Award for Educational Institutions for: 3 years consecutive of certificates which are The Panyapiwat Institute of Management and Panyapiwat Technology College; for 2 years consecutive of certificates are Panyapiwat Learning Center in Khon Kaen, Nakhon Ratchasima, Udon Thani, Lampang etc.

All of this is protection we have created for a better quality of life for all our personnel.



## Selecting hygienic food with the consumer health at heart

“

For members of society to eat well, live well, and maintain a healthy life, access to safe and nutritious food is a necessity. This is a responsibility CP ALL has taken with open arms: whether it be in the curation of safe food or the delivery of nutritious delights for all consumer groups.

”





Giving and Sharing Opportunities



# Selecting hygienic food with the consumer health at heart



Food safety and nutritional value are of paramount importance in the business operation of CP ALL Plc. and its Subsidiaries (“the Company”).

Being a predominantly food product company with awareness of the capability to enhance societal well-being, the focus includes product development and selection, along with the safety and nutritional value of ingredients. The Company has endeavored for perpetual advancement to become a contributor in contributing to public welfare, health, and well-being.

## Challenges

With the continuously increasing trend where consumers emphasize health and nutritional value during a period of high modern trade competition, the Company faces challenges in presenting and delivering alternative quality nutritional products for consumers. Such food products must fulfill customer demand and provide the highest level of satisfaction.

## Creating value for society, the environment and the Company

To become a company which enhances societal health and reduces resource consumption to mitigate preventable health issues arising from diets, there’s support for alternative products which focuses on nutritional value for society. The Company has strived to produce and develop nutritious novel products for consumers. Furthermore, criteria have been established for both jointly developed products and novel general products within the Health Product category. The goals are as follows:



## Progress in 2018

- >> Establishment of product criteria for both jointly developed products and novel general products in the Health Product category
- >> Meal for Care project
- >> Healthy Fresh Food product project

## Key Performance in 2018

- Introduction of **772** products emphasizing on nutritional value, health and well-being

## 2020 Goal

To provide an additional 10% of new products and services which focuses on exceptional nutritional value, health and well-being for society by 2020.

### Performance against Goal

	Goal 2018	Actual 2018	Goal 2019	Goal 2020	Goal 2021	Goal 2022	Goal 2023
Percentage of new products emphasizing nutritional value, health and well-being	6%	7%	8%	10%	11%	12%	13%





## Management Approach

### Highlight

#### Meal for Care project

From the Meal For Care project development aimed at developing health conscious products and improving recipes for general products to include more nutritional value and the appropriate amount of energy, sodium, fat and sugar for a meal, the reduction of sodium in products, and the appropriateness as a meal, the following criteria have been established for the development of Health Products.

1. References of criteria according to the Ministry of Public Health announcement issue 182 regarding nutritional value labeling for criteria in reducing sodium, sugar, energy, etc.
2. Criteria for health alternative Healthier Choice of Mahidol University regarding the appropriate amount of food ingredients in 8 categories including sodium, energy, sugar, fat, minerals, fiber and iron, appropriate for a meal
3. Development of products containing not over 33% of the recommended daily sodium intake per portion
4. Development of products containing less sodium and within the criteria accepted by customers. Certain products are high in sodium due to high sodium content originating from the based raw material or ingredient. The sodium content reduction level is determined by the lowest amount of sodium possible without compromising the taste according to the customer.

Health conscious food must satisfy at least 1 in 4 of the following criteria:



**1** Food products approved or satisfying the criteria of "Health Alternative" or Thai Healthier Logo accredited by Institute of Nutrition, Mahidol University



**2** Food with the addition, reduction or without ingredients according to legal compliance or acceptable standard including those stipulated in the Ministry of Public Health announcement (issue 182) 1998



**3** Fresh vegetable and fruit and/or preserved food maintaining original value or with minimal food processing or food containing the required nutrition with appropriate energy for one meal



**4** Medical food including Functional Food or Food Supplement according to the Ministry of Public Health announcement (issue 238) 2001 and according to Ministry of Public Health announcement (issue 293) 2005

#### Example of products with recipe improvements

Criterion 1 Fish wrapped in herbs	Criterion 2 Rice with chilli-fried fish	Criterion 2 Rice with garlic chicken and omlete	Criterion 2 Pork with yellow curry paste with rice	Criterion 2 Stir-fried basil chicken with rice	Criterion 4 Stir-fried basil chicken with rice

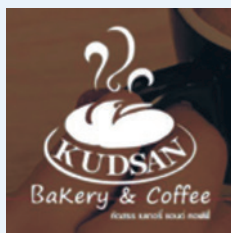
### Eat Well, Live Well, Contentment project

To jointly contribute to our customer's good health, the Eat Well, Live Well, Contentment project was established to deliver nutritional value to society. The Health Products product category in stores have had display improvements in addition to better promotion to create public awareness. New products have been consistently developed and added to this category. Online sales have been launched in tandem with better online transaction methods. In November 2018, the Company debuted a reorganized branch, Thanon Pracha Uthit 17 (Yot Thong) branch, in accordance with designated improvements. Products in this category had a sales target of 6,000 Baht per store per day.



### Product development project

To contribute to societal well-being, the Company stresses the importance to provide dietary requirement food alternatives to consumers such as patients and the elderly. Products have been especially developed to improve the well-being of this consumer group. Among the specialty food products are rice porridge, with cooked vegetables and meat cooked according to specialized techniques to enable appropriate meat texture, which retains full nutritional value for those with dental conditions. And developing Thai desserts low in sugar content are alternatives for those with diabetes, heart conditions, obesity or consumers who wish to control weight, etc.



### Products from ingredients free from trans fat

The Company is fully aware of health risks imposed by trans fat. Therefore, the development of all product recipes under the Kudsan brand, the bakery and beverage product categories, use ingredients free of trans fat. This initiative, which supports consumer's health, was established in 2015 before the 2018 Royal Thai Government Gazette dissemination of Ministry of Public Health (issue 388) prohibiting the production, import or sales of stipulated ingredients.



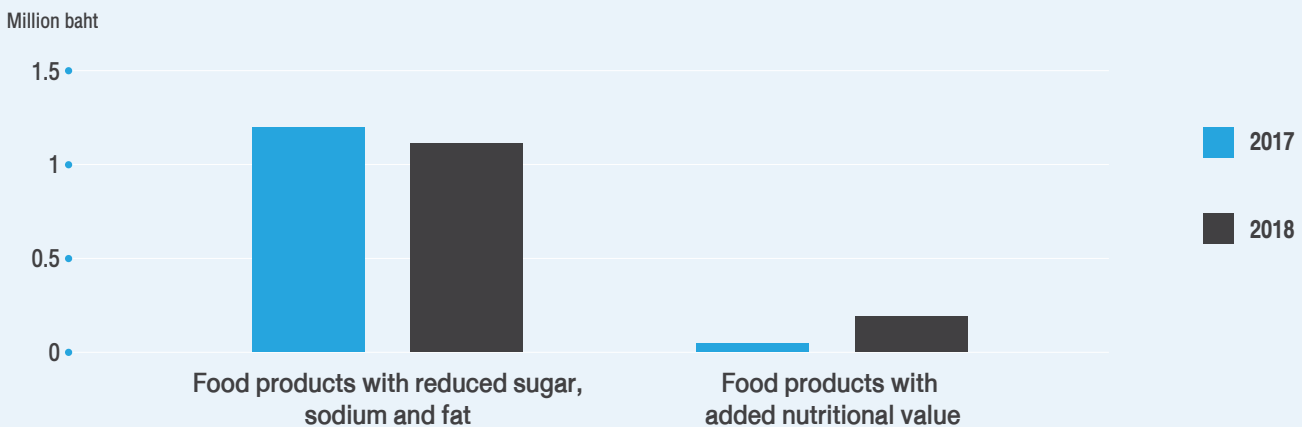
**Trans Fatty Acid, also known as Trans Fat,** is unsaturated fats found naturally in small amounts but could be produced industrially as an alternative to butter or lard. The cost-effective and more reusable Trans Fat is a factor in the increase of cholesterol and a potential cause of heart disease.

## Healthy Fresh Food Products

The Company has operated the Healthy Fresh Food project since 2017 by supporting consumer accessibility to health food products. Health products, consisting mainly of fresh salad, have been especially designated store shelves. This product group is considered an addition and a development of products beneficial towards consumers. In 2018, the current 500 stores with these products have experienced an almost 100% increase in sales per annum. There are plans to establish another 1,000 branches from 2019 onwards.

From the initial operation of the various projects, the Company have received awards including Best Corporate Governance 2018 for health product innovation (sodium reduction) and Best Corporate Governance for support of sodium consumption reduction from Thai Health Promotion Foundation and The Nephrology Society of Thailand. The increase in product sales also reflects the

### Sales of food with improved recipe compared to total sales



## Hygienic Food

To strengthen consumer trust in food safety, the Company have introduced techniques in the selection of ingredients and products from suppliers. CPRAM Company Limited have, in addition to abiding by relevant regulations, developed quality production processes accredited by HACCP and GMP. This standard level has also been introduced to suppliers to ensure consumers that the Company products are safe.

HACCP and GMP standard has also been introduced to suppliers to ensure consumers that the Company products are safe.

In addition to the selection and production process, the Company has founded the following departments responsible for food safety:

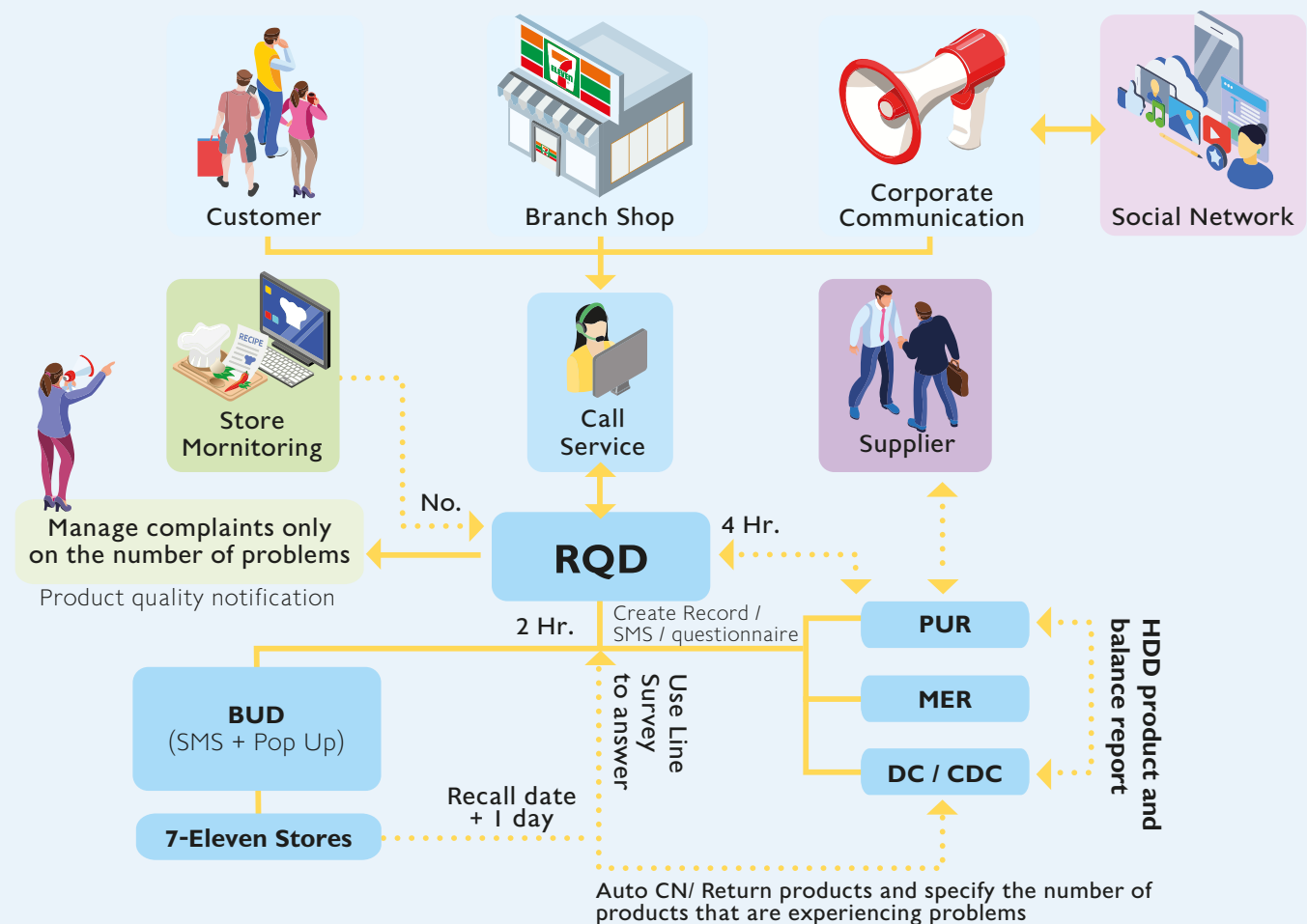
- **Department for Quality Sales Standard Inspection (QSSI)** is tasked with the inspection of the management of 7-Eleven stores in terms of services and product quality. This measure ensures that customers receive products of the specified quality standard. The department inspects every branch on a monthly basis.
- **Department for Product Quality Assurance (QA)** under the office of Rock-Quality Designation (RQD) is tasked with the standards establishment for products and store quality management improvement and development according to complaints, random inspections and regulations. Branches will be randomly inspected in accordance to the considerations above to enable the improvement of standards and adoption for the relevant parties.

### Complaint and product returns procedure

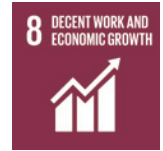
The Company have developed systems and a product returns process due to quality complaints to ensure that substandard products do not reach consumers. The RQD department in conjunction with the Call Service handles and inspects complaints. Upon receiving a complaint and the completion of the returns evaluation, the branch will

be informed to remove the products from display shelves. The branch will report back to the RQD department. Furthermore, the complaint will be investigated jointly with the purchasing department, other relevant departments according to the product and suppliers.

### Product Returns Procedure Process



CP ALL wholeheartedly embraces the responsibility of ensuring access to safe and nutritious food--which is pre-requisite for a strong society that eats and lives well--through a careful selection of safe foods and sharing nutritious, delicious offerings with all consumer groups.



**Creating educational opportunities,  
creating jobs,  
creating the future**

“

Everyone has dreams, and desires to succeed in their profession. CP ALL is cognizant that education is an important foundation. It is necessary that the children and the youth receive unbridled access to education and development in their interested vocation.

”





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## Giving and Sharing Opportunities



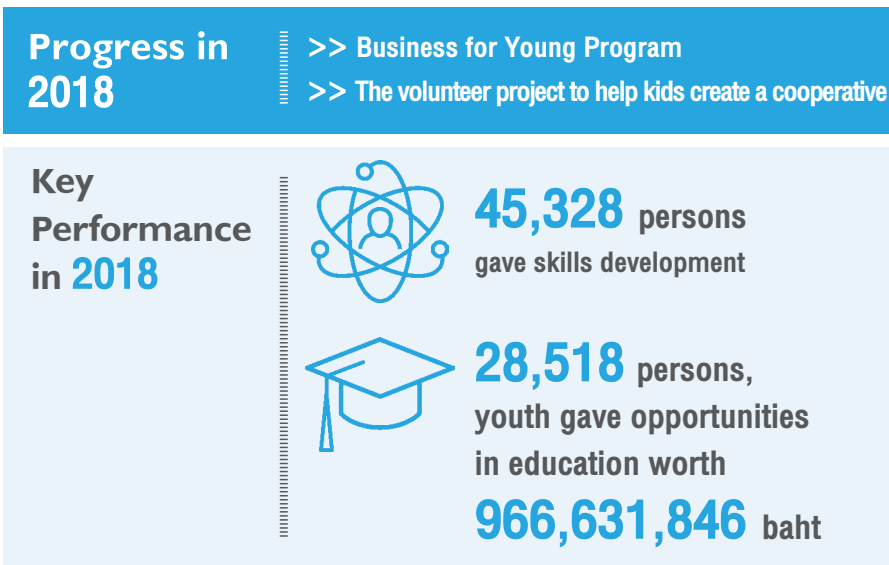
# Creating educational opportunities, creating jobs, creating the future

## Challenges

CP ALL Plc. and its Subsidiaries (“the Company”) realizes the important of human resource management which is an important force in doing retail business, both in terms of quantity and quality. Human resources must have the knowledge and skills. It is an opportunity to help the country’s children and youth to develop knowledge, skills to become good and talented people as a future force to drive the country forward. Furthermore, the Company gives importance to agriculture, since it is the foundation of all resources that are used in various processes to become the Company’s products for different undertakings. The Company believes that education is one factor to help build capability in the agriculturalists, in one way or the other.

