Sharing Opportunities and **Creating Value for Society**

KEY PERFORMANCE IN 2019



farmers in improving their careers and income



small entrepreneurs in improving their careers and income



607

vulnerable groups in improving their careers and quality of life

Supporting the SDGs



SDG1 No Poverty Reduce the proportion 12 of men, women and children in poverty by at least half.

1.3 Implement a social welfare system that is inclusive of the poor and vulnerable



SDG2 No Hunger 2.3 Increase agricultural productivity of small food producers, especially for women locals, agricultural households, ranchers and fishermen.

2.4 Promote sustainable food production, and agriculture that is flexible in increasing production and environmentally friendly



SDG10 Reduced Inequalities 10.1 Raise and maintain the income growth of the lowest income population at 40% above than the national average



FOR MORE INFORMATION CAN BE FOUND AT QR CODE OR https://www.youtube.com/ watch?v=7te3Lji5EwO



2020 GOAL

Support 10,000

farmers, small entrepreneurs and vulnerable groups in their careers and income.

PERFORMANCE AGAINST GOAL

Farmers, Small Entrepreneurs and Vulnerable Groups that have Received Career and Income Support in Each Year (accumulated)



Challenges

In the present, the business world is constantly experiencing rapid changes in business models. Accompanied with these changes are higher expectations of social and environmental responsibility. Consequently, it is reflected through international surveys from different countries around the world on how large organizations possess great potential to alleviate global problems and challenges. Large organizations are able drive improved social well-being as the business thrives when their business operations are in synchronization with social and environmental responsibility. To the business's advantage, large organizations that focus on promoting social well-being than solely on profits are able to recruit and retain high quality personnel. When compared to business rivals that do not practice social and environmental responsibility in their operations, these advantaged organizations achieve higher success in their businesses.

PROGRESS IN 2019

	CP ALL Honoring Rice Farmers – the Cultivators of the Thai Essence Project
	Seasonal Fruits Project
	Organic Vegetables and Fruits Project
Щ	The Missing Step to Career Opportunities Project
<u>15</u>	Day of Opportunities Project @CP ALL
	People, Jobs and Opportunities Project
	Makro and Farmers, Partners in Driving Thailand's Economy Project

SOCIAL IMPACT MANAGEMENT DASHBOARD



Management Approach

CP ALL Plc. and its subsidiaries ("the Company") has continuously raised awareness within its organization on the challenges of being society-driven business. It aims to foster social and environmental values through its business and sustainably grow with the society and environment. This social value is nurtured by supporting the society through skills training, knowledge sharing, career advice, trade channels and income to farmers, small entrepreneurs and vulnerable groups. Through these endeavors, the Company hopes to create opprotunites, share social responsiblities, support improved wellbeing and quality of life. Based on surveys of different stakeholders, the Company has become aware of these groups and wishes to understand their perspective on growing the business and instilling social values. In 2019, the Company initiated various projects to inclusively develop social values, such as projects to support farmers' skills and knowledge, projects to support the careers of youth with impaired hearing and children with special needs and projects expand trade channels of small entrepreneurs. Aside from the aforementioned, other activities are organized by the Company's staff through a desire to become part in building social value.

Supporting Farmers to Improve Their Quality of Life



The Company has continuously supported farmers in developing their skills on agricultural land management for maximum usage. These projects have always been focused on creating value for the organization, society and environment as a whole. The main principle is that through improving a farmer's quality of life, these projects can strengthen their households, communities and society.

CP ALL Honoring Rice Farmers – the Cultivators of the Thai Essence Project

the Company organized this project to develop skills and increase the knowledge of farmers – the key to creating a stable and sustainable society. The project's goal was to strengthen farmers, communities and societies, and improve the community's economy as demonstrate by the collaboration of the following two organizations.





