

Embracing Differences, Building Bridges, and Forging Shared Benefits

KEY PERFORMANCE IN 2019



Awarded **1** Place

Thailand's Most Admired Company for 2 consecutive years, reflecting the Company's credibility and good corporate image among white collar workers



TOP **3**

Company that has credibility and trust from society, and is a Thai company that Thai people are proud of (based on CP ALL brand Health Check survey conducted to understand awareness, sentiments, and attitudes that stakeholders have on CP ALL

Supporting the SDGs



SDG16 Peace and Justice Strong Institutions
 16.7 To ensure inclusive, participatory, responsive, and representative decision-making at all levels



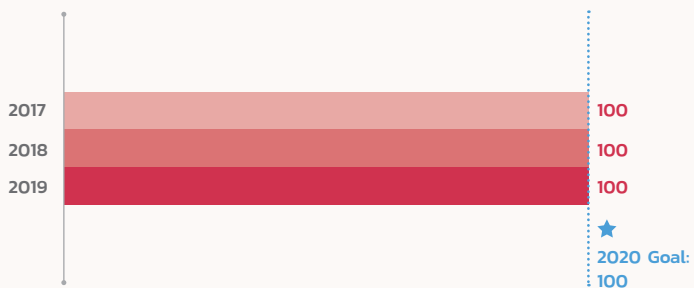
2020 GOAL



The Company has a stakeholder engagement process for all companies within 2020

PERFORMANCE AGAINST GOAL


The Company has Stakeholder Engagement Process for Each of its Companies (%)



Challenges

CP ALL Plc. and its subsidiaries (the “Company”) realize the importance of each and every group of stakeholders, and that they play critical roles in the organization’s business operations. Such importance is given through stakeholder engagement, and aiming to gain good experiences in management, as well as to create value and deliver products that would comprehensively respond to the needs of all stakeholder groups. Therefore, fostering participation and creating goods experiences for the stakeholders must therefore rely on processes that would foster stakeholders’ participation, which are also efficient, and that would respond to the needs of the stakeholders comprehensively, in order to create acceptance and so that it would drive the organization in a sustainable manner.

PROGRESS IN 2019



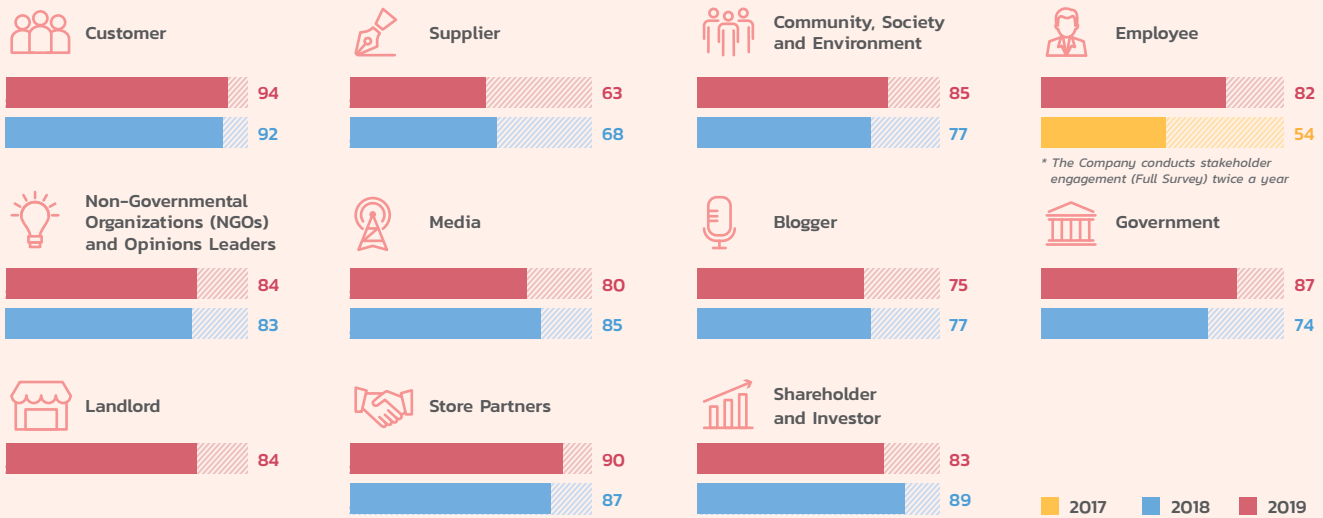
Expanded feedback gathering from the stakeholders, including owners of the leased locations