## Benefit to the community, society, country and organization

The Company hopes that giving opportunities in education to the nation’s children and youths through developing knowledge and skills will produce a future population that is good, talented, and will be an important force to move the country forward in the future, including having the necessary employment skills for children, youths, and agriculturalists to make a livelihood. This wil promote better standards of living for families and for the country’s economy as a whole.



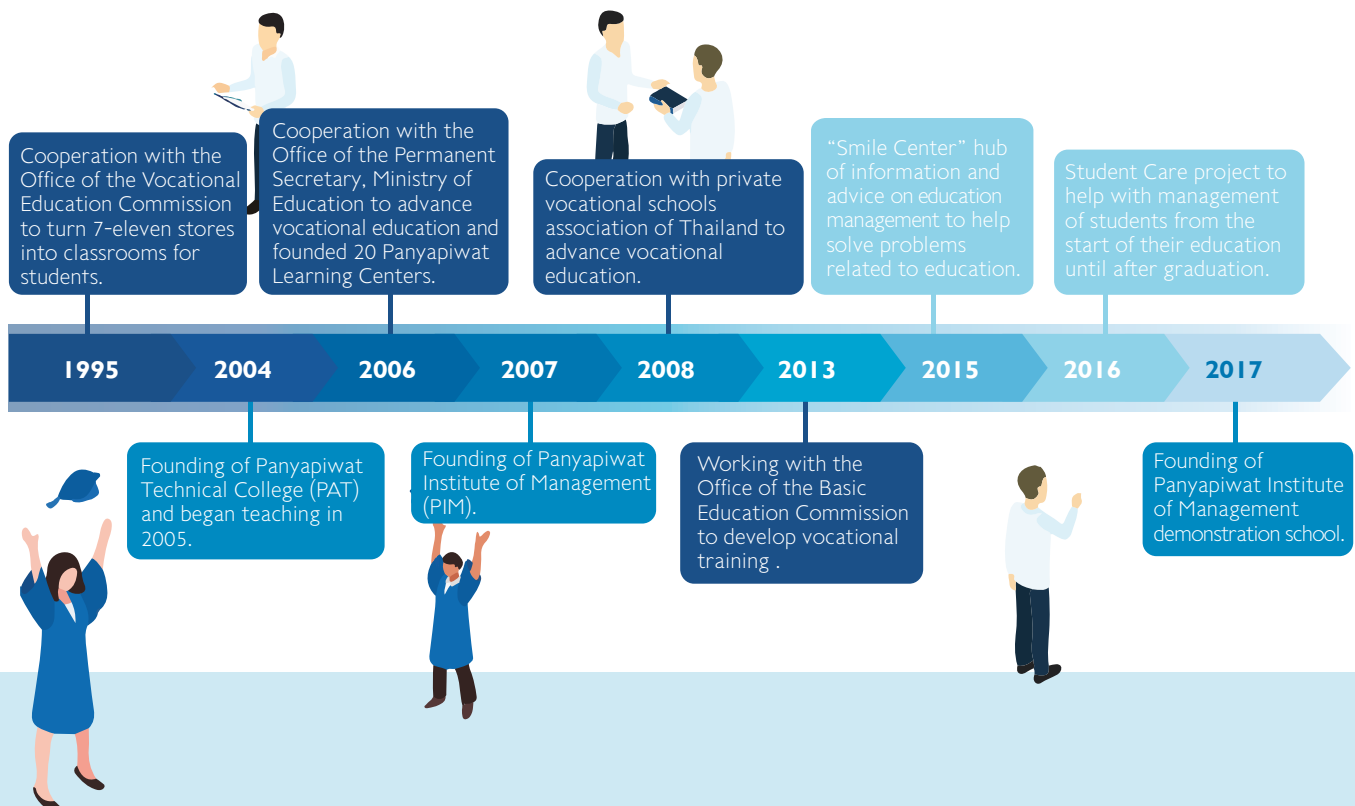




## Management Approach

In responding to this importance, the Company undertook projects on education, for instance establishing educational institutions and working with various organizations. Moreover, new projects have been initiated since 1995 to fulfill the goals of the Company in help people of all genders and ages, especially, children, youths, and agriculturalist. By 2020, 100,000 persons will have access to necessary education and skills develop, which can be illustrated below:

### The project on education, for instance establishing educational institutions and working with various organizations.





## Highlight

### Projects within Panyapiwat Technical College (PAT)

The Company established the Business for Young program to help promote and build understanding for youths in choosing and working in different fields within the retail business. At Wat Bang Kradi, the Company, with the help of Bang Khun Tian District, organized a volunteer project to help kids create a cooperative. The main objective was to build readiness for students in making decisions on their field of work and help reduce the problem of labor shortage within industrial sector. Furthermore, it taught youths to understand the changing nature in business and its effects to the retail sector. In 2018, 86 students took part in the project.

## Outcome and benefits for the 2018



Teachers **270** persons



Youth **3,764** persons



School **78** schools

### Cooperation with the “Prasarn Palang Pracharat” project – CONNEXT ED

The Company joined hands with 11 other leading companies to plan for the development and advancement of educational sector reform, which includes 10 strategies of the “Prasarn Palang Pracharat” project, in the field of basic education and leadership development (E5) and leaders to build sustainable education project (CONNEXT ED). The latter is a joint project between the private and public sector and has been ongoing since 2016. This project just entered its second phase. The Company has developed 350 schools, which is 15 percent of the planned target population, and has reached 50,000 students.

## 10 Strategies Thailand Education Transformation



Transparency of information on educational institutions



Promoting English language proficiency



Market mechanism and community involvement



Instilling morals, ethics, public service mindset for students (“health and heart”)



Access to digital infrastructure of the educational institutions



Access to digital infrastructure of the educational institutions



Curricula that focuses on places students at the center of learning



Curricula that focuses on places students at the center of learning



Development of high-quality principals and teachers



Development of high-quality principals and teachers

### Outcomes and benefits

**350** schools took part in the project

**50,000** youths took part in the project

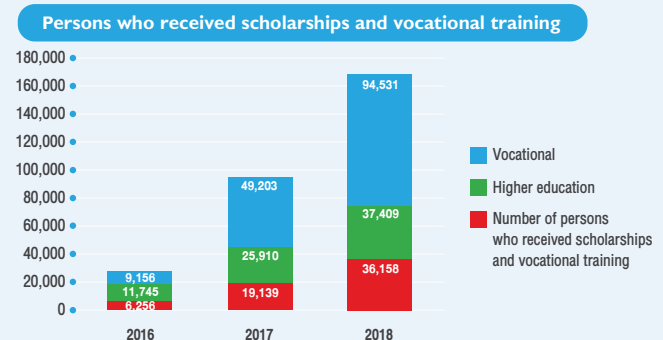


## Scholarship

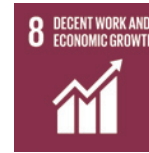
The Company has supported scholarships to students and to date the Company has given out 28,518 scholarships worth more than 966,631,846 Baht. These scholarships include vocational education and higher education, and 5,596 students have graduated from these programs and have become an important workforce for the Company, society and the country. Moreover, because the Company is confident in the capabilities and students of the Panyapiwat Institute, the Company enacted a policy to employ graduates from the Institution. These students have good career advancement and receive special benefits in becoming a store business partner (SBP). In 2018 (total data from 2015- 2018) 6,258 graduates worked with the Company.

For agriculturalist, the Company is determined to organize activities on occupational training and study visits by the Company.

The results of all the above projects for 2018, the Company gave opportunities in education to 168,098 persons from the target group (for the years 2015 - 2018). This achieves the goals set up by the Company from the first year.



With an incubation through education, children and the youth will become quality citizens for the country moving forward.



# Sharing opportunities and creating value for society

“

Environmental improvements are in our hands. CP ALL has created various activities to safeguard the ecosystem and protect bio-diversity, **all while encouraging the public to jointly care for the world.**

”





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Giving and Sharing Opportunities



# Sharing opportunities and creating value for society

## Challenges

CP ALL Plc. and its Subsidiaries (“the Company”) are constantly aware that they are a part of society and can affect it both positively and negatively. Therefore, the Company places great importance on the perspective of society and its stakeholders. It endeavors to create positive impact within its operational strengths and bring benefits to farmers, small and medium enterprises, and vulnerable groups whom the Company views as partners, customers and essential parts in the lives of the Company’s own personnel. The Company views that if its efforts are successful, the results will benefit the Company itself in terms of business.

## Benefits for society and organization

The Company believes that in order for a business to grow, it must develop the community and advance together as a whole. The driving force behind the Company’s involvement in community development is its alignment with its 3-Benefits Principle that aims to promote society’s well-being through economic growth. It is with this growth that the Company and society can step forward together firmly and strongly while gaining trust from the community and building confidence in its business operations.

**Progress in 2018**

- >> Golden Banana Project
- >> Seasonal Fruit (Longan and Melon) Project
- >> My Farmer, My Life Partner Project
- >> 24 Shopping for Small and Medium Enterprises Project
- >> Coffee-based Job Creation for Society and Community Project
- >> U-Project (Strengthening Partners and Developing Your Business)

**Key Performance in 2018**

- **26,216** farmers received career support
- **15,275** small and medium enterprises received career support
- **1,604** vulnerable groups received career support

**2020 Goal**

To provide **10,000 farmers** or small and medium enterprises, including vulnerable groups, with career and income support in 2020

Performance Against Goal	2018	2020 Goal
Number of farmers or small and medium enterprises, including vulnerable groups, that have received career and income support (Accumulated)	43,095	10,000

## Management Approach

In order to understand the impact of business operations on stakeholders' perspectives, the Company carried out a survey on the stakeholders' perception, attitude and understanding of the Company. The results of the survey revealed the importance of agricultural groups, small and medium enterprises and vulnerable groups who have fewer opportunities in society than the general population, as well as, opportunities in which the Company can create an impact to the well-being of these groups. Consequently, the Company set forth an intention

to promote projects that are in line with the Company's businesses so as to support the careers and income of 10,000 farmers or small and medium enterprises, including vulnerable groups, by 2020. In summary, the Company has set an operational approach that is aligned with its business by aiding the distribution of products, increasing employment, providing career training and facilitating the integration of vulnerable groups into society through the following projects.

## Highlight

### Golden Banana Project

The project supported products from small and medium enterprises by providing channels in distributing Hom Thong bananas to consumers through 7-Eleven stores. In addition, the project encouraged crop cultivation, standard post-harvest processes that enable tracibility and packaging designs that extend shelf life and reduce spoilage. Furthermore, CPRAM produced banana cakes from the banana and created teaching material to provide farmers with knowledge in cultivating Hom Thong bananas.

The Golden Banana Project has been developed since 2012 and at present, extended its business to other banana species. It has added distribution of Namwah bananas to 5,000 stores and Lebmuernang bananas to 1,000 stores nationwide. The project achieved a 10% increase in the participation of small agricultural groups, totaling in 1,825 groups and covering 14,863 Rai of agricultural land.

The project achieved a **10%** increase in the participation of small agricultural groups, totaling in **1,825** groups and covering **14,863** Rai.





### Seasonal Fruit (Longan and Melon) Project

The Seasonal Fruit Project was developed with the same principle as the Golden Banana Project which is to provide assistance in terms of distribution channels. It distributed seasonal fruits, such as Edo longan and melon, and collaborated with the Department of Internal Trade in selecting grade A Edo longan to be sold at 5,000 7-Eleven stores from 20 August to 30 October 2018. The project sold 83.59 tons of longan amounting to 7,642,080 baht. For melons, the Company introduced Zubari King melons which possess characteristics and flavors distinctive to the local area. The melons were grown by Jaidee Farm, which is a center for enhancing the potential of the disabled at Hankha Subdistrict, Hankha District, Chainat Province, and sold on 24 Shopping's website from 1-10 October 2018 with a total of 241 orders worth 86,139 baht.



The project sold **83.59 tons** of longan amounting to **7,642,080 Baht.** (Zubari King melons) at total **241 orders** worth **86,139 Baht.**

### Coffee-based Job Creation for Society and Community Project

The Coffee-based Job Creation for Society and Community Project was initiated and promoted by CP Retailink Co., Ltd. in an effort to develop the raw material procurement process within the café's supply chain and to encourage psychiatric patients to integrate with society through employment in the café. The project's progress is shown as follows:

#### Coffee-based Job Creation for Society and Community Training

With cooperation from the government, namely the Royal Forest Department, Department of Agriculture, Land Development Department, Department of Agricultural Extension, and Office of the Non-Formal and Informal Education, in order to fulfill the orders of HRH Princess Maha Chakri Sirindhorn in developing reforestation projects in Nan Province, CP Retailink Co., Ltd. provided knowledge

on the cultivation and processing of coffee beans. Complementarily to educating the people of Nan Province, the Company supplied occupational tools such as coffee hullers and drying plants, as well as, bought coffee beans from villagers at fair prices to be used in All Café and Caffé Muan Chon shops. At present, the project has created a green space of 1,459 Rai and generated income for 478 households.

For more information can be found at QR Code



The project has created a green space of **1,459 Rai** and generated income for **478 households**





### My Farmer, My Life Partner Project

The Company has been continuously driving the project in order to raise the agricultural standard of the local community and farmers by providing knowledge of cultivating crops under Good Agricultural Practices (GAP) and creating professional security for over 150 households. The project was established since 2010 and successfully developed a profession in sweet basil cultivation with CPRAM Co., Ltd.

to developed a profession in  
sweet basic cultivation for  
**85** households.

able to generate revenue  
for **2,772** small  
and medium enterprises,  
amounting to over  
**6,170** million baht.

### 24 Shopping for Small and Medium Enterprises Project

The Company provided distribution channels and supported small and medium enterprises (SMEs) by introducing products from community enterprise groups, local producer groups, small and medium enterprises groups and OTOP groups onto the 24 Shopping platform which allowed consumers to buy products via the Internet. At present, 24 Shopping has expanded its platform into mobile applications and in the previous year, was able to generate revenue for 2,772 small and medium enterprises, amounting to over 6,170 million baht.

### Red Roof Cafe

CP Retailink Co., Ltd. in collaboration with the Somdet Chaopraya Hospital Foundation by Khunying Uerpranee Chearavanont and the Somdet Chaopraya Institute of Psychiatry employed and trained patients who had undergone treatment and qualified for preliminary standards to encourage career opportunities and integration with society. The earnings from the café were used to further contribute to the activities of the Somdet Chaopraya Institute of Psychiatry. Patients who worked for 1-1.5 years proceeded to work at Caffé Muan Chon. At present, there are 19 patients who have received training and 4 are in the process of training.

### “One Baht One Cup” Project

To create further prospects for earning income and building careers in society, the Company continues to promote various opportunities. It donates an earning of 1 baht for every glass that is sold at Caffé Muan Chon to a hospital, foundation or charity, such as Phrabat Nam Pu Temple, Suan Kaew Temple, the Suthasini Noi-in Foundation for Children and Youths, and the Ramathibodi Foundation under the Chakri Naruebodindra Medical Institute Project. The company has continuously donated every year for over 8 years an accumulated value of 11 million baht.