Developed the skills and knowledge of 172 farmers

Cherntawan Chawna Buddhist Economics School in Chiang Rai

The Cherntawan Chawna Buddhist Economics School in Chiang Rai Province under the care of Phra Mahawutchai Wachiramethi emphasizes its teachings on organic agriculture and molding farmers into professionals who possess morals. The school was supported as a center for activities and knowledge in the community. The farmers participating in this school were trained in marketing, communication, food processing and safe agricultural management. As a result, they were able to produce high quality products that were environmentally friendly and sustainably earned an income for their family. In 2019, 120 farmers participated in this project.

2 Thai Baan Association in Maha Sarakham

The Thai Baan Association in Maha Sarakham Province elevates the level of knowledge and develops the skills of Thai farmers through training programs on producing and increasing the value of organic agriculture, marketing, resource management, brand creation, and sustainable and social entrepreneurism. Additionally, the project promotes a model community for sustainable development with farmers at its center. With this framework, it expands the farmer network in other provinces in order to spread knowledge to the society and develop appreciation for Thai rice and its varieties. In 2019, a total of 52 farmers participated in this project.

Golden Banana Project

The golden banana project is a project supporting small entrepreneurs. The Company aims to support Golden Banana farmers continuously since 2012. The management approach is as follows.



The golden banana project succeeded, meeting the Company's approach and goals. Simultaneously, this project model is also expanded to other types of bananas, such as Nam Wa bananas and Lep Mur Nang bananas. This increases the income of farmers and small entrepreneurs, as well as local employment. The project encompasses a total of 12,860 Rais worth of agricultural areas.



1,220 farmers participated in the project, reduced by **32%** from 2018 There are multiple factors, such as climate and changing water supply, affecting a large numbers of farmers. This results in lower volume of produce that meet the Company's quality. The Company thus developed and executed according to its support measures, in tandem with the following actions.

1. Provide knowledge on water management according to areas

2. Conduct trials with farmers on a variety of plantation method, such as using plastic sheets as cover to retain soil moisture and deter weeds, as well as opting for droplet watering system instead of sprinkler. The latter system helps reduce water consumption by 70%. Promote sending peeled bananas to subsidiary, CPRAM, to bake as banana cakes and to be used as organic fertilizers / fresh fertilizers. The aim is to minimize loss as much as possible.

Economic Impact

- Build stable income; increase produce's value
- Develop standard for agricultural produce production

Results and Benefits

Economic Value

As many as **1,825** farmers and entrepreneurs participated in the project, with agricultural areas of **14,863** Rai Increased income per person, on average, is at **312,071** baht 7-Eleven distributes as many as **300,000** golden bananas per day, or approximately **109,500,000** golden bananas per year. This equates to **876** million baht



Social Impact

- Create learning center on banana plantation
- Build careers for generational succession, and sustainably self-sufficient community

Results and Benefits

Social Value

Create employment and careers for community encourages packaging factories in each region to take bananas directly from farmers in the area. Therefore no additional time is required for transportation of the bananas to the center. Glauyhom bananas (Cavendish bananas) from the south are from Chumpon, Surathani, Songkhla, Patalung and Satun, to name a few. This creates work opportunities for community and engagement with farmer communities. There would be no need to source raw materials from a distance. Produce is not damaged. Farmers are satisfied. **Communities are strengthened**

Increase distribution channel expands packaging plants from 3 to 17 factories, encompassing all regions. Golden bananas have been sent to over 11,712 branches across the country. The value is 876 million Baht. This strengthens farmer association, improved quality of life though secure income, enhanced market competitiveness (initially, golden banana farmers selling their produce at general or central market price, will have the average income of 214,875 baht per year; upon joining the project, they earn 1,715,638 baht per year on average)



Environmental Impact

 Farmers have good health; chemical usage reduced, replace by more organic counterpart

Results and Benefits

Environmental Value

Farmers have appropriate and safe chemical management. There is encouragement for organic fertilizers and similar. Upon participating in the project, farmers can reduce chemical fertilizers and weedicide by **50%** compares to prior. The effort reduced hazardous waste volume and help farmers achieving better health following decreased chemical usage. It also reduces costs for farmers by **600** baht per Rais