Management Approach

The Company aims to promote the engagement between each department of the organization and the stakeholders, through communication and various other activities that would be suitable for all 11 stakeholder groups - namely, employees, store partners, customers, suppliers, shareholders and investors, communities, society and the environment, the government, NGOs and lead think tanks, media and bloggers, creditors and landlords. This is in order to become aware of stakeholder perspectives, expectations and recommendations towards the organization’s operations. It is also an opportunity to communicate the organization’s sustainability approach to all stakeholders. In 2019, the Company carried out a survey to collect stakeholders’ comments to compile important issues with regards to sustainability, together with comments and recommendations covering the economic, social and environmental aspects, including, the issues listed in order of importance which was used to particularize the contents and approach in preparing this report.



STAKEHOLDER ENGAGEMENT DASHBOARD



Customers

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> Gathering feedback from various channels, such as <ul style="list-style-type: none"> Call Center for customer complaints: 58,536 times Websites and other online social media 23,379 times Opinion survey and customer interviews 	<ul style="list-style-type: none"> Detailed and accurate promotional campaigns 	<ul style="list-style-type: none"> Communication with the customers and consumers for a better understanding of the promotional campaigns Increase communication channels of the promotional campaigns
	<ul style="list-style-type: none"> Quality and safety 	<ul style="list-style-type: none"> Improving the standards of products and services in both terms of quality and safety
	<ul style="list-style-type: none"> Health and wellness 	<ul style="list-style-type: none"> Select and offer healthier choice products
	<ul style="list-style-type: none"> Product labels provide comprehensive information on the product and service 	<ul style="list-style-type: none"> Communicate and provide more information on nutrition, usage of the products and services on the product labels
	<ul style="list-style-type: none"> Service period 	<ul style="list-style-type: none"> Improve the payment methods for goods and products Cultivate a good environment in stores
	<ul style="list-style-type: none"> Local economy impact 	<ul style="list-style-type: none"> Selling of local products
	<ul style="list-style-type: none"> Safekeeping of customers' personal information 	<ul style="list-style-type: none"> Data Privacy Policy that covers the various group of customers of different membership types that require personal information

The Company has carried out stringent work on data privacy, with coverage of all business units and customer groups who have shared personal information with the Company. Protection responsibility is assigned to the Data Protection Officer within the Corporate Legal & Compliance unit. In 2019, the Company found no grievances related to data privacy from stakeholders.