### U-Project (Strengthening Partners and Developing Your Business)

The Siam Makro Retailer Alliance was established and has been continuously developed since 2009 with the purpose of strengthening and preparing Thai retail stores, including farmer groups and store operatives, to embrace changes and to create sustainable sales channels. The cooperation between universities, Siam Makro PCL and the participating retailers resulted in a joint development plan and a mentorship program that was tailored to each retail store. Under close supervision, experts and mentors from Siam Makro assisted each shop accordingly to carrying out the plan at every step of the way from procuring and arranging products to setting up the store and advertising it. With over 6,300 retail stores participating in the project as of 2018, the overall results of the project revealed an average sales increase by 33%. The project has boosted the economic value of the community by increasing sales to more than 343 million baht per year (estimated from the average sales before and after participating in the project between 2017-2018) and providing retail skills training for more than 33,600 students in 2018.

More details of the project can be found at QR CODE

Over **6,300** retail stores participation in the project as of 2018, an average sale increase by **33%**. The economic value of the community by increasing sales to more than **343** million baht per year.

Providing retail skills training for more than **33,600** students in 2018



#### Theory



#### Practice



Furthermore, the Company participated as a mentor in the Big Brother project under the committee of the Thailand SMEs Center that promotes SMEs in understanding business management and applying it effectively. The Company acted as a role model for Best Practices and organized the domestic trade group committee's SMEs Seminar for SMEs and interested individuals with the intention of fostering strong technical knowledge and sharing experiences from experts on successful sustainable development.

From the implementation of the above projects and other sub-projects in the past, the Company has provided career and income support for **43,095 farmers**, small and medium enterprises and vulnerable groups.

With every part of society lending a helping hand, the environment will thrive with sustainability.

# Home

CP ALL takes part in caring for the environment and protecting natural resources with the responsibility to the society in which we live, and the environment which surrounds it, which is akin to “home” to all of us. It also creates opportunities for society to take part, uniting behind the ‘green aspiration’ and effecting global change through action for a sustainable global habitat for everyone.

Caring for Community,  
Protecting the Environment

Safeguarding Forests,  
Resources, and our Planet



Protecting the Ecosystem and  
Committing to Being Green



Climate Change Management,  
Alternating for Renewable Energy



Water Stewardship



Cascading Responsibilities  
Throughout the Value Chains



Spread the love from hearts,  
fostering community's resilience



## Protecting the Ecosystem and Committing to Being Green

“

Environmental improvements are in our hands.  
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**Giving and Sharing Opportunities**



# Protecting the Ecosystem and Committing to Being Green

## Challenges

CP ALL Plc. and its Subsidiaries (“the Company”) assesses risks and aware of the impact that it causes to the ecosystem both on land and in water from waste and used materials. Consequently, it has created communication channels to raise awareness of disposable plastics to various sectors. It conveyed that these materials are persistent, remain in the ecosystem for a long time and lead to environmental effects. Even though there is good management, there are possibilities of these materials escaping into the surrounding area. In addition, there are risks towards the ecosystem and the biodiversity in different circumstances, such as the destruction of the forest and marine resources. Therefore, priority is given to protecting the ecosystem and biodiversity where natural resources, including those of the Company, originate from.

## Benefits for society, the environment and the organization

Reducing the impact of business operations, which affects the company’s image and protects natural resources, directly benefits the environment. Additionally, reducing the impact on the ecosystem improves the quality of life of the communities that rely on resources derived from those ecosystems.

### Progress in 2018

- >> Project for reduction of plastic bag usage
- >> Project for eliminating waste and the use of packaging
- >> Project for changing social behavior of using plastic bags

### Key Performance in 2018

- Reduced an average **0.42 million plastic bags per day** from every project aimed at changing social behavior.
- Reduced an average **153.72 million plastic bags per year** from every project aimed at changing social behavior.
- **77 percent** of products terminated PVC usage.



## Management Approach

The Company has a policy to procure raw materials from suppliers that do not destroy the forest and marine resources and enforces this policy on all business partners. In addition, the Company has policies regarding the impact on the ecosystem both on land and in water from waste and used materials. This matter especially concerns disposable plastic where the Company has direct influence. With these policies, the Company developed projects for eliminating waste and the use of packaging to help reduce the impact on ecosystems and biodiversity. These projects have become a part of the "7 Go Green" strategy.

The Company has promoted the Green Packaging project to develop eco-friendly packaging. The project development plan is as follows:

2018	2019	2020	2021	2022	2023
1. Reduce/terminate PVC usage in products from private brands to 72% in the food and beverage groups.	77%	100%	100%	100%	100%
2. Determine baseline and approach to reduce/terminate PVC usage of 11 items (counted as 100%) from private brands in the NB group.	45%	81%	100%	100%	100%
1. Indicate the recycling symbol on 100% of the packaging of private brands in the food and beverage groups, and supplies that are applicable.	75%	100%	100%	100%	100%
2. Indicate the recycling symbol on 100% of the packaging of private brands in the non-food group that are applicable.	45%	75%	100%	100%	100%

## The use of raw materials from renewable sources

1. Hot sandwich boxes in every branch use paper from cultivated forests.	926.5 tons/year	1,020 tons/year	1,122 tons/year	1,232.5 tons/year	1,360 tons/year
2. Paper cups are coated with naturally biodegradable PBS.	160 tons/year	175 tons/year	193 tons/year	213 tons/year	234 tons/year



## Operations

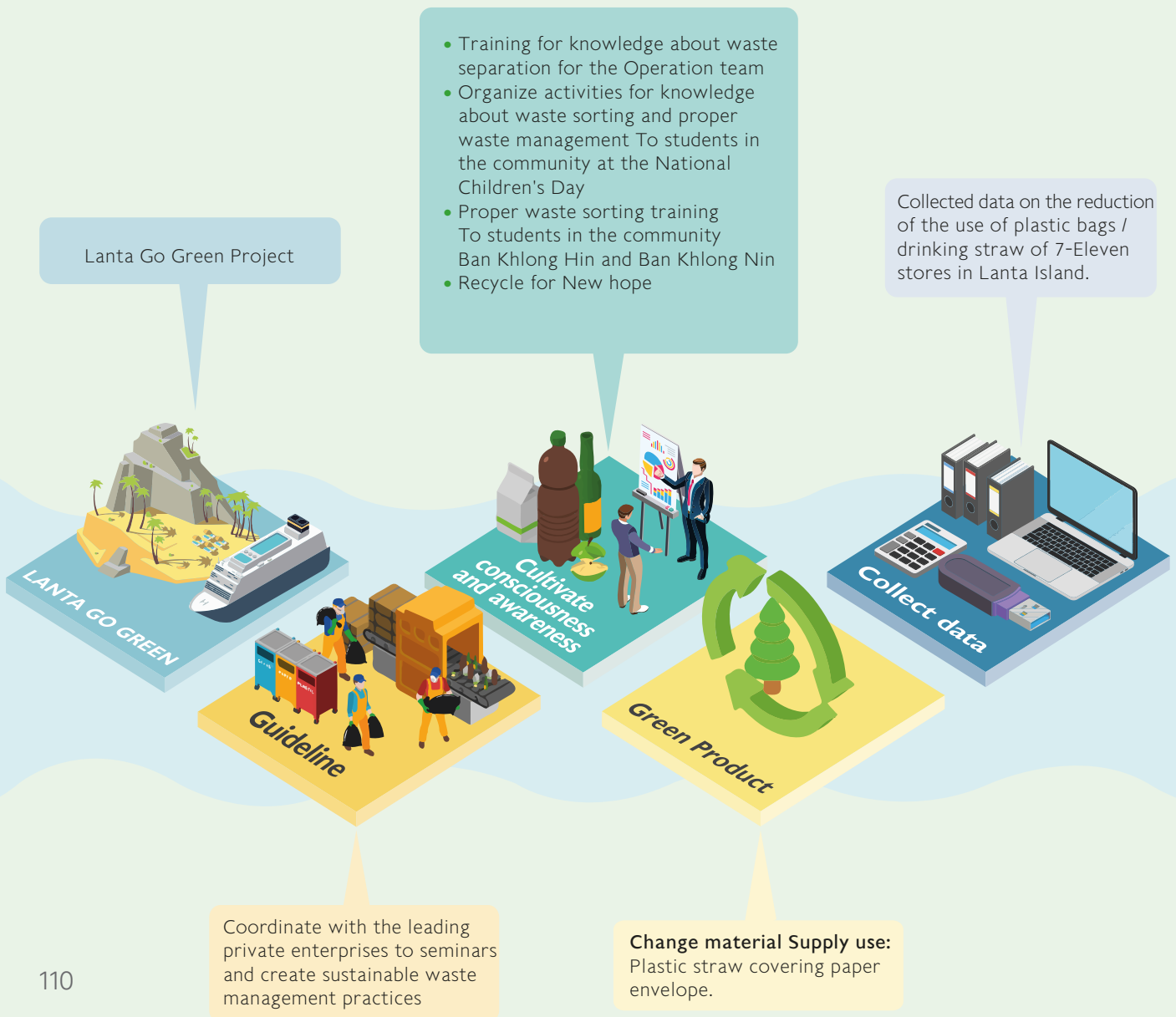
# Highlight

### Packaging Return System

The Company planned to develop the packaging return system by reusing plastic bags from the store and was able to bring back 814,639 reused plastic bags per year with plans for the future. Beginning in 2019, it is studying and conducting experiments to bring the paper and plastic used in business operations and recycle them as materials that can be used in the store.

From key learnings in waste management and packaging improvement, the Company established an environmental sustainability project in Koh Lanta District in Krabi Province. The project was a collaboration with both government and private sectors to cultivate consciousness and create sustainable waste management practices. The operation plan is shown as follows:

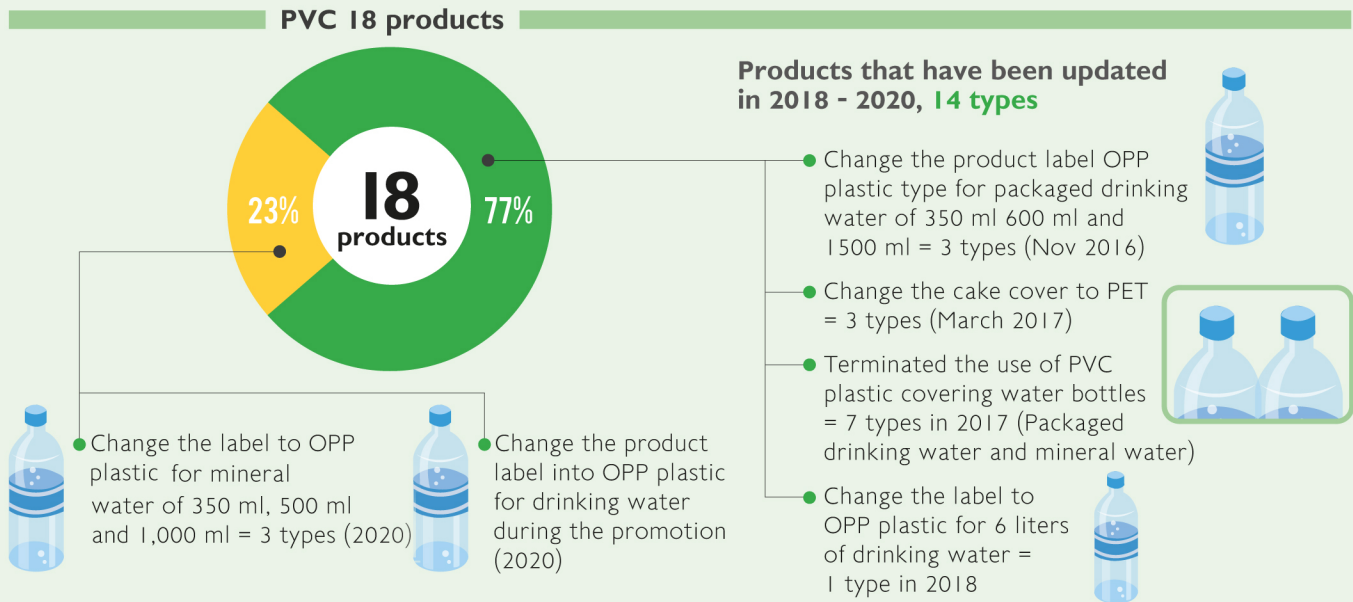
### Environmental sustainability project in Koh Lanta District





### Terminate PVC Usage in CPALL Packaging

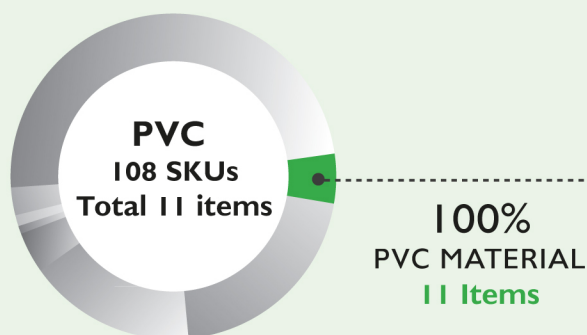
The termination of PVC in the packaging of CP ALL products for the PB Food group in 2018 has achieved 77 percent (14 from a total of 18 types of products). The target in 2018 is 72 percent.



The termination of PVC in the packaging of CP ALL products for the PB Non-food group in 2018 has operational plans for 11 items.



### Conclusion Green packaging Scope 2561 Reducing/Termination of PVC Material



- 5100612** Nail polish remover plastic cover
- 5100682** Knife plastic cover
- 5100707** Facial cleansing brush plastic cover
- 5100201** Universal pug adapter plastic cover
- 5100624** Party candle plastic cover
- 5100719** Shrink wrap nail polish
- 5100031** Shrink Wrap Straw Rope
- 5100107** 'EVA My Item' umbrella cover
- 5100165** Eyelash curler cover
- 5100199** Plastic, leather cutting scissors
- 5100601** Stainless steel cap



### Improvement of the material for cups used in the 7-Eleven store.

Product	Type	Raw material (paper)		10,988 Branch		
		Existing	New	Reduced greenhouse gas emissions (ton CO <sub>2</sub> e)		
				per year		accumulated (2017-2018)
				2017	2018	
16 oz. paper cup	Paper cup	250 gram	230 gram	-75.08	-79.24	-154.32
22 oz. paper cup	Paper cup	280 gram	250 gram	-55.23	-56.48	-111.76

In addition, the Company has reduced the use of plastic seals on water bottle caps for all drinking water products sold within 7-Eleven stores in 2018. The project reduced plastic usage by more than 187 tons per year. It is further expanding the scope of the project to other products by increasing the indication of the recycling symbol on the packaging of CP ALL products.



Packaging type	Percentage of products that have been processed per all products
Packaging for Private Brand food products	69.57%
Packaging for Private Brand non-food products	5.83%

In addition to the packaging project, the Company has established other projects to reduce the impact on the ecosystem and biodiversity from the operations of the company. One example is a project to manage waste, such as sludge at the factory of CPRAM Co., Ltd. Another project is the development of the factories in Lat Lum Kaeo District and Chonburi Province to achieve the Zero Waste to Landfill goal. Furthermore, there are a project to produce biogas from waste and generate energy for use in the factory, a project to take food scraps from food factories and feed animals, and a project for selling plastic waste and remolding some of the plastic.

### Intention to reduce-stop using plastic bags

Recently, the Company set a commitment with regard to the impact on the environment and biodiversity from the use of plastic materials. It understands its important role in influencing the behavior of people in society. Thus, using a good opportunity during the morning of the 7th of the 11th month, the Company announced its intention to reduce-stop using plastic bags. The announcement was held in front of the United Center Building on Silom Road.





During the announcement, the Company collaborated with superstar Body Slam to establish the "Reducing a Bag a Day, You Can Do It" project, which began on 7 December 2018. The project intended to encourage people in society to change their behavior in using plastic bags. For each time a plastic bag is refused, the employee will record the information in the system and change it to 0.20 baht/bag. The money will be donated to Siriraj Hospital to purchase medical equipment for the Navamindrapobitr 84th Anniversary building.