Seasonal Fruits Project (ALL Fresh)

The Company aims to improve the wellbeing of farmers through the Seasonal Fruits Project (ALL Fresh). The project provides distribution channels to deliver seasonal fruits from farmers, such as durian, longan, lemon, mango, pineapple and orange through various online channels, including www.shopat24.com, Facebook, www.24catalog. com and customer service centers. In parallel, the Company chooses quality farms and supervises their production processes beginning from the selection of seeds, cultivation and transportation to the delivery of the products to the customers in the most optimal way.

Results and Benefits



In 2019, the company supported agricultural products from farmers and vulnerable groups, such as the disabled from Jaidee Farm, which is a center for developing the skills of the disabled in Hankha Sub-district, Hankha District, Chai Nat Province. Approximately **612** tonnes of agricultural products worth **92,984** baht was supported.

"Makro and Farmers, Partners in Driving Thailand's Economy" Project

Makro supported farmers across the country through purchase and processing of produces, encompassing agricultural produce, seafood, freshwater fish, meat and eggs. In 2019, Makro purchase was over 603,698 tonnes; generating income of over 42,099 million baht to Thai farmers.

Additionally, in 2019, Makro has made direct purchases and signed on trade agreements with farmer groups, in the form of farmer union, farmer community, aquatic professional association, shrimp profession clubs and internal trade bureau, Ministry of Commerce or Ministry of Agriculture and Unions. Makro purchased agricultural produce, such as season fruits (rambutan, mangosten, longkong, sala, durian), giant freshwater prawn, white prawn, freshwater fish groups, a total of 7 times from over 14 agricultural groups across the country. This helps remove the produce from the market, thus fixing the falling marketing price due to oversupply. This helps ease a large number of farmers facing challenges.

Makro continuously supports, promotes, develops Thai farmers' capacity in various aspects. This comprises food safety, promotion of plantation standard, optimizing agricultural output according to the concept of "Marketing before Production." The concept drives farmers to become agricultural entrepreneurs, expanding purchase space for agricultural innovation from new generation of farmers. The work is under Makro's principle of Your Business Partners, Sustainably Growing Together.

Organic Vegetables and Fruits Project

This is an ongoing project to ensure distribution channels and a stable income for Thai farmers. In the entire year, CP ALL Plc. provided knowledge and advice on improving the quality of products to meet consumer behaviors, preserving the quality of products and designing the packaging along with providing distribution channels to customers across the nation. The Company purchased products, organic vegetables and fruits from farmers that met the Organic Thailand standard and received the organic production certificate from the Department of Agriculture. Another requirement for the Company's support encompassed the land that was being used. Products that were grown on the land had to be free of chemical usage for at least 1 year. The water source must be free from chemical contaminants. The land had to have a buffer zone, natural wind barrier or trees to protect the land from contaminants in surrounding areas.

the organic vegetables and fruits to sell via 7-Eleven stores **8,000** branches from **427** farmers, amount **770** tonnes, by worth **89** million baht

In 2019, supported

The Giant Freshwater Prawn Project

Under the cooperation of Siam Makro Public Company Limited and the Kalasin Fishery Office that supports farmers with stable year-round distribution channels, this project promotes farmers to achieve Good Agriculture Practices (GAP). Achieving GAP will grant farmers access to corresponding markets and answer the needs of restaurant owners. In 2019, Siam Makro set a target to support and buy 250 tonnes of Giant Freshwater prawn that achieve GAP. The social impact of this project reached 124 agricultural group members and elevated the level of their product's quality.