Suppliers

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> • Conduct Suppliers Satisfaction Survey for once a year • Setting up seminars and recommending the policy direction of the organization • Supplier visits, as well as gathering feedback and grievances • Co-creating innovation projects • Assess, advise, and build capability • Interviews to identify the needs and expectations of the supplier with regards to sustainability • Meeting and Interview with supplier • Supplier relations center number 0-2711-7771 	<ul style="list-style-type: none"> • Stakeholder engagement 	<ul style="list-style-type: none"> • Regularly implementing the Joint Business Plan annually, as a way to find an approach for the organization's overall business expansion • Collecting feedback from suppliers to be taken into consideration and adapting operational processes
	<ul style="list-style-type: none"> • Managing conflict and creating acceptance with the communities 	<ul style="list-style-type: none"> • Work on promoting job creation, injecting income for the local communities, and opportunities in creating jobs outside store fronts, elevating and improving economic positions in the communities through the support from subsidiary business operators in the communities, including, providing a channel in receiving recommendations and concerns from the communities
	<ul style="list-style-type: none"> • Good corporate governance • Fair business operations under the principles of good governance and business ethics 	<ul style="list-style-type: none"> • Specifying the policies and announcing the use of such policies related to corporate governance, conducting workshops for all employee levels including the Critical Tier 1 Suppliers • Communicating the approach and practices in good governance and business ethics
	<ul style="list-style-type: none"> • Anti-corruption 	<ul style="list-style-type: none"> • Collaboration with the Public Sector's Network, "Joining Forces, Combatting Corruption" project • Certification Project for Thailand's Private Sector CAC
	<ul style="list-style-type: none"> • Innovation management 	<ul style="list-style-type: none"> • Develop projects that promote open innovation, close innovation and improving innovation
	<ul style="list-style-type: none"> • Responsible supply chain management 	<ul style="list-style-type: none"> • Launch Sustainable Sourcing policy and Supplier Code of Conduct, as well as appointing a committee for screening products, promoting the awareness and social, environmental responsibility to the suppliers • Develop supplier audit protocols in accordance with Supply Change Management Policies and Supplier Code of Conduct
	<ul style="list-style-type: none"> • Climate change management 	<ul style="list-style-type: none"> • Project to develop more eco-friendly packaging, developing products with the partners



Community, Society and Environment

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> • Gathering feedback and concerns through various channels for instance: <ul style="list-style-type: none"> - 7-Eleven store's Call Centers - online venues and social media - feedback collector in front of Sub district Administrative Organization and distribution centers • Annual surveys on credibility and trust from each group of stakeholders • Site visits to the communities every trimester • Community activities related to the area, communities around the factories, 7-Eleven stores, during the festivities and annual community events • Announcement boards, public relations media 	<ul style="list-style-type: none"> • Creates impact to the local economy • Community development, collectively creating value between the communities, society and the corporate sector • Supporting agriculture, small and medium entrepreneurs (SMEs) in creating quality goods, and promoting market reach and other sales channels of the communities • Promoting and conserving local culture • Good environmental management • Providing educational opportunities, promoting vocational skills with sustainable 	<ul style="list-style-type: none"> • Project on promoting jobs and improving the quality of life with the communities, as well as finding solutions to distribute community goods, including the community support center project • Project promoting health of the locals in the communities, such as, basic health checks, doctor consultations, and recommendations on use of meds from a pharmacist • Caffee' Muanchon projects • Educate through workshops and observing the cultivation process, including good agricultural practices • Increase distribution channels from the local suppliers such as the Golden Banana Project and the ALL Fresh Project, project supporting farmers who grow organic salads and fruits, projects supporting farmers who farm giant freshwater prawns and My Farmer, My Life Partner Project • CP ALL Honoring Rice Farmers – the Cultivators of the Thai Essence Project • Shaping landscapes, and surrounding environment of the stores to blend in with the local cultures • Implementing energy management projects and expanding the results to the stores in their efforts to save energy and model innovation stores • Implementing waste management projects such as, 7 Go Green Recycled Plastic Road Project, Magic Box Recycling for Sharing Project, Greenroof Project, New Gen Without Food Waste Project • Implementing projects to support educational and job opportunities, namely, 1 store 1 scholarship, accepting students for internships, project to increase job related skills to students from low income families who will not be continuing studies beyond mandatory education, Business for Young Project