Before the implementation of the aforementioned project, the Company had developed many projects in the campaign to change the behavior of using plastic bags in society. One such project is the "Refusing Bags for Points" project. When customers purchase products without receiving plastic bags and pay through the 7 Value Card, they will immediately receive 10 points. A second project is the "Refusing Bags for Merit" project. When customers purchase products at participating stores without accepting plastic bags, it becomes a donation of 0.20 baht to various foundations, such as the Ramathibodi Foundation. Additionally, there are the "Use Fabric Bags and Say Goodbye

to Plastic Bags" project and other projects to reduce the use of plastic bags in education institutes. The company has signed a memorandum with 30 institutions in the Sustainable University Network of Thailand in reducing the use of plastic bags in university store branches. Some of these universities include Thammasat University (Rangsit), Chulalongkorn University, Mahidol University and Chiang Mai University. In 2018, the Company was able to reduce the use of plastic bags by 85.96 million bags under the campaign to change the behavior of using plastic bags of society. Furthermore, the campaign area has been expanded to other universities outside of the network, hospitals and islands that are important natural attractions. The "Love the Andaman, Unite to Reduce the Use of Plastic Bags" project was in cooperation with the Department of Environmental Quality, Tourism Authority of Thailand, Green World Foundation, Charoen Pokphand Group, Ministry of Natural Resources and Environment, Department of Marine and Coastal Resources, and the National Park of Thailand offices on various islands. The islands that have executed the project are Koh Yao Noi and Koh Yao Yai, Koh Lipe and Phi Phi Islands including Koh Tao and Koh Samet in the Gulf of Thailand.



With every part of society lending a helping hand, the environment will thrive with sustainability.



## Climate Change Management, Alternating for Renewable Energy

“

The impact of global warming is the alarm bell for everyone, including CP ALL, to improve various process efficiencies within the organization in order to reduce the strain placed on the earth and combat climate change.

”





**Giving and Sharing Opportunities**



# Climate Change Management, Alternating for Renewable Energy

## Challenges

CP ALL Plc. and its Subsidiaries (“the Company”) is cognizant of climate change and its impacts on all lives. Natural resource’s quality and availability will be affected, resulting in subsequent impacts in business operations. This is an issue that can only be mitigated with actions.

## Social, Environmental and Corporate Benefits

In recognition of the challenge and the Company’s mission, it aspires to become one of the corporate contributor for climate change mitigation. This has been achieved through collaborations between business partners and leading global companies. To ensure that all lives are able to co-exist sustainably, the Company has developed a project for energy consumption reduction. The project cuts down energy usage per revenue unit, and was implemented in conjunction with the efforts to increase renewable energy uptake. This was in consistent with 7 Go Green Strategy mentioned in Building on Ambition, Strategy for Sustainability, and comprises energy efficiency per unit, values of clean energy and technology, as well as energy saving.

### 2020 Goal

Reduce Greenhouse  
Gas Emission  
(Scope 1 and Scope 2)  
per revenue unit by 10% by  
2020, compared to the 2015  
baseline.

### Progress in 2018

- >> Improve energy-saving system and equipment in 7-Eleven Stores
- >> Certified for Leadership in Energy & Environmental Design: LEED
- >> Increased efficiency for Logistics and Distribution System
- >> Promote engagement and awareness in energy saving, and energy conservation to employees, communities and customers.

### Key Performance in 2018

- Reduction of Greenhouse Gas Emission per Revenue Unit by **3.17%**
- Reduction of Energy Consumption per revenue unit by **2.90%**
- **4,604** GJ of Renewable Energy produced

Performance against Goal	2015	2016	2017	2018	2020 Goal
Greenhouse Gas Emission per revenue unit (Tons Carbon Dioxide Equivalent per million Baht)	2.52	2.50	2.42	2.44	2.27
Reduction of Greenhouse Gas Emission per revenue unit		-0.79 %	-3.97 %	-3.17 %	-10 %

## Implementation

Climate Change Management is part of “7 Go Green Strategy.” It emphasizes efforts to reduce greenhouse gas emission and energy consumption. The projects implemented vary according to the nature of each business unit. They are as follows.

### 1. Equipment Improvement Project

The Company has worked to improvement different system and equipment in 7-Eleven Stores. The project is part of the sub-strategy ‘Green stores,’ which includes adoption of LED lights, adoption of inverter air conditioners, efficiency improvement of cooling coils for large cooling vaults, solar energy projects, and improvement of cooling systems in screenless product display shelves. Furthermore, the Company has developed the Ready-Made Stores, whose structure is produced from factories (Knock down). It uses insulated materials as the building’s exterior. This results in reduction of energy consumption from air conditioners and pollution, as well as reduction of construction waste.

## Application of energy-saving equipment in the store

### Efficiency Improvement of Cooling Coils for Large Cooling Vaults Project

There have been 854 branches whose cooling coils’ efficiency have been improved, resulting in reduction of energy consumption, on average, 163.73 kWh/branch/month. (There is a plan for further installation, 200 branches per year, starting from 2020).

### Solar Energy Project

There have been 10 branches with solar voltaic installation, with total production power of 181.24 kWh. (There is a plan for further installation, 500 branches, starting from 2020)

### Inverter Air Conditioner Project

There have been 3,244 branches where original air conditioners have been replaced with an inverter air condition. This reduces energy consumption by, on average, 1,020 kWh/branch/month.

### Improvement of Screenless Product Display Shelves Cooling System Project

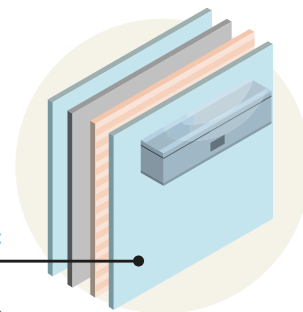
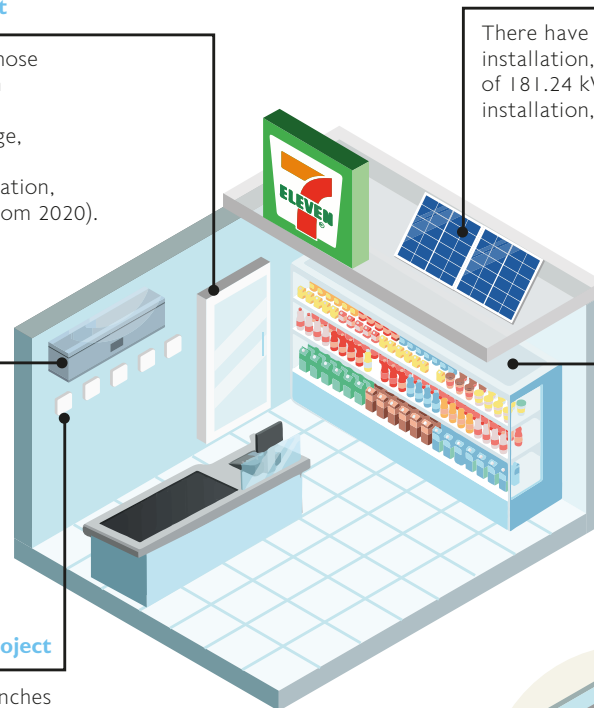
There have been 2,609 branches whose cooling system of screenless product shelves have been improved resulting in reduction of energy consumption, on average, 242.70 kWh/branch/month. (There is a plan for further installation, 200 branches per year, starting from 2020).

### LED Lightbulb Project

There have been 9,815 branches where lighting systems have increased luminescence efficiency. This results in reduction of energy consumption at, on average, 859.32 kWh/branch/month.

### Knockdown Store Project

There have been 16 additional branches, out of the original 31 branches, which made use of leftover material from building’s exterior. (There is a plan for further installation, 200 branches per year, starting from 2020).





# Highlights

## Energy-Saving 7-Eleven and Digital Technology 'Tara Pattaya Branch'

### Performance

'Tara Pattaya' 7-Eleven Stores situates on Southern Pattaya Road. The branch store focuses on energy-saving innovation and digital technology. Being an extrapolation of Tara Square Prototype store and PIM Sathit store, the building was built in compliance to Thai's Rating of Energy and Environmental (TREES). TREES is also known as Green Building Standard. It makes use of low-mass concrete for the walls, insulated glass to reduce heat and light transfers. The latter helps reduce energy consumption within the

store. The solar rooftop helps generate renewable energy, and in the store, only LED lightbulbs were used. This ensures improved energy-efficiency compares to the use of fluorescent lightbulbs. Additionally, outside of the building, EV Charger has also been installed to promote the use of clean energy and environmentally friendly options, such as cycling. This addresses new generation's lifestyle, with much less reliance of private cars.



## 2. Product

Another approach the Company is taking to mitigate climate change impacts was through product and service improvement. The Company assesses its products' carbon footprints and proceed with carbon footprint labeling. The footprints were calculated as carbon dioxide emission equivalent, with carbon footprint labels on the products. This enables customers to be part of the efforts to reduce

greenhouse gas emission. In 2017, the Company registered for Thailand Greenhouse Gas Management Organization's Carbon Label. Five products were certified. As of 2018, the Company has registered for 5 additional products. Three of which have already been approved. Two are still being processed.





### 3. Other Projects

Aside from projects developed, both in operations and for products, the Company is also cognizant of the importance in stakeholder engagement. To address this challenge, it is crucial that employees, suppliers, communities and customers are recognized as key stakeholder groups by the Company. The Company sees potentials for greater change in environmental movements. Notably, the Company integrates suppliers' performance as part of the Suppliers' Environmental, Social and Corporate Governance Plan. The plan has been mentioned in Cascading Responsibilities throughout the value chain.

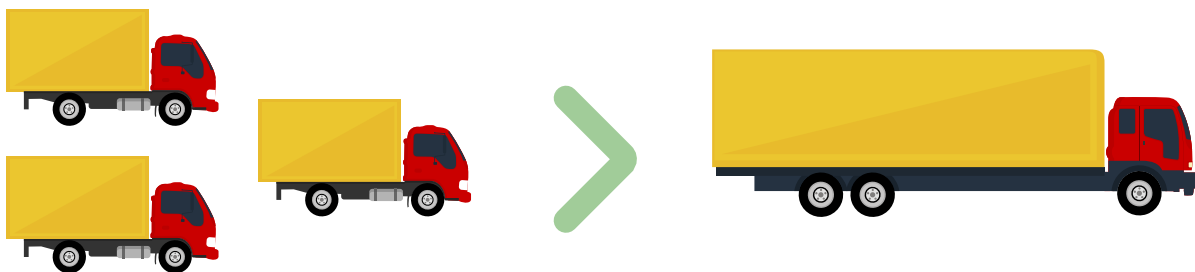
For employees and communities, the Company believes that raising awareness and understanding of climate change, and empowering individual to recognize their potential to mitigate the crisis, will enable a behavior shifts in work and consumption. This includes contribution that can be made in

daily life, in energy-efficiency and reduction of emission risks. Going beyond corporate's internal communication via emails and weekly meetings at 7-Eleven stores, along with announcements, the Company also arranges for employees' reforestation activities. This provides the employees' opportunity to be part of environmental conservation. This includes internal energy-efficiency assessment in the Company. For communities, the Company has arranged for trainings to promote organic fertilizers. Communities can utilize agricultural and household's food waste and make their own organic fertilizers. The project enhances communities' understanding and capacity to become part of the mitigation efforts against climate change impacts.

The impact of reducing energy usage and greenhouse gas emissions is the response to rising global temperatures.

Furthermore, basing on Green Logistics, the Company has adopted criteria from Leadership in Energy & Environmental Design (LEED) to aid the design and development process of distribution centers. LEED is one of the most respected standards globally. As of now, two of the Company's distribution centers have been verified as Green building. They are Mahachai Distribution Center, and Chonburi Distribution Center. There is another branch whose certification process is ongoing.

all distribution centers by the 3<sup>rd</sup> quarter of 2019. Presently, now 346 delivery trucks have been delivered to distribution centers. That makes up to 72% of all centers. It is anticipated that this project will enable the reduction of 1,029,670 Liter of fuel consumption per year, and 2,826 tons carbon dioxide equivalent.



In terms of logistics and distribution center, the Company primarily focuses in energy management. This was implemented through Efficiency Improvement of Product Distribution System. This projects comprise changing delivery trucks' size to 4WJ and 4W Chilled. The reduction target for fuel consumption in transportation is at 1,428,445 Liters per year; in conjunction with the reduction target of greenhouse gas emission at 3,920 tons carbon dioxide equivalent. The Company has the plan to expand the coverage to include

The Company has also joined in Thailand Voluntary Emission Reduction Program (T-VER) launched by Thailand Greenhouse Gas Management Organization (TGO). The LED Lightbulb project in 21 Siam Makro branch stores was used as supporting evidence for the registration. Furthermore, the Company is also collaborating with logistic company for data collection of scope 3 greenhouse gas emission. It is currently in an early stage.

**The impact of reducing energy usage and greenhouse gas emissions is the response of rising global temperatures.**

# Water Stewardship

“

Water is life. Whether it be waste water, CP ALL places high importance on water rehabilitation and the correct and effective management of water resources throughout its supply chain.

”





**Giving and Sharing Opportunities**



# Water Stewardship

## Challenges

Current issues of climate change and environmental quality deterioration negatively affects water resource. Restriction concerning water resource is becoming more severe, both in terms of quality and quantity. This is crucial as water is a resource of paramount importance, to living things and to business operations. Such is especially the case for business operations directly related to the public's well-being, dealing with products and consumption. It is essential that water is treated, procured and consumed as efficiently and as sustainable as possible.

## Benefits to Society, Environment and the Company

CP ALL Plc. and its Subsidiaries (the Company) endeavors to operate business sustainably, to co-exist in harmony with the environment and society. It therefore places an emphasis in water stewardship, to ensure access to water for others in both society and the environment.

### 2020 Goal

Reduce water withdrawal per unit of revenue by 10% by 2020, compared to the 2015 baseline.

### Progress in 2018

- >> Continue to utilize underground water to replace municipal water consumption
- >> Continue to reused and recycled water
- >> Conduct water scarcity risk assessment in Critical Tier 1 Supplier's operational areas

### Key Performance in 2018

- Reused and recycled water at **2,181,914** cubic meters
- Utilize underground water to reduce municipal water consumption by **626,965** cubic meters
- Can save electricity consumption for water heating by **10,664** kWh per year
- Water scarcity risk assessment in **263** Critical Tier 1 Suppliers' operational areas

Performance against Goal	2015	2016	2017	2018	2020 Goal
Water withdrawal per revenue unit (Cubic meters per million Baht)	17.64	17.75	18.52	16.43	15.87
Amount of reduced water withdrawal per revenue unit (%)		+0.62	+4.90	-6.86	-10

## Management Approach

The Company aims to focus in water stewardship throughout its supply chain, including the Company's own business operations. It has therefore set up a plan to improve water consumption efficiency per revenue unit. This was in conjunction with water scarcity risks and the efforts to increase the proportion of water reused. The Company also promotes community's access to water sources. The crux of this operation remains customer-first approach, with customer being of utmost priority and receiving the Company's full attention. This ensures that customers are satisfied both in quality (fresh, clean, safe) and good values.

## Performance

Water stewardship in the Company vary depending on the operations. For ready-to-eat meals, CPRAM Co., Ltd. consumes the most water. Therefore, it founded an internal water stewardship unit at plant level. CPRAM also develops water treatment system, which uses underground water to avoid causing water scarcity in municipal water grid for communities. It can reduce municipal water consumption by as much as 626,965 cubic meters. Water underground water from the depth of 500 meters is sed. Its temperature is approximately 50 degree Celsius, making it suitable to replace warm water for hand and equipment cleansing in the production process. Originally, water is heated using electric power. This helps reduce electricity consumption for water heating by 10,664 kWh per year. All water will pass

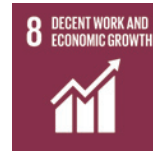
through the treatment system, which produced discharge of superior quality than what was required by the laws. Furthermore, treated discharge will also be recycled for plant watering, cleansing of external areas. All discharge will be used (Water Zero discharge). This project was launched since 2011. As of 2018, Siam Makro PCL also has a project that uses treated discharge for plant watering at over 30 branches of Siam Makro across the country. Stores with over areas of 5,000 square meters are selected, as they have green space whose maintenance requires water. The aforementioned project can reduce water consumption by as much as 162,000 cubic meters.