My Farmer, My Life Partner Project

Operated by CPRAM Co., Ltd., the objective of this project is to provide knowledge to Thai farmers in 3 main subjects: 1) theoretical and practical agricultural knowledge, 2) agricultural technology and 3) agricultural management, such as production, marketing and finances. The company has continuously raised the agricultural standard among communities and farmers through sharing knowledge on cultivating crops through Good Agriculture Practices or GAP and is in accordance with the 3S policy (Food Safety, Food Security and Food Sustainability). The project has provided a stable career for 35 agricultural households in order to raise the quality of theirs lives in the communities. Aside from creating stable jobs and careers, the project integrated theoretical and practical agricultural knowledge in maximizing efficiency and yield. In 2019, the results were expanded from its pilot project in Lat Lum Kaeo District, Pathum Thani Province to plantations around factories in the various regions, namely Khon Kaen Province, Lamphun Province and Surat Thani Province. This scaling has created a steady income and sustainable common benefits for the community and the organization.



Supported

387

agricultural

products.

tons of

Results and Benefits



Supported the careers of

35 agricultural households.



Created an income of

14.29 million baht in income generated for farmers.

Caffe Muan Chon Project

Business

Operations

01

Procurement

of Raw

Ingredients

02

Since 2010, CP Retail Link Co., Ltd. has utilized its supply chain in the café business to support farmers and various socially vulnerable groups to continue their livelihood and obtain opportunities to return to society. The supply chain supports the café's procurement of raw ingredients and business operations. The project has developed as follows.

Coffee-based Job Creation

The project aims to increase income, create jobs and promote employment in the community while preserving the forest. The training course promotes knowledge in the cultivation and processing of coffee beans as well as provides equipment and tools for people to pursue this career. As part of the project, the Company buys coffee beans at a fair price from the Thai villagers to be used in "All Café" and "Caffe Muan Chon" shops. One example is the Pang Khon Coffee from the High Elevation Agricultural Development Station Project under the royal patronage at Ban Pang Khon, Chiang Rai. The second example is the Nan Coffee from Bo Kluea District, Nan Province which was the first collaboration between the government and private sectors in supporting the cultivation of the Arabica species under the royal forest preservation and income generation project by HRH Princess Maha Chakri Sirindhorn Siam Boromarajaree. The third example is the Tee Lor Su Coffee from the Sueb Nakhasathien Foundation that promotes farmers in growing organic coffee while preserving the forest and community in Umphang Village, Tak Province. In 2019, these series of projects have created 1,479 rais of green space and generated income for 478 agricultural households in volume 1,100 tonnes with a purchase price of 165 million baht.

Red Roof Café Project

The project is a collaboration with the Somdet Chaopraya Hospital Foundation by Khun Uaipranee Chearavanont and the Chao Phraya Institute of Psychiatry. The Red Roof Café hires patients who have undergone treatment and pass initial criteria as its employees. The staff are trained for the different tasks necessary to operate the café. Patients that have worked at the café for 1-1.5 years will be hired to work at Caffe Muan Chon. In 2019, a number of 29 patients received training and another 3 are in the process of training. The project has supported 4 psychiatric patients and helped them to return to society.

Income Management

03

"One Baht One Cup" Project

To continue to create opportunities in earning income and building careers for society, the Company deducts 1 baht from its income for every glass of Caffe Muan Chon it sells and gives it to hospitals, foundations, and charitable organizations, such as Wat Phrabat Nampu, Wat Suan Kaew, the Sutthasinee Foundation Noi-in for Children and Youth, and the Ramathibodi Foundation in the Chakri Naruebodin Medical Institute Project. Furthermore, it supports activities by the Chao Phraya Institute of Psychiatry. This project has been supported for 9 years and is worth 15.5 million baht.

Supporting Vulnerable Groups and the Disabled, and Creating Equality in Society

The Company wishes to promote social equality through projects for various vulnerable groups, including the disabled. These projects create social opportunities and support careers as well as develop different skills, knowledge and capabilities for a better livelihood and quality of life. Furthermore, promoting and expanding career opportunities to vulnerable groups is an economic driving force for the country and a source of inspiration for society.