Employees

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> • Annual satisfaction and engagement survey • Channels to receive feedback and complaints such as <ul style="list-style-type: none"> - Via Koh-Rakang Project: 244 times - Site visits at store branches, offices and distribution centers: 5 times • Creating an Intranet system, internal newsletters, and digitally broadcasting the daily news • Meeting to share innovation results, and competitions, identifying and risk assessment • The Worker Welfare Committee operational coverage in 100% of all employee 	<ul style="list-style-type: none"> • Long term compensation and welfare 	<ul style="list-style-type: none"> • Running the Employee Joint Investment Program, EJIP Phase III (2017 – 2022) • Post-retirement project for the employees • Activities addressing Childcare Facilities or Contributions
	<ul style="list-style-type: none"> • Developing personal capacity, advancement and confidence 	<ul style="list-style-type: none"> • Preparing and cultivating leaders • Knowledge and skill transfer workshops that are appropriate and based on interests • Developing potential and continually valuing employees with potential and good morals, such as, Career Path Development Programs, Development Program for Food and Beverage Strategy, CP ALL Young Challenger Programs for new employees, development for employees with high potential • Improvement of the performance management process (ALL Perform)
	<ul style="list-style-type: none"> • Health and well-being program and work-related stress management 	<ul style="list-style-type: none"> • Providing consultations and carrying out projects that promote health and spiritual practices • Flexible Time activities • Ergonomic risk reduction program and stress management • Apply the principles in human rights to guidelines towards the employees
	<ul style="list-style-type: none"> • A good working environment 	<ul style="list-style-type: none"> • Improve the occupational health and safety management system and the working environment, including safety culture projects and behavior-based safety projects • Improving the work place per the labor standards, as well as driving work performance pursuant to good labor practices



NGOs and Opinions Leaders

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> Gather feedback and share different views on a collaboration network, and other collective work Support activities/projects of the organization on the issues that align with sharing and giving opportunities 	<ul style="list-style-type: none"> Establish good relationships with the communities 	<ul style="list-style-type: none"> Gathering feedback from and problems faced by the communities, including providing job opportunities to the people in the communities
	<ul style="list-style-type: none"> Collectively creating and repurposing preexisting objects to create value throughout the supply chain 	<ul style="list-style-type: none"> Create knowledge transfer projects to create products in the communities that would improve the livelihood of the communities and farmers
	<ul style="list-style-type: none"> Communicating and incorporating into the daily life routine of the new generation, so that it is deeply pervasive 	



Media and Bloggers

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> Annual Media Producer Supporting Program, such as, Thailand Best Blog Awards by CP ALL, Digital News Excellence Awards, and Thailand's Goodness Award in Media Supporting Morality and Ethics Supporting and participating in activities from mass media, such as anniversaries, CSR activities Giving interviews and sharing information with mass media Co Projects With Media such as, getting together with mass media helping out the communities and society during various periods of floods, project to bring a mass media group to participate in activities to raising the public spirit, morality workshops Knowledge transfer via social media In-depth interviews, and group communications 	<ul style="list-style-type: none"> Create an understanding and reduce local conflict through the use of social media, to disclose reliable information and news 	<ul style="list-style-type: none"> Communicating reliable information through social media, or other online channels of the organization or its employees
	<ul style="list-style-type: none"> Product Quality 	<ul style="list-style-type: none"> Establishing criteria for health products, and health products development
	<ul style="list-style-type: none"> Innovation to facilitate the payment of goods 	<ul style="list-style-type: none"> Growing online commerce, with various methods of delivery, various payment methods and more readily accessible products to the consumers
	<ul style="list-style-type: none"> Enhance and redeem the branding of the organization 	<ul style="list-style-type: none"> Communication through social media and building positive relationships with each of the stakeholders
	<ul style="list-style-type: none"> Improve the work systems of the organization 	<ul style="list-style-type: none"> Change in the organization's culture Usage of digital technologies to improve work process, including O2O IT Platform, and AI
	<ul style="list-style-type: none"> Green Packaging 	<ul style="list-style-type: none"> Policy announcement on packaging, which covers the design consideration stage, and the selection of packaging for use, including, considering the processes in the Product Life Cycle pursuant to the "Green Packaging" strategy