For 2018 performance, the Company conducts risk of water scarcity in suppliers' operational areas. The Company assesses 263 Critical Tier1 Suppliers with assessment tools by World Business Council For Sustainable Development, or WBCSD Global Water Tool. The tool itself is widely respected. Based on 1995 database, the risk assessment reveals that 221 suppliers are operating in areas with risks of local water stress; while 16 suppliers are operating in areas with potential risks of water scarcity in 2023. There are 5 other suppliers whose risks could not be assessed, as there is no information on their areas available. Based from this result, the Company has created a process to collaboratively work with suppliers to mitigate water-related risks and manage water resource in operations.

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**So that the supply chain will learn how to effectively and meaningfully manage its water resource.**

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# Cascading Responsibilities Through Out the Value Chains

“ CP ALL never stops to knit relationships, building sustainability in its downstream and upstream supply chain, this includes nurturing trust, sharing opportunities, and handing responsibilities to all stakeholders sustainably. ”





**Giving and Sharing Opportunities**



# Cascading Responsibilities Through Out the Value Chains

## Challenges

One of the cores behind business operation is supply chain management. As the Company’s primary operation is retails, wholesales and manufacturing - the reliance on producers and suppliers is inevitable. Effective supply chain management enables reduction of business risks, and helps elevate its capacity to proactively and reactively addressed consumers’ needs. In addition to economic aspect, the Company has also incorporate sustainability issues into supply chain management. These comprise environmental issues, social issues and governance. This ensures dissemination of yields from sustainability-centric performance to our consumers.

## Benefits to Society, Environment and the Company

The Company is cognizant of its suppliers’ potential to contribute towards supply chain management with sustainability considerations. These include environmental issues, social issues and governance. All of which are integrated into operational plans. This helps enhance performance effectiveness, particularly in sustainability and maximizing benefits to society and the environment.

### 2020 Goal

100% of Critical Tier 1 Suppliers received sustainability assessment and are traceable

### Progress in 2018

- >> Develop Suppliers’ Sustainability Self-Assessment Forms
- >> Suppliers’ Risk Assessment process
- >> Identify Suppliers’ Sustainability Risks
- >> Conduct site-audit for suppliers with high sustainability risks
- >> Source of raw materials standard processes that enable traceability such as cultivation area, territorial waters etc.

### Key Performance in 2018

- **100%** of Critical Tier 1 Suppliers were trained in Suppliers’ Code of Conduct and Guideline

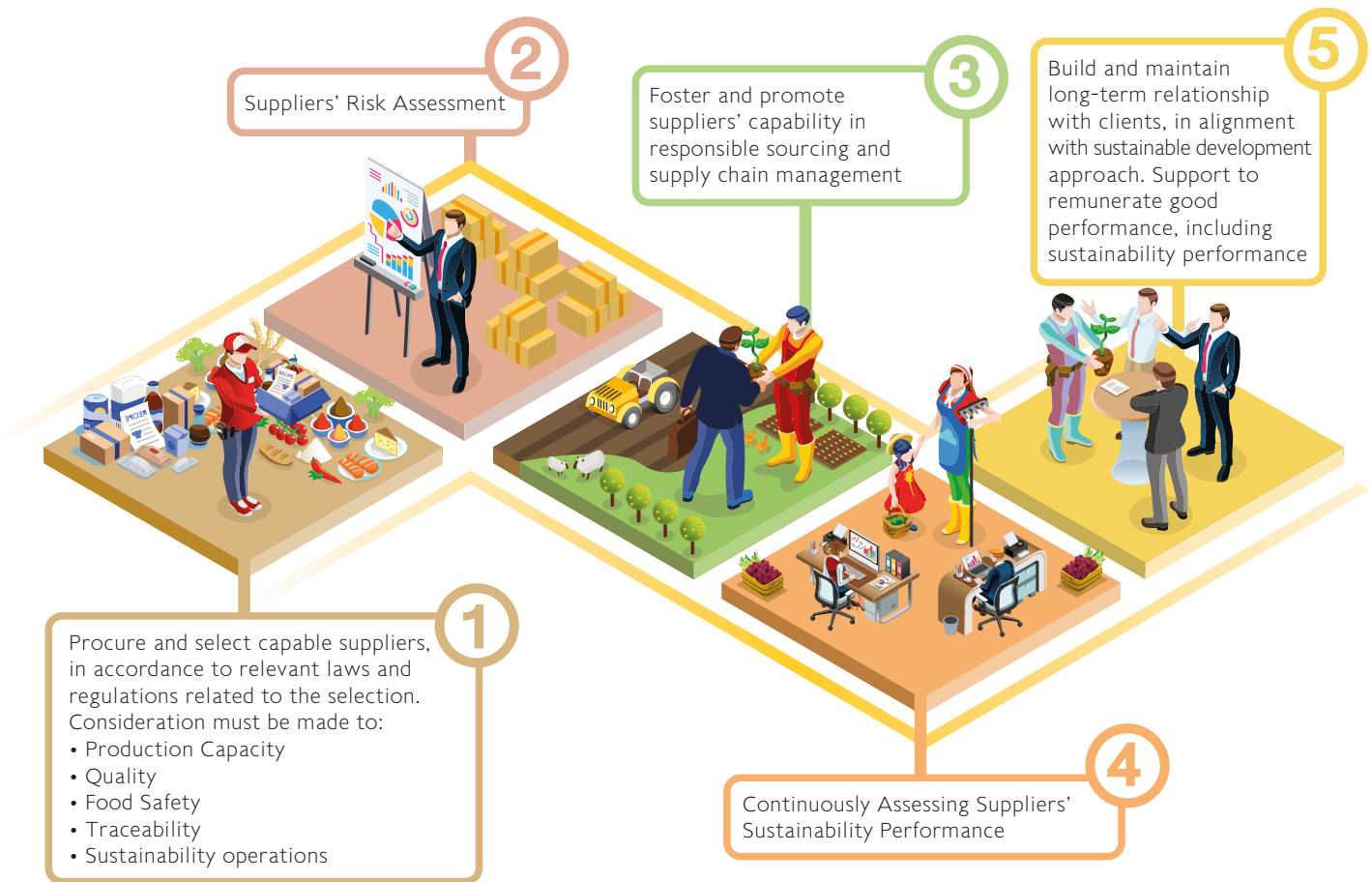
Performance Against Goal	2017	2018	2020 Goal
Critical Tier 1 Suppliers receive sustainability assessment (%)	40	52	100



## Performance

CP ALL Plc. and its subsidiaries (“the Company”) are cognizant of the importance in sustainable supply chain management. It gives emphasis and prioritizes suppliers, considered them to be business allies under the concept of mutual long-term growth. The Company sets policy and targets with consideration to sustainable development principles in every step of the operations. This began with Suppliers’ Code of Conducts an Guideline for Sustainability in 2017. The Code was divided into 16 topics, covering all dimensions of sustainability. It includes sustainable development approach into the screening process of new suppliers, involving a risks assessment to establish level of awareness and provision of support in sustainability

performance. Furthermore, the Company has been raising awareness in sustainability according to the Guideline. Presently, the Company is developing a sustainability self-assessment form for suppliers to assess their level of sustainability performance. To ensure full coverage over all supplier groups for products, service providers, and industries, the Company also has plans to conduct site-audit on suppliers’ sustainability performance in 2019. The audit will be according to level of risks identified by self-assessments. This will be conducted in collaboration with suppliers, aiming for sustainable process improvement - part of the next step in supply chain management plan; presented below.



To support the country’s economy, increase employment, reduce energy consumption and greenhouse gas emission, either from combustion or refrigerant in logistics, the Company developed Procurement Policy. The Policy promotes and prioritize raw materials which can be domestically sourced. This results in the proportion of the Company’s procurement cost, for raw materials and packaging, for domestic and international to be as follows.

### Products / Raw Materials



### Packaging





In 2018, Siam Makro PCL a company in the Group released ‘Guideline for Sustainable Sourcing of Tuna-related Materials and Products.’ The content addresses raw materials’ traceability, fishery location, information on fishing boards and fishing methods, the breeds, and other details related to labor practice and human rights. It serves as a guideline for sustainable and ethical sourcing.

The mentioned guideline has been communicated to customers to facilitate their decision-making during purchases



Makro recognizes the importance in environment conservation. We have therefore selected only Skipjack Tuna, fished by siege nets; certified for safety and zero impacts on dolphins. Fishing was done in waters where this tuna naturally habits, in western and southern Pacific Ocean.



“For the World. For Ourselves. For Sustainable Resources”

The Company aims that 100% of key raw materials sources that passing through an assessment of non-destructive sources of deforestation and marine.

In terms of responsible sourcing, the Company places emphasis on sustainability issues, such as climate change, as reflected through setting of policies, guideline and sustainable development targets. Supplier assessment now includes criteria on usage of plastic packaging, environmental performance, and procurement assessment. This helps ensure that management of sustainability issues is comprehensive across the Company’s entire supply chain.

Aside from supplier screening, the Company is also considerate to fostering relationships with suppliers. This was achieved through continuous management, providing opportunities for suppliers to exchange and share opinions with appropriate regularity. The Company and suppliers are

able to create business plans together, sharing knowledge and other details benefiting the suppliers. This includes co-development of products, which further ensures positive relationship with suppliers. The Company was ranked by Advantage in 2018 to be the Company suppliers are satisfied with, at a higher score than average. The score’s trend has also been increasing for 3 years consecutive. The score increased significantly following collaboration for business development. Additionally, in 2018, there has been reviews and updates on how satisfaction and engagement survey was conducted for construction contractors. They are a key group of suppliers. This is also the first year a satisfaction and engagement survey was conducted with equipment contactors. Results of the satisfaction and engagement survey are as follows.

Suppliers’ Satisfaction



62%  
2016



63%  
2017



68%  
2018

Satisfaction and Engagement of Equipment Contractors

Satisfaction



94%

Engagement



91%

2018

Construction Contractors’ Satisfaction and Engagement



67%  
80%

2015



94%  
88%

2016



91%  
94%

2017



90%  
92%

2018

Satisfaction ▶  
Engagement ▶  
Year ▶

## Highlight

### Sustainable Blue Swimming Crab, Lasting with Thai Seas

Crab meat is considered key raw materials in CPRAM Co., Ltd. production plant. It is the key ingredient in ready-to-eat meals at 7-Eleven. Presently, the demand for crab meat is outpacing the natural repopulation rate. Natural stock is no longer sufficient to satisfy the demands for usage. This project, Sustainable Blue Crab, Lasting Thai Seas, is a long-term project originating from the concept of Blue Crab conservation on the Gulf of Thailand and Andaman seas. This helps preserves natural resources and encourage small holders (local fishermen) to fish sustainably. Crabs are bred by hatching of eggs from parent crab, whose eggs are attached outside the shell. Nurseries are then hosted in the cage. The younglings would then be released into the ocean, so they may grow naturally into large Blue Swimming Crabs.



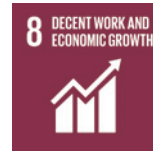
### Project's Results

The project helps restores 200,000 crabs/year in its natural habitat, and reproduces 20 million crabs in nature. Current crab meat consumption is 182,380 Kilograms on average, or 6 million crabs/year. This ensures small holders are able to make a living sustainably.



For more information can be found  
at QR Code or  
[www.cpall.co.th/skoehgonwo/kwp/fkfp/owjgoejfobjeugofnwi496840](http://www.cpall.co.th/skoehgonwo/kwp/fkfp/owjgoejfobjeugofnwi496840)

This is the opportunity for the small to develop and grow, propelled by the supporting shades of a big CP ALL tree.



Spread the love  
from hearts, fostering  
community's resilience

“

Listening to challenges and insights of communities, creating development, and sharing opportunities in all locations where we operate have allowed CP ALL to continuously experience friendship, generosity, and love from its communities.

”





For more information can be found  
at QR Code or  
[www.cpaill.co.th/skoehgonwo/kwp](http://www.cpaill.co.th/skoehgonwo/kwp)  
[fkfp/owjgoejfobjeugofnwi496840](http://fkfp/owjgoejfobjeugofnwi496840)

## Giving and Sharing Opportunities



# Spread the love from hearts, fostering community's resilience

## Challenges

The communities are our neighbors, customers, and the most important suppliers of CP ALL Plc. and its subsidiaries (“the Company”). The Company’s operations then affect the communities in one way or another, which at times may cause concerns from the communities. These concerns may evolve into conflicts that affect the overall relationship with stakeholders, comprising customers, suppliers, and any individuals living the vicinity of the Company’s operations.

## Benefits to the Community, Society, Country, and the Company

The Company is determined to operate its business with attentiveness to all suggestions, concerns and expectations from the community - in every process of the Company’s operation. The Company aims for community’s economic development, in conjunction to raising the quality of the environment, as well as the residents’ quality of life. This reaffirms the faith and sustainable shared-value creation, in accordance to the Company’s ideal: “Giving and sharing opportunities for all”

### 2020 Goal

In 2020, the Company shall have no significant conflicts for all business operations and in all areas where it operates

### Progress in 2018

- >> Community’s products project
- >> 1 Branch 1 Scholarship project
- >> Healthy community project
- >> Project to train locals in bioextract and organic fertilizer production, making use of leftover agricultural materials.

### Key Performance in 2018

- Over **28,000** youths in the community received scholarships, with accumulated worth of **966** million Baht, through 7-Eleven
- **5,812** Street vendors received opportunities to earn income through 7-Eleven’s space-sharing initiatives.



## Performance

To achieve its goal, the Company has laid out a business operation approach focusing on social responsibility towards communities and society. This is in alignment with the Company's Business strategy and direction, as follows:

- The Company's Social Responsibility policy
- Strategy and approach in sustainable

community development through Community Support Center (CSC) under 3 key principles which are:

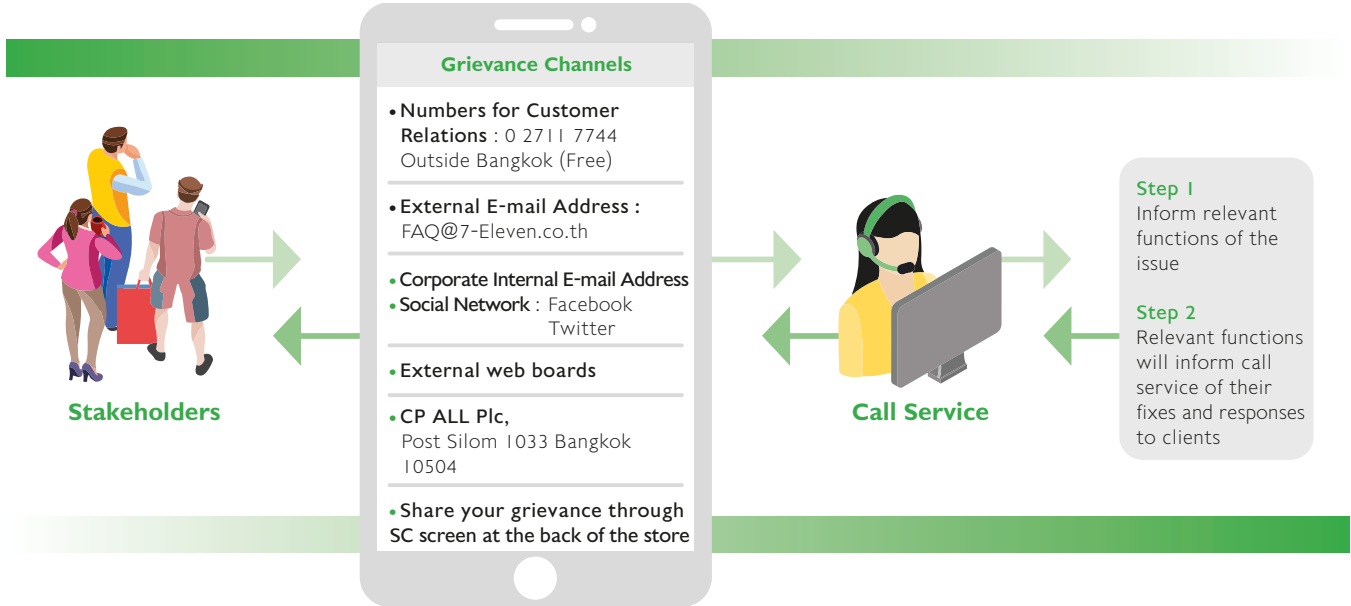
1. **To create local jobs** through projects with local employees, local contractors, and local products.
  2. **To support local education** through 1 Branch 1 Scholarship project
  3. **Volunteer activities** through community and social development projects in various forms. This includes specifying branch stores with suitable space to serve as a knowledge exchange centers for community and governmental agencies.
- CP ALL Opportunity Days Project's working team encourages and supports local SMEs in communities to develop their business potential for sustainable business growth.