The Missing Step to Career Opportunities Project

Ongoing in its 3rd year, the goal of this project is to give opportunities to children and youth who have made mistakes and are nearing the end of their disciplinary term by providing education and a stable profession. Accordingly, the project supports the labor market by providing vocational training to children, youth and trainers on brewing coffee at the Youth Protection Center in Samut Prakan Province. Complementary to the training, the project organizes competitions for this profession. In 2019, it expanded its reach to 4 more provinces, namely Nakhon Ratchasima, Udon Thani, Khon Kaen and Nakhon Sawan, opened up vocational training in the bakery profession by trainers from Kudsan Bakery & Coffee, and provided scholarships to children and youths to pursue an education at the Panyapiwat Learning Center.

Results and Benefits



163 students, children and youth participated in the project



competition for

this profession

30

More than participants joined the

students. children and youth received scholarships to study at the Panyapiwat Learning Center

People, Jobs and Opportunities Project for Students with Impaired Hearing

CP ALL Plc. together with CP Retailink Co., Ltd. presented the "Career Building Café" under the Future Education project by CONNEXT ED for the Nonthaburi Deaf School, Bang Bua Thong District, Nonthaburi Province and Thungmahamek School for the Deaf, Bangkok. The joint project was presented with the goal of providing sustainable career opportunities for students with impaired hearing that passed training and as a means for them to apply their knowledge in their careers. These students will be able to open their own businesses or become experienced and professional employees. Including expanded the support of career skills to students with impaired hearing through "the coffee classroom project" for 4 schools in Bangkok metropolitan and Perimeter. A total of 388 students participated in this program which was valued at 390,460 baht.



Supporting the Small and Medium Entrepreneurs (SMEs) for Creating Careers Opportunities

The Company is committed to providing opportunities to help build careers for SMEs through various projects, such as the Big Brother Project, the Business Matching Project, the 24 Shopping Project, the True Friend Project, the U-Project, the Total Solution 4.0 Project and the TSC On-site Visit CP ALL Project. These series of projects are designed to help SMEs build businesses, access funding and sustainably scale their businesses. This is an opportunity for them to become business owners, develop their products to meet standards and sustainably drive the country's economic growth.

Big Brother Project

The Big Brother Project is a collaboration between the Office of Small and Medium Enterprises Promotion (OSMEP) and 14 organizations to support SMEs in understanding business management and applying the knowledge to operate their businesses efficiently. In addition, the project provides mentors who share their experiences to the SMEs on managing businesses in each and every aspect from business models, finances, marketing, sales and law to technology. In the project, the SMEs visit the mentors' businesses on site to plan their business model and receive training. The format of the mentorship is akin to the relationship between siblings who share advice with each other. Additionally, there are special privileges SMEs that enter the project in the form of 1) selling products on the 24 Shopping platform, 2) exemption from transportation fees and 3) a 50% discount on advertising fees on all channels.



Results and Benefits



In 2019, **3** entrepreneurs under caring by the Company account to economic value by





100% of small entrepreneurs have increased their knowledge and foster effective



67% of small entrepreneurs have increased in income



67%

of small entrepreneurs have increased for sale channel

Day of Opportunities Project

The Company provides business opportunities through its nationwide distribution channels for SMEs and farmers to pursue their careers, businesses, education and employment. The project incorporates knowledge sharing to small entrepreneurs and SMEs under the concept of "creating and sharing opportunities for everyone". The project organizes an event where they can meet and directly ask information from staff. Fundamentally, it is an opportunity for the small retail entrepreneurs and those who wish to sell their products at 7-Eleven stores, the 24 Shopping platform and eXta to introduce their products. Reciprocally, they can propose venues for 7-Eleven stores and expand their outreach on the Day of Opportunities @CP ALL in Khon Kaen and Chiang Mai Provinces. **Results and Benefits**