- Grievances mechanisms for stakeholders, channels for community’s concerns and suggestions, as we as the approach in responding community’s needs. The key steps are as follows:

### Grievance Mechanisms for Stakeholders



- The Company’s attentiveness to community, demonstrated via community’s satisfaction survey on its operations

Furthermore, the Company has also integrated the approach for addressing community’s needs and concerns as part of branch store expansion. The process can be concluded as follows.





## Performance

The Company aims to foster co-creation of shared values between the Company and communities, in cognizant of how importance community's trust is to business operations. As of 2018, The following projects



### Considerate construction to local architecture

The Company surveys the environment and local architecture, as well as noting community's concerns prior to construction launch. For branch stores in areas with local architectural sensitivity, the Company takes efforts to address the concerns. Branch stores are designed to be in harmony with local architecture and environment. They will also boost tourism in that particular area.

As of 2018, the Company opens Tara Pattaya Branch 7-Eleven, the new landmark of southern Pattaya. It was under the Company's Flagship Store, designed with the concept of Oceania, giving off vibes of the ocean - in

combination with key characteristics of Pattaya, a global tourism destination. The store illustrates local characteristics of the Eastern region, notable with dolphins and the sea. The store does not sell alcoholic beverages and cigarettes.

Yacht was used as a key element in the design. To further provide customers with opportunities to relish the beauty of Thailand's sea, the Company collaborates with Burapha University for supporting media. Together, visual media sharing the beauty of Thai sea was produced. The media aims to raise public awareness in sustainable biodiversity conservation of Thai seas.





From community's economic concerns regarding the Company's operation, the Company sets the following plan to foster local economy.

### To create jobs for local communities

The Company promotes local hiring, and has the practice of hiring local contractors and labors during construction of branch stores. This grants community the mutual feeling of achievement. Additionally, the Company also takes local hires to work in 7-Eleven stores across the country.



### To support community's economic development

The Company elevates local economy by strengthening products from local communities, or OTOP products. It also collaborates with local small- and medium-size entrepreneur (SMEs) in improving the local products and respective packaging. The Company also works to increase distribution channels of the products through 7-Eleven's community product project. This helps increase the sales of local products. Overall, local products, whose product and packaging have been improved, and are offered through the store's distribution, can increased their sales by over 290%. Additionally, the Company has also implemented the space-sharing initiative, where the front of 7-Eleven store is offered up for communities to sell their produces or local products.



## Highlight

### Local Products Project

As of 2018, the Company continues with its Local Products Projects for the 3<sup>rd</sup> consecutive year. The project was launched in 2017 to promote local products and generate revenues to local communities. The Company considers and promotes local products according to the following approach:

#### Select products



1

Select a well-known product at a provincial level, one with FDA approval and barcodes



2

Select 5 branches for a soft launch



3

Display the products in stores and set up marketing media



4

Monitor the product's sales



5

If the product passes all criteria, the Company will expand its distribution channel to branches at provincial level, regional level and national level

#### Examples of products in the project



Herbal cosmetics, which supports community enterprise by farmers and housewives of Nan province, Ang Thong province, Khon Khaen province, and Nong Bualumphu province



Community products of Nan province, such as Chewing Mulberry and Crispy Job's Tears

Additionally, to develop local economy, the Company also supports distribution of products from agricultural community enterprise, medium- and large- scale enterprises, Small- and Medium- Enterprises, as well as cooperatives. In 2018, the Company started supported products from aforementioned group. The list is as follows.



## Local Products Project



Project to support products from community enterprises. There are currently 89 products being sold in 7-Eleven stores



Promote distribution channels through 7-Eleven stores/ 24 Shopping For 3,163 SMEs. There are 18,421 SKUs.



Promote farmers in the agricultural product for 7-Eleven. As many as 25,438 farmers were supported.



Share the space in front of 7-Eleven stores for 5,812 street vendors.

Aside from the projects above, the Company also joins in with its subsidiaries to implement projects that address the community's concerns and expectations. There are as follows.

### Healthy Community Project.

The pharmacy 'eXta Plus' collaborates with the Bangkok Metropolitan Administration (BMA) to implement Health Community Project. Locals received training to foster their understanding in self-healthcare, good diets, and exercise habits. This will help locals become healthy. The Company also donates medicines for hospitals outside Bangkok, so they may be used for greater benefits with patients.



### Bio-extract and organic fertilizer project.

This projects promotes the practice and provide locals training in the production of bio-extract and organic fertilizers, using manure and leftover agricultural material.

Bang Bua Thong Distribution Center, in collaboration with La Han Sub-District Management Office, advices multiple communities and local schools in bio-extract production. This will help ameliorate wastewater issue in the community. It can also be used as plant fertilizer for greater produces. Additionally, communities are also introduced to different benefits that can be reaped from manure, food waste, and leftover agricultural materials. These can be used to make bio-extract, Communities also received advices on earthworm farming, which can help enrich the soil and improve its quality naturally.



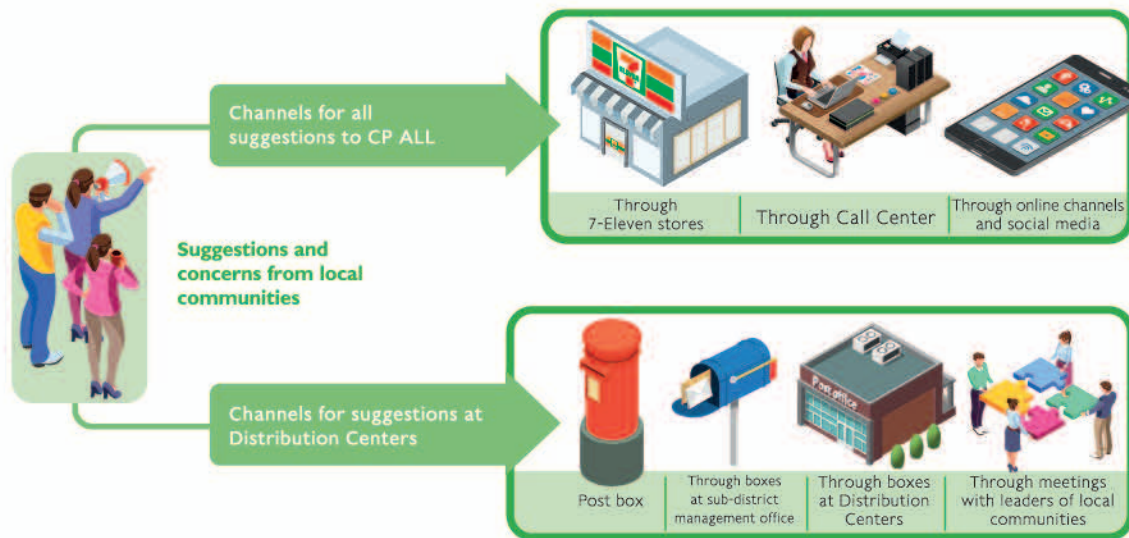
### One Branch One Scholarship

The Company provides scholarship to Thai youths through 7-Eleven stores, amounting to over 28,000 scholarship. The total worth is over 966 million Baht. This helps build foundations for Thai youths to continue on to Certification of Technical Vocation, Technical Certificate at Panyapiwat Institute of Technology, 20 of Panyapiwat Learning Centres, Vocational Education Network (VEC), and Private Vocational Education Network (PVEC), Office of Basic Education Commission (OBEC) network, Non-Formal and Informal Education (NFE) Network. This totals to 174 locations across the country.



The Company has various channels available to collect suggestions and concerns from local communities. This ensures the Company is able to continuously improvement and better their effectiveness in operations.

## Channels for Suggestions and complaints from local communities



the score of **3.4**  
out of **5** for community's  
satisfaction towards local  
7-Eleven stores.

Through suggestions and concerns from local communities, the Company was able to improve and respond to needs promptly and effectively. This was illustrated via the Company's community satisfaction survey. In 2018, the Company received the score of 3.4 out of 5 for community's satisfaction towards local 7-Eleven stores. This is because 7-Eleven provides significant convenience in product selection for locals and helps drive for community's development.

The smiles and laughter of community members are profits of conducting business. The bigger the smiles and the louder the laughter of children and the elderly continue to give us the fuel to constantly create new developments to exponentially grow happiness in the community.



**Sustainability Performance Data (Environment) 2018**

GRI Standard	Data	Unit	2015	2016	2017	2018	Remark
<b>Energy</b>							
302-1 (a)	Non – Renewable Energy	GJ	171,137.35	231,481.88	273,582.89	501,239.88	
	Stationary Combustion	GJ	171,137.35	231,481.88	273,582.89	370,720.89	
	- Fuel oil	GJ	123,301.00	143,934.00	161,001.74	23,384.76	CPRAM discontinues use of fuel oil And switching to LPG
	- Diesel	GJ	3,289.57	4,083.00	4,086.98	1,644.70	
	- LPG	GJ	42,147.39	66,951.12	69,182.62	292,398.72	
	- NG	GJ	2,399.39	16,513.76	39,311.55	53,292.70	
	Mobile Combustion	GJ	N/A	N/A	N/A	130,519.00	
	- Diesel	GJ	N/A	N/A	N/A	115,852.21	
	- Gasoline	GJ	N/A	N/A	N/A	14,666.67	
	- NGV	GJ	N/A	N/A	N/A	0.12	
302-1 (b)	Renewable Energy	GJ	0	112.15	2,983.28	4,604.26	
	- Solar cell	GJ	0	122.15	223.88	693.18	Data for solar rooftop and street lights and expand the operating 6 areas in 2018
	- Solar thermal	GJ	0	0	2,759.40	2,759.40	Collect data from calculations
	- Geothermal	GJ	0	0	N/A	1,151.68	
302-1 (c)	Electricity Purchased	GJ	6,252,744.90	6,948,512.89	7,267,165.11	7,872,737.87	
302-1 (e)	Total Energy Consumption	GJ	6,423,882.25	7,180,106.92	7,543,731.28	8,378,582.01	
302-3	Energy Intensity	GJ per THB Million of revenue	15.83	15.89	15.41	15.87	
<b>Water and Effluents</b>							
303-3 (a)	Total water withdrawal	m3	7,160,842.33	8,019,912.21	9,061,981.18	8,674,577.76	
	- Fresh ground water	m3	624,289.00	935,815.00	1,036,559.00	1,265,706.09	Expand the scope of data collection and more accurate
	- Municipal water supplies	m3	6,536,553.33	7,084,097.21	8,025,422.18	7,408,871.67	Change the data collection and calculation methods
	Total volume of water recycled and reused by the organization	m3	211,852.00	170,996.00	190,839.00	2,181,914.81	Expand the scope of data collection and more accurate
	Water intensity	m3 per THB Million of revenue	17.64	17.75	18.52	16.43	



GRI Standard	Data	Unit	2015	2016	2017	2018	Remark
<b>Emission</b>							
305-1 (a)	Direct (Scope 1) GHG emission	ton CO <sub>2</sub> e	10,596.01	8,115.53	9,008.51	13,051.12	
	- Waste water treatment (Methane)	ton CO <sub>2</sub> e	3,444.09	1,115.46	914.04	3,253.40	Expand the scope of data collection and more accurate
	- Mobile combustion	ton CO <sub>2</sub> e	7,151.92	7,000.07	8,094.47	9,797.72	
305-2 (a)	Energy indirect (Scope 2) GHG emission	ton CO <sub>2</sub> e	1,011,033.78	1,123,536.20	1,175,060.15	1,272,977.98	
	- Electricity purchased	ton CO <sub>2</sub> e	1,011,033.78	1,123,536.20	1,175,060.15	1,272,977.98	
	Total GHG emission	ton CO <sub>2</sub> e	1,021,629.79	1,131,651.73	1,184,068.66	1,286,029.10	
305-4 (a)	GHG emission Intensity	ton CO <sub>2</sub> e per THB Million of revenue	2.52	2.50	2.42	2.44	
<b>Effluent and Waste</b>							
306-1 (a)	- Water discharge	m <sup>3</sup>	1,560,924.10	1,823,911.21	2,083,072.07	5,911,382.41	Expand the scope of data collection form CPALL and CPRAM Chonburi
	- BOD	kg	15,530.00	22,816.00	22,852.00	19,057.19	
	- TSS	kg	15,824.00	16,877.00	13,088.00	15,733.51	
306-2 (a)	Total Hazardous waste	tons	18.97	21.34	29.02	30.93	
	- Incineration	tons	14.16	18.01	23.76	25.84	Include infectious waste data referring to the Public Health Act and chemical contaminants
	- Landfill	tons	4.81	3.29	3.01	2.45	
	- On-site storage	tons	N/A	N/A	N/A	0.70	
	- Return to supplier	tons	NA	0.04	2.25	1.94	



GRI Standard	Data	Unit	2015	2016	2017	2018	Remark
306-2 (b)	Total Non-Hazardous Waste	tons	12,640.09	21,699.29	28,075.68	71,983.07	
	- Reuse	tons	N/A	N/A	N/A	394.62	
	- Recycle	tons	N/A	N/A	N/A	39,244.35	Recyclable waste such as packaging boxes
	- Composting	tons	1,131.44	2,021.71	5,065.75	6,103.60	
	- Incineration	tons	820.01	1,193.51	1,651.77	1,955.43	
	- Landfill	tons	10,660.96	18,452.91	21,325.40	24,168.59	
	- Return to supplier	tons	27.68	31.16	32.76	116.48	Expand the scope of data collection form CPRAM Chonburi
	Total waste	tons	12,659.06	21,720.63	28,104.70	72,014.00	
	Total waste disposal (excluding waste that has been utilized)	tons	11,499.23	19,667.42	23,003.88	26,153.02	
	The ratio of total waste disposal to total waste		0.09	0.09	0.18	0.64	

**Remark**

1. Definition

- N/A: Not Available

2. Standards and Calculation Scope

- Calculations based on 2018 GRI Standard
- Calculation of energy level (joules) is derived from multiplying fuel volume with conversion factor based on fuel type, referencing the Department of Alternative Energy Development and Efficiency
- Total energy usage is the sum of consumed energy, renewable energy, and externally purchased electrical energy
- Energy usage concentration per income unit covers all consumed energy, renewable energy, and externally purchased electrical energy.
- Total water usage accounts for the usage of municipal and ground water based on information from the Metropolitan Water Authority, Department of Groundwater Resources, and tenants. Calculations make reference to average regional metropolitan water usage.
- Greenhouse gas (GHG) emissions volume is calculated by multiplying the activities that generate GHG with an Emission Factor, referencing the Thailand Greenhouse Gas Management Organization (TGO) and the Intergovernmental Panel on Climate Change (IPCC) and reported this per Global Warming Potential (GWP) according to IPCC guidelines.
- Greenhouse gas emissions volume (Scope 1) is the sum of methane gas released from the water treatment system and the transport fuel combustion.
- Indirect greenhouse gas emissions volume (Scope 2) accounts for greenhouse gas emissions from external electricity usage.
- Greenhouse gas emissions intensity per income unit covers direct and indirect greenhouse gas emissions.
- Total waste volume accounts for the sum of toxic waste and non-toxic waste



Sustainability Performance Data (Social) 2018

GRI Standard	Required Data	Unit	2015	2016	2017	2018	Remark
<b>Employees</b>							
102-8	Total Employees	Person	63,654	71,072	75,842	92,692	
	• Male	Person	22,410	24,349	25,942	33,110	
	• Female	Person	41,244	46,723	49,900	59,582	
	By Employment Contract						
	Permanent Employees	Person	63,654	71,072	75,842	83,609	
	• Male	Person	22,410	24,349	25,942	28,330	
	• Female	Person	41,244	46,723	49,900	55,279	
	Workers/Contractors	Person	N/A	N/A	N/A	9,083	
	• Male	Person	N/A	N/A	N/A	4,780	
	• Female	Person	N/A	N/A	N/A	4,303	
<b>Employee diversity</b>							
405-1	By Level						
	Top Management	Person	17	18	18	23	
	• Male	Person	13	14	14	17	
	• Female	Person	4	4	4	6	
	Management and Junior Management	Person	2,100	2,300	2,437	2,677	
	• Male	Person	982	1,066	1,106	1,189	
	• Female	Person	1,118	1,234	1,331	1,488	
	Officer	Person	61,537	68,754	73,387	80,909	
	• Male	Person	21,415	23,269	24,822	27,124	
	• Female	Person	40,122	45,485	48,565	53,785	
	By Age						
	Under 30 years old	Person	34,384	39,364	41,777	46,252	
	• Male	Person	11,762	13,036	13,917	15,170	
	• Female	Person	22,622	26,328	27,860	31,082	
	30-50 years old	Person	28,581	30,868	33,105	36,234	
	• Male	Person	10,389	10,996	11,667	12,699	
	• Female	Person	18,192	19,872	21,438	23,535	
	Over 50 years old	Person	689	840	960	1,123	
	• Male	Person	258	318	358	461	
	• Female	Person	431	522	602	662	
102-41	Percent of Employees Representative under welfare committee	%	99.24	99.24	99.55	99.29	
	Result of Employees Engagement Survey	%	54	54	54	82	
401-1	New Hires						
	Total of new hires	Person	31,002	33,926	34,123	44,993	
	• Male	Person	N/A	N/A	N/A	16,637	
	• Female	Person	N/A	N/A	N/A	28,356	
	By Age						
	Under 30 years old	Person	24,191	27,262	27,505	37,013	
	• Male	Person	N/A	N/A	N/A	13,741	
	• Female	Person	N/A	N/A	N/A	23,272	

GRI Standard	Required Data	Unit	2015	2016	2017	2018	Remark
	30-50 years old	Person	6,783	6,603	6,587	7,945	
	• Male	Person	N/A	N/A	N/A	2,880	
	• Female	Person	N/A	N/A	N/A	5,065	
	Over 50 years old	Person	28	31	31	35	
	• Male	Person	N/A	N/A	N/A	16	
	• Female	Person	N/A	N/A	N/A	19	
	Turnover						
	Total of turnover	Person	28,833	32,737	33,502	35,160	
	• Male	Person	N/A	N/A	N/A	13,470	
	• Female	Person	N/A	N/A	N/A	21,690	
	By Age						
	Under 30 years old	Person	22,513	25,973	26,327	27,324	
	• Male	Person	N/A	N/A	N/A	10,509	
	• Female	Person	N/A	N/A	N/A	16,815	
	30-50 years old	Person	6,235	6,694	7,078	7,691	
	• Male	Person	N/A	N/A	N/A	2,913	
	• Female	Person	N/A	N/A	N/A	4,778	
	Over 50 years old	Person	85	70	97	145	
	• Male	Person	N/A	N/A	N/A	48	
	• Female	Person	N/A	N/A	N/A	97	
404-1	Training and Development						
	By Gender						
	• Male	Hour / Person	N/A	N/A	N/A	26.57	
	• Female	Hour / Person	N/A	N/A	N/A	24.37	
	By Level	Hour / Person	80.65	129.31	68.19	71.63	
	Top Management						
	• Male	Hour / Person	N/A	N/A	N/A	88.67	
	• Female	Hour / Person	N/A	N/A	N/A	20.50	
	Management and Junior Management	Hour / Person	40.67	53.99	54.44	61.13	
	• Male	Hour / Person	N/A	N/A	N/A	65.28	
	• Female	Hour / Person	N/A	N/A	N/A	57.13	
	Officer	Hour / Person	24.96	37.43	81.98	24.38	
	• Male	Hour / Person	N/A	N/A	N/A	25.55	
	• Female	Hour / Person	N/A	N/A	N/A	23.78	

**Scope**

*Breakdown of the Welfare Committee Representatives covers only CP ALL Public Company Limited*

*Average training hours covers CP ALL Plc. , Siam Makro PCL and CPRAM Co., Ltd.*

*Contractor in CP ALL Plc. including housekeeper, security guard, contractor and maintenance of branch stores*

*Siam Makro PCL contractors, all contractors (regular contractors, on-site branch contractors, transport supplier, security guard and housekeeper*

*CPRAM Co., Ltd. contractors includes only office housekeeping and production contractors*



Sustainability Performance Data (Social) 2018

GRI Standard	Required Data	Unit	2015	2016	2017	2018	Remark
<b>Employee</b>							
GRI 403-2 (2016)	Absentee	%	1.70	1.89	0.90	2.26	Year 2015-2017 Not including CPRAM Chonburi
	- Male	%	0.73	0.83	0.36	2.41	
	- Female	%	0.97	1.06	0.55	2.18	
403-9a (2018)	Lost-Time Injuries Frequency Rate (LTIFR)		0.95	0.60	1.95	1.10	
	- Male	Case/million work hours	1.86	1.72	3.56	1.93	
	- Female	Case/million work hours	0.44	0.50	1.06	0.65	
	Injuries Frequency Rate (IR)		2.79	2.95	1.98	2.91	
	- Male	Case/million work hours	4.51	4.05	3.10	4.99	
	- Female	Case/million work hours	1.83	1.68	1.37	1.78	
	Number of fatalities as a result of work-related injury						
	- Male	Persons	0	0	0	0	
	- Female	Persons	0	0	0	0	
403-10 a (2018)	Number of fatalities as a result of work-related ill health						
	- Male	Persons	0	0	0	0	
	- Female	Persons	0	0	0	0	
	Occupational Illness Frequency Rate (OIFR)						
	- Male	Case/million work hours	0	0	0	0	
	- Female	Case/million work hours	0	0	0	0	
<b>Contractors</b>							
403-9 b (2018)	Lost-Time Injuries Frequency Rate (LTIFR)		1.11	1.01	1.99	1.02	
	- Male	Case/million work hours				0.94	
	- Female	Case/million work hours				1.15	
	Injuries Frequency Rate (IR)		5.05	6.09	3.03	1.73	
	- Male	Case/million work hours	6.76	7.47	3.97	1.53	
	- Female	Case/million work hours	3.31	4.13	2.06	2.05	
	Number of fatalities as a result of work-related injury						
	- Male	Persons	0	0	0	0	
	- Female	Persons	0	0	0	0	
403-10 b (2018)	Number of fatalities as a result of work-related ill health						
	- Male	Persons	0	0	0	0	
	- Female	Persons	0	0	0	0	
	Occupational Illness Frequency Rate (OIFR)						
	- Male	Case/million work hours	0	0	0	0	
	- Female	Case/million work hours	0	0	0	0	

Scope

CP ALL Plc. does not include information for merchants that are eligible for sub-area privileges, Store Partner

Siam Makro PCL does not include Siam Makro's food service

CPRAM Co., Ltd. Ready-to-eat food (Lat Lum Kaeo), Bakery (Lat Krabang) Year 2018 include CPRAM Chonburi

Contractor CP ALL Plc. including housewives Security guard contractor and maintenance shop, branch shop

Contractors of Siam Makro PCL, all contractors (Regular contractor, Contractors entering the area, supplier transport, security officers, housewives)

Contractor CPRAM Co., Ltd. includes only housewives - office buildings, Contractor in the production line

**GRI Content Index**

Global Reporting Initiative Standards	Disclosure Title	Section	Page Number	Remark	External Assurance
<b>General Disclosures</b>					
102-1	Name of the organization	About this Report	4-5	-	-
102-2	Activities, brands, products, and services	About this Report	4-8	-	-
102-3	Location of headquarters	About this Report	8	Refer to CP ALL Annual Report 2018, page 63	-
102-4	Location of operations	About this Report	4-8	-	-
102-6	Markets served	About this Report	4-8	-	-
102-7	Scale of the organization	About this Report, Annex	5 144-145	Refer to CP ALL Annual Report 2018, page 3, 33, 42-45, 62	-
102-8	Information on employees and other workers	Appendix	144-146	-	-
102-9	Supply chain	Cascading Responsibilities Throughout the Value Chains	4, 132-135		-
102-10	Significant changes to the organization and its supply chain	-	132-135	Refer to CP ALL Annual Report 2018, page 34	-
102-11	Precautionary Principle or approach	Organization of Corporate Governance, Management with Transparency	24-31		-
102-12	External initiatives	Organization of Corporate Governance, Management with Transparency	24-31		-
102-13	Membership of associations	Organization of Corporate Governance, Management with Transparency	30		-
102-14	Statement from senior decision-maker	Message of Chairman, Message of the Chairman of the Executive Committee	2-3	-	-
102-15	Key impacts, risks, and opportunities	Organization of Corporate Governance, Management with Transparency	27-28	Refer to CP ALL Annual Report 2018, page 55-60	
102-16	Values, principles, standards, and norms of behavior	Building on Ambition, Strategy for Sustainability	13-14, 24-31		
102-17	Mechanisms for advice and concerns about ethics	-	34-36	-	-
102-18	Governance structure	Organization of Corporate Governance, Management with Transparency	24-28	-	-
102-19	Delegating authority	-		-	-
102-22	Composition of the highest governance body and its committees	-	24-29	Refer to CP ALL Annual Report 2018, page 83-85	-
102-26	Role of highest governance body in setting purpose, values, and strategy	-	24-29	-	-



Global Reporting Initiative Standards	Disclosure Title	Section	Page Number	Remark	External Assurance
102-29	Identifying and managing economic, environmental, and social impacts	-	27-28, 40-45		-
102-30	Effectiveness of risk management processes	-	27-28	Refer to CP ALL Annual Report 2018, page 55-60	-
102-31	Review of economic, environmental, and social topics	-	18-20, 27-28	Refer to CP ALL Annual Report 2018, page 55-60	-
102-40	List of stakeholder groups	Embracing Differences, Building Bridges, and Forging Benefits	48-55	-	-
102-41	Collective bargaining agreements	Embracing Differences, Building Bridges, and Forging Benefits	48-55		
102-42	Identifying and selecting stakeholders	Embracing Differences, Building Bridges, and Forging Benefits	48-55	-	-
102-43	Approach to stakeholder engagement	Embracing Differences, Building Bridges, and Forging Benefits	48-55	-	-
102-44	Key topics and concerns raised	Embracing Differences, Building Bridges, and Forging Benefits	48-55	-	-
102-45	Entities included in the consolidated financial statements	About this Report	4-8	Refer to CP ALL Annual Report 2018, page 2	
102-46	Defining report content and topic Boundaries	Emphasis on All Material Issues for Sustainability in All Dimensions	18-20	-	-
102-47	List of material topics	Emphasis on All Material Issues for Sustainability in All Dimensions	18-20	-	-
102-49	Changes in reporting	Emphasis on All Material Issues for Sustainability in All Dimensions	18-20	-	-
102-50	Reporting period	Emphasis on All Material Issues for Sustainability in All Dimensions	18	-	-
102-52	Reporting cycle	Emphasis on All Material Issues for Sustainability in All Dimensions	18	-	-
102-53	Contact point for questions regarding the report	Emphasis on All Material Issues for Sustainability in All Dimensions	8	-	-

Global Reporting Initiative Standards	Disclosure Title	Section	Page Number	Remark	External Assurance
102-54	Claims of reporting in accordance with the GRI Standards	Emphasis on All Material Issues for Sustainability in All Dimensions	18	-	-
102-55	GRI content index	GRI content index	This page	-	-
102-56	External assurance	Materiality process Assurance Statement	163-164	-	-
<b>Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	Emphasis on All Material Issues for Sustainability in All Dimensions	18-20	-	-
103-2	The management approach and its components	All chapters	All	-	-
<b>Economic</b>					
203-1	Significant indirect economic impacts	Innovation creates intellect, increase business value	68-73		
<b>Procurement Practices</b>					
204-1	Proportion of spending on local suppliers	Cascading Responsibilities Throughout the Value Chains	133	-	-
<b>Anti-corruption</b>					
205-2	Communication and training about anti-corruption policies and procedures	Standing beside honesty, stepping aside Corruption	34-37	-	-
<b>Materials</b>					
301-1	Materials used by weight or volume	-	109, 111-112		
301-2	Recycled input materials used	-	110		
301-3	Reclaimed products and their packaging materials	Protecting the Ecosystem and Committing to Being Green	108-113	-	-
<b>Energy</b>					
302-1	Energy consumption within the organization	Appendix	141-143	-	
302-2	Energy consumption outside of the organization	-			
302-3	Energy intensity	Appendix	141	-	
302-4	Reduction of energy consumption	Climate Change Management, Alternating for Renewable Energy	117		
302-5	Reductions in energy requirements of products and services	-		-	-
<b>Water and effluents</b>					



Global Reporting Initiative Standards	Disclosure Title	Section	Page Number	Remark	External Assurance
303-1	Water withdrawal by source	Appendix	141	-	
<b>Biodiversity</b>					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-			
304-2	Significant impacts of activities, products, and services on biodiversity	Protecting the Ecosystem and Committing to Being Green	108-113		
304-3	Habitats protected or restored	-			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	131		
<b>Emissions</b>					
305-1	Direct (Scope 1) GHG emissions	Appendix	142	-	
305-2	Energy indirect (Scope 2) GHG emissions	Appendix	142	-	
305-3	Other indirect (Scope 3) GHG emissions	-		-	
305-4	GHG emissions intensity	Appendix	142	-	
305-5	Reduction of GHG emissions		116-119	-	
305-6	Emissions of ozone-depleting substances (ODS)				
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-		-	-
<b>Effluents and Waste</b>					
306-1	Water discharge by quality and destination	Appendix	142		
306-2	Waste by type and disposal method	Appendix	142		
306-3	Significant spills	-			
306-4	Transport of hazardous waste	-			
306-5	Water bodies affected by water discharges and/or runoff	-			
<b>Supplier Environmental Assessment</b>					
308-1	Negative environmental impacts in the supply chain and actions taken			-	
<b>Employment</b>					
401-1	New employee hires and employee turnover	Appendix	144-145	-	-
<b>Occupational Health and Safety</b>					
403-4	Worker participation, consultation, and communication on occupational health and safety		77-78	-	
403-10	Work-related ill health	Appendix	147	-	



Global Reporting Initiative Standards	Disclosure Title	Section	Page Number	Remark	External Assurance
<b>Training and Education</b>					
404-1	Average hours of training per year per employee	Appendix	145	-	-
404-2	Programs for upgrading employee skills and transition assistance programs	Mix the similar, mend the different, make good and talented individuals, mould to unite a force	59-60		
404-3	Percentage of employees receiving regular performance and career development reviews	Mix the similar, mend the different, make good and talented individuals, mould to unite a force	58-64		
<b>Diversity and Equal Opportunity</b>					
405-1	Diversity of governance bodies and employees	Appendix	144	-	-
<b>Local Communities</b>					
413-1	Operations with local community engagement, impact assessments, and development programs		134-137		
<b>Supplier Social Assessment</b>					
414-1	New suppliers that were screened using social criteria		126-128		
414-2	Negative social impacts in the supply chain and actions taken		123, 126-128		
<b>Customer Health and Safety</b>					
416-1	Assessment of the health and safety impacts of product and service categories	Selecting Hygienic Food with the Consumer Health at Heart	86-91		
<b>Marketing and Labeling</b>					
417-1	Requirements for product and service information and labeling	Selecting Hygienic Food with the Consumer Health at Heart	86-91	-	-