50 employees of the Company has employed by "Good Day @CP ALL"







350 Entrepreneurs interested to collaborate with 7-Eleven store



Business Matching Project

The goal of the project is to give business opportunities to SMEs that produce standard quality products, and conduct and manage their businesses in an environmentally and socially responsible manner. In 2019, the Company in collaboration with the Federation of Thai Industries organized the "Business Alliance with CP ALL Non-Trade" event for construction contractors, equipment manufacturers, furniture manufacturers, electrical system services and aftersales services for refrigeration systems and machinery in distribution centers to seek advice and directly negotiate with the Company. The event provided training on preparing supplier qualifications and business proposals to the Company through 7-Eleven and 24 Shopping channels.



There are 982 SMEs participated and together with the Company formed

partnerships

24 Shopping Project

The Company has continuously provided opportunities for SMEs to increase their sales and distribution channels through the "24 Shopping" project. Community enterprises, manufacturers, SMEs and OTOP businesses are supported through the 24 Shopping online platform and mobile application that offers a 24 hour service for customers to select products.



Results and Benefits



Generated income for 1,329 SMEs worth 8,960 million baht

U-Project "Strengthening Partners and Developing Your Business"

The U-Project "Strengthening Partners and Developing Your Business" is an ongoing project under Siam Makro Public Company Limited with the goal of developing the capabilities of retail stores that are eager to become stronger in a changing business world and would like to solve their lack of knowledge in store management. With Makro's accumulated body of knowledge and experience through the 12 years with the "True Friend Makro" project, the company created sustainable sales channels for retail stores. In 2019, Siam Makro Public Company Limited in collaboration with the Department of Business Development and Ministry of Commerce raised the level of retail stores toward Sustainable Retail 4.0 to enable retail stores and state shops to compete in an ever changing business environment. The project develops their knowledge in retail management to be up-to-date and up-to-standard through Big Data Analysis using the following support.

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Manual

The "Professional Retail Management" which comprises of the 8 principles of retail management for those whoare starting a new store or entrepreneurs who wish to develop their stores, store blueprints and product placement maps as well as techniques for increasing sales and profit.



Consultation and Training Services and Seminars

Experts on professional retail management through various techniques, such as procurement, product arrangement, tailored store management for targeted consumers and advertisements to fulfill changing customer needs and behaviors.



Designing Services

Designing services for 3D store blueprints.



Knowledge Development

Knowledge development through 24 hour E-learning on www.shohuaythai.com



Product Ordering

Product ordering, preparation and distribution services for state stores.

Results and Benefits

In 2019,

6,403 retail stores participated in the project and

833 stores under U-Project An average

increase in income (all year an average 20%) after participating in the project An increase in the economic value of the community by



Trained **39,000** students on retail in 2019



In addition, the project encouraged customers to become a part of the community and society under the "One Less Cup a Day" Program mentioned in the chapter on Climate Change. In contribution to the Nawaminthornbophit 84th Birthday Anniversary Building at Siriraj Hospital and 77 local hospitals, 134 million baht was donated. Aside from the 1 Cup of Muan Chon, 1 Baht for Society Project from Caffe Muan Chon, which is CP ALL Plc. subsidiaries, donated 8.8 million baht to this cause. Other projects in the Company worked together to pass on this opportunity to the society and community, as follows:

Support in the form of 30,000,000 baht to the Chakri Naruebodin Medical Institute, Faculty of Medicine, Ramathibodi Hospital, Mahidol University for constructing the building and purchasing medical equipmentfor patients across the nation. A donation of 1,000,000 baht to the Thailand Association of the Blind by sharing video clips to honor teachers in 2019. The endeavor was a joint effort by the CP ALL Community Service Club and 7-Eleven Thailand fan club who hosted lunch and published books in Braille for children at the School for the Blind in Bangkok.

A summary of the 2019 support in terms of budget and goods, as well as the effort made by individual employees to create social value with the Company is listed below.