### United Nations Sustainability Development Goals (UN SDGs)

Goals	Description	Page
1	End poverty in all its forms everywhere	132-139
2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	86-91 100-104
3	Ensure healthy lives and promote well-being for all at all ages	76-83
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	94-97
5	Achieve gender equality and empower all women and girls	40-45
6	Ensure availability and sustainable management of water and sanitation for all	122-123
7	Ensure access to affordable, reliable, sustainable and modern energy for all	116-119
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	68-73 76-83 94-97
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	68-73
10	Reduce inequality within and among countries	100-104 132-139
11	Make cities and human settlements inclusive, safe, resilient and sustainable	-
12	Ensure sustainable consumption and production patterns	108-113 116-119 126-129
13	Take urgent action to combat climate change and its impacts	116-119
14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	126-129
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse	108-113
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	24-31 34-37
17	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-

## UNGC Advanced Level

UNGC Advanced level checklist		Comment/Reference
<i>Implementing the Ten Principles into Strategies &amp; Operations</i>	<b>Criterion 1: The COP describes mainstreaming into corporate functions and business units</b>	
	<i>Indicate which of the following best practices are described in your COP:</i>	
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives	13-17
	- Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy	13-17
	- Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary	13-17
	- Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs	13-17
	- Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts	13-17
	- Other established or emerging best practices	-
	<b>Criterion 2: The COP describes value chain implementation</b>	
	<i>Indicate which of the following best practices are described in your COP:</i>	
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	86-91, 126-129
	- Communicate policies and expectations to suppliers and other relevant business partners	126-129
	- Implement monitoring and assurance mechanisms (e.g. audits/ screenings) for compliance within the company's sphere of influence	86-91, 126-129
	- Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners	126-129
	- Other established or emerging best practices	



UNGC Advanced level checklist		Comment/Reference
<b>Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
<b>Robust Human Rights Management Policies &amp; Procedures</b>	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights)	40-45
	- Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company	13-17
	- Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services	13-17
	- Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties	13-17
	- Other established or emerging best practices	
	<b>Criterion 4: The COP describes effective management systems to integrate the human rights principles</b>	
<i>Indicate which of the following best practices are described in your COP:</i>		
- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17, 40-45	
- Process to ensure that internationally recognized human rights are respected	40-45	
- On-going due diligence process that includes an assessment of actual and potential human rights impacts	40-45	
The Guiding Principles suggest that the assessment:		
- Internal awareness-raising and training on human rights for management and employees	40-45	
- Operational-level grievance mechanisms for those potentially impacted by the company's activities	40-45	
- Allocation of responsibilities and accountability for addressing human rights impacts	40-45	
- Internal decision-making, budget and oversight for effective responses to human rights impacts	40-45	

UNGC Advanced level checklist		Comment/Reference
	- Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to	40-45
	- Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action	40-45
	- Other established or emerging best practices	-
<b>Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain	40-45
	- Monitoring drawn from internal and external feedback, including affected stakeholders	-
	- Process to deal with incidents the company has caused or contributed to for internal and external stakeholders	40-45
	- Outcomes of integration of the human rights principles	40-45
	Suggested GRI Indicators: HR2 Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken. HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.) (a) Be of a form and frequency that reflect an enterprise's human rights impacts and that are accessible to its intended audiences; (b) Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact involved; (c) In turn not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.	40-45
	- Outcomes of remediation processes of adverse human rights impacts (Suggested GRI Indicator: HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.)	40-45
	- Other established or emerging best practices	-



UNGC Advanced level checklist		Comment/Reference
<b>Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
<b>Robust Labour Management Policies &amp; Procedures</b>	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	40-45
	- Reflection on the relevance of the labour principles for the company	76-83
	- Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).	<a href="https://www.cpall.co.th/wp-content/uploads/2018/06/09_CPALL-Human-Rights-and-Labor-practices-Policy_EN_Final-for-web_Rv.120618-1.pdf">https://www.cpall.co.th/wp-content/uploads/2018/06/09_CPALL-Human-Rights-and-Labor-practices-Policy_EN_Final-for-web_Rv.120618-1.pdf</a>
	- Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<a href="https://www.cpall.co.th/wp-content/uploads/2018/06/09_CPALL-Human-Rights-and-Labor-practices-Policy_EN_Final-for-web_Rv.120618-1.pdf">https://www.cpall.co.th/wp-content/uploads/2018/06/09_CPALL-Human-Rights-and-Labor-practices-Policy_EN_Final-for-web_Rv.120618-1.pdf</a>
	- Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation Examples: Inclusion of vulnerable/discriminated groups in the workforce (e.g., women, disabled, migrant, HIV/AIDS, older/younger workers); equal pay for work of equal value; contribution to national strategies to eliminate child/forced labour, etc.	<a href="https://www.cpall.co.th/wp-content/uploads/2018/06/09_CPALL-Human-Rights-and-Labor-practices-Policy_EN_Final-for-web_Rv.120618-1.pdf">https://www.cpall.co.th/wp-content/uploads/2018/06/09_CPALL-Human-Rights-and-Labor-practices-Policy_EN_Final-for-web_Rv.120618-1.pdf</a>
	- Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government).	40-45
	- Structural engagement with a global union, possibly via a Global Framework Agreement	40-45
	- Other established or emerging best practices	-
<b>Criterion 7: The COP describes effective management systems to integrate the labour principles</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17	
- Risk and impact assessments in the area of labour	40-45	
- Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards	-	

UNGC Advanced level checklist		Comment/Reference
	- Allocation of responsibilities and accountability within the organization	40-45, 76-83
	- Internal awareness-raising and training on the labour principles for management and employees	40-45
	- Active engagement with suppliers to address labour-related challenges	48-55
	- Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers	40-45
	- Other established or emerging best practices	-
<b>Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- System to track and measure performance based on standardized performance metrics	-
	- Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future	76-83
	- Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	126-129
	- Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices	126-129
	- Outcomes of integration of the Labour principles	-
	- Other established or emerging best practices	-
<b>Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
<b>Robust Environmental Management Policies &amp; Procedures</b>	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	
	- Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)	-
	- Reflection on the relevance of environmental stewardship for the company	108-113, 116-119



UNGC Advanced level checklist		Comment/Reference
	- Written company policy on environmental stewardship	<a href="https://www.cpall.co.th/wp-content/uploads/2018/06/05_CPALL-Environmental-Policy_Eng.pdf">https://www.cpall.co.th/wp-content/uploads/2018/06/05_CPALL-Environmental-Policy_Eng.pdf</a> <a href="https://www.cpall.co.th/wp-content/up">https://www.cpall.co.th/wp-content/up</a>
	- Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	-
	- Specific commitments and goals for specified years	13-17
	- Other established or emerging best practices	-
<b>Criterion 10: The COP describes effective management systems to integrate the environmental principles</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Environmental risk and impact assessments	-
	- Assessments of lifecycle impact of products, ensuring environmentally sound management policies	108-113, 116-119
	- Allocation of responsibilities and accountability within the organisation	
	- Internal awareness-raising and training on environmental stewardship for management and employees	108-113, 116-119
	- Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	4-8, 36
	- Other established or emerging best practices	-
<b>Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- System to track and measure performance based on standardized performance metrics	116-119
	- Leadership review of monitoring and improvement results	116-119
	- Process to deal with incidents	-
	- Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	126-129
	- Outcomes of integration of the environmental principles	108-113, 116-119
	ð Other established or emerging best practices	-



UNGC Advanced level checklist		Comment/Reference
<b>Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
<b>Robust Anti- Corruption Management Policies &amp; Procedures</b>	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Publicly stated formal policy of zero-tolerance of corruption	34-37
	- Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	24-31
	- Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption	-
	- Detailed policies for high-risk areas of corruption	-
	- Policy on anti-corruption regarding business partners	34-37, 126-129
	- Other established or emerging best practices	-
<b>Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Support by the organization's leadership for anti-corruption	24-31, 34-37
	- Carrying out risk assessment of potential areas of corruption	24-31
	- Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees	24-31, 34-37
	- Internal checks and balances to ensure consistency with the anti-corruption commitment	24-31, 34-37
	- Actions taken to encourage business partners to implement anti-corruption commitments	24-31
	- Management responsibility and accountability for implementation of the anti-corruption commitment or policy	-
	- Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice	24-31
	- Internal accounting and auditing procedures related to anticorruption	24-31
	- Other established or emerging best practices	-



UNGC Advanced level checklist		Comment/Reference
	<b>Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption</b>	
	<i>Indicate which of the following best practices are described in your COP:</i>	
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Leadership review of monitoring and improvement results	24-31
	- Process to deal with incidents	-
	- Public legal cases regarding corruption	-
	- Use of independent external assurance of anti-corruption programmes	24-31
	- Outcomes of integration of the anti-corruption principle	-
- Other established or emerging best practices	-	
<b>Taking Action in Support of Broader UN Goals and Issues</b>	<b>Criterion 15: The COP describes core business contributions to UN goals and issues</b>	
	<i>Indicate which of the following best practices are described in your COP:</i>	
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Align core business strategy with one or more relevant UN goals/issues	<a href="https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/">https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/</a>
	- Develop relevant products and services or design business models that contribute to UN goals/issues	<a href="https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/">https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/</a>
	- Adopt and modify operating procedures to maximize contribution to UN goals/issues	<a href="https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/">https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/</a>
	- Other established or emerging best practices	-
	<b>Criterion 16: The COP describes strategic social investments and philanthropy</b>	
	<i>Indicate which of the following best practices are described in your COP:</i>	
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17, 94-97, 100-104, 132-139
	- Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	13-17, 94-97, 100-104, 132-139
	- Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors	13-17, 94-97, 100-104, 132-139

UNGC Advanced level checklist		Comment/Reference
Corporate Sustainability Governance and Leadership	- Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups	100-104, 132-139
	- Other established or emerging best practices	-
	<b>Criterion 17: The COP describes advocacy and public policy engagement</b>	
	<i>Indicate which of the following best practices are described in your COP:</i>	
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Publicly advocate the importance of action in relation to one or more UN goals/issues	13-17 <a href="https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/">https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/</a>
	- Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	<a href="https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/">https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/</a>
	- Other established or emerging best practices	-
	<b>Criterion 18: The COP describes partnerships and collective action</b>	
	<i>Indicate which of the following best practices are described in your COP:</i>	
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17
	- Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy	94-97, 100-104, 126-129, 132-139
	- Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain	94-97, 100-104, 126-129, 132-139
	- Other established or emerging best practices	-
	<b>Criterion 19: The COP describes CEO commitment and leadership</b>	
<i>Indicate which of the following best practices are described in your COP:</i>		
- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	2-3, 13-17	
- CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	-	
- CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards	-	



UNGC Advanced level checklist		Comment/Reference
	- CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	-
	- Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	<a href="https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/">https://www.cpall.co.th/en/sustain/cpall-and-the-sustainable-development-goals/</a>
	- Other established or emerging best practices	-
<b>Criterion 20: The COP describes Board adoption and oversight</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	24-31
	- Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance	13-17
	- Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.	13-17
	- Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	-
	- Other established or emerging best practices	-
<b>Criterion 21: The COP describes stakeholder engagement</b>		
<i>Indicate which of the following best practices are described in your COP:</i>		
	- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff	13-17, 48-55
	- Publicly recognize responsibility for the company's impacts on internal and external stakeholders	2-3, 13-17, 48-55
	- Define sustainability strategies, goals and policies in consultation with key stakeholders	-
	- Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance	-
	- Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'	48-55
	- Other established or emerging best practices	-



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# Independent limited assurance report

To the Directors of CP ALL Public Company Limited (“CPALL”)

## Conclusion

Based on the procedures performed, as described below, nothing has come to our attention that causes us to believe that the selected subject matters (“Subject Matters”) identified below and included in the Sustainability Report 2018 (the “Report”) for the year ended 31 December 2018 and disclosures regarding their adherence to the three AccountAbility Principles of Inclusiveness, Materiality and Responsiveness under AA1000APS (2008), and reliability of Subject Matters, are not, in all material respects, prepared in compliance with the reporting criteria (the “Criteria”).

## Our Responsibilities

We have been engaged by CPALL and are responsible for providing a limited assurance conclusion in respect of the Subject Matters for the year ended 31 December 2018 to be included in the Report as identified below.

Our assurance engagement is conducted in accordance with the International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ISAE 3410 *Assurance on Greenhouse Gas Statements*. We have also conducted our engagement in accordance with the Accountability Assurance Standard of Sustainability AA1000AS (2008) at moderate level that corresponds to a limited assurance as per ISAE 3000 with a Type 2 engagement, which covers not only the nature and extent of the organisation’s adherence to the AA1000APS, but also evaluates the reliability of Subject Matters as indicated below. These standards require the assurance team to possess the specific knowledge, skills and professional competencies needed to provide assurance on sustainability information, and that we plan and perform the engagement to obtain limited assurance on whether the Subject Matters are prepared, in all material respects, in compliance with the Criteria. We have complied with the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants to ensure their independence. The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have not been engaged to provide an assurance conclusion on any other information disclosed within the Report.

## Subject Matters

Subject Matters comprised of the following data expressed numerically or in descriptive text for the year ended 31 December 2018:

- GRI 302-1 Energy consumption within organization (2016 version)
- GRI 302-3 Energy intensity (2016 version)
- GRI 303-3 Water withdrawal (2018 version)
- GRI 305-1 Direct (Scope 1) GHG emissions (2016 version)
- GRI 305-2 Energy indirect (Scope 2) GHG emissions (2016 version)
- GRI 305-4 GHG emissions intensity (2016 version)
- GRI 306-2 Waste by type and disposal method (2016 version)
- GRI 403-4 Worker participation, consultation, and communication on occupational health and safety (2018 version)
- GRI 403-9 Work-related injuries (2018 version)
- GRI 403-10 Work-related ill health (2018 version)
- Percentage of workers whose work, or workplace, is controlled by organization, that are represented by formal joint management-worker health and safety committees (in accordance with GRI 403-1 (b) (2016 version))



## Criteria

The Subject Matters were assessed according to the following criteria:

- The Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”) with core option; and
- AA1000 AccountAbility Principles Standard (2008) (“AA1000APS”).

## Director’s and management’s responsibilities

The director and management of CPALL are responsible for the preparation and presentation of the Subject Matters, specifically ensuring that in all material respects the Subject Matters are prepared and presented in accordance with the Criteria. This responsibility also includes the internal controls relevant to the preparation of the Report that is free from material misstatement whether due to fraud or error.

## Procedure performed

In forming our limited assurance conclusion over the Subject Matters, our procedures consisted of making enquiries and applying analytical and other evidence gathering procedures including:

- Interviews with senior management and relevant staff at corporate and operating sites;
- Inquiries about the design and implementation of the systems and methods used to collect and process the information reported, including the aggregation of source data into the Subject Matters;
- Inquiries about managements practices and procedures related to identifying stakeholders and their expectations, determining material sustainability matters and implementing sustainability policies and guidelines;
- Visits CPALL Head office and CDC Bang Bua Thong, CRRAM Lat Lum Kaew, and Siam Makro head office and Srinakarin 2 branch, selected on the basis of risk analysis including the consideration of both quantitative and qualitative criteria;
- Agreeing the Subject Matters to relevant underlying sources on a sample basis to determine whether all the relevant information has been included in the Subject Matters and prepared in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than

the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

## Inherent limitations

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

## Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than CPALL, for any purpose or in any other context. Any party other than CPALL who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than CPALL for our work, for this independent limited assurance report, or for the conclusions we have reached.

**KPMG Phoomchai Audit Ltd.**

Bangkok

5 March 2019



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and Sharing  
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