Government

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> Supporting joint projects and various assistance provided 77 times as a governmental agency responsible for public relations work. Support and assistance was provided to Department of Internal Trade, the Food and Drug Administration, the Health Department, the Environment Department, and the District Offices covering 50 districts in the Bangkok Metropolis Collectively sharing views and openly building relationships with the governmental agencies, 34 times Coordination to leverage government services and receive assessment visits Participating in the development and use of plastic waste, together with the national environment committee as part of the "Circular Economy" project 	<ul style="list-style-type: none"> Strict compliance with the laws and the relevant regulations 	<ul style="list-style-type: none"> Study, establish an understanding in relation to the laws and related regulations with area specificity or local laws as well as applying the same to so that it aligns with the business operations Compliance with the laws and the relevant regulations
	<ul style="list-style-type: none"> To serve as an example to the business sector in demonstrating social and environmental responsibility 	<ul style="list-style-type: none"> Share perspectives through associations, and various trade unions Support initial assessments by the public sector and other sectors and groups related to sustainable development
	<ul style="list-style-type: none"> Carry out fair business practices with partners 	<ul style="list-style-type: none"> Determine policies on creating programs and clearly prevent any conflicts to the interests

The Company worked as an ally with every sector in order to increase awareness on the trends and needs, and to participate in sharing its views and advice, where, budgetary support was provided, which included supporting qualified persons of the Companies to provide their assistance to the associations as per the table below.

No.	Association	2019 Budget (Baht)
1	The Thai Chamber of Commerce and Board of Trade of Thailand	2,301,639
2	The United Nations	607,860
3	The Development of Thai Capital Retailers Association	388,815

In 2019, CP ALL Plc. :

1

Participated in the working group for the development and usage of plastic waste “Circular Economy Project” under the subcommittee on managing plastic waste, national environment committee, of the Ministry of Natural Resources and Environment, tasked with jointly submitting proposed amendments to the (draft) roadmap in managing plastic waste for the years 2018-2030 for Thailand, and jointly worked on formulating a plan to drive the “Circular Economy”, managing waste products from manufacturing and consumerism to enter new manufacturing processes, or to be reused, in order to solve the problem of and manage the plastic waste in Thailand to earnestly achieve results.

2

In addition, CP ALL Plc. and Siam Makro PCL participated and supported the Thai Retailers Association’s implementation of the national plastic program in an effort to drive policies and economic mechanisms in reducing the cost of alternative plastic goods, which is an application of economies of scale on bio-based plastics. Actual implementation of the aforementioned policy would result in significant net positives. The Companies support qualified persons from the Companies to participate as the board of the Thai Chamber of Commerce and Board of Trade of Thailand in order to gain an awareness of the tendencies, needs and provide their views together with advice, support the joint participation between the retail partners and governmental agencies in order to support the retail business in Thailand.



Landlord

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies’ Responses
<ul style="list-style-type: none"> • Annual Engagement survey • Channels to receive feedback and complaints such as <ul style="list-style-type: none"> - Submitting information and complaints through a Call Center - Public relations news through SMS 	<ul style="list-style-type: none"> • Continuous joint operations pursuant to principles of good governance • Public relations and sharing news regarding the Companies’ policies 	<ul style="list-style-type: none"> • Establish a system to oversee, follow up and resolve the issues complained thereof • Site visits to establish relationships with the landlord, once every trimester at a minimum • Activities to create a sense of pride and joint accomplishment with the Companies for the landlord



Store Partners

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> Annual Commitment Survey Channels to receive feedback and complaints such as <ul style="list-style-type: none"> Submitting information and complaints through a Call Center Conducting a satisfaction survey through the website every trimester Monthly newsletters and publications Meetings, seminars, and activities Publishing the policies and direction of the companies of the store partners 	<ul style="list-style-type: none"> Fair business operations under the principles of good governance and business ethics Promoting capability in competition and business management Public relations and notifying the news and policies of the Companies Business stability, expansion and continual joint operations 	<ul style="list-style-type: none"> Communicating the approach and practices in good governance and business ethics Promoting, valuing and training business operators to improve the management capabilities Managing cost of goods and operations Improving the variety of goods to align with market demands Sharing information and public relation news on the market Supporting the store partners to cultivate successors to the business for longevity in their joint business operations



Shareholders and Investors

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> Summary of the operational results to the analysts (Analysis Meeting) every trimester Annual meeting of the shareholders Financial statements Annual registration statement (Form 56-1) Annual reports Sustainability development reports Invitation letters, documents, information Communicating information through various channels such as websites, telecommunications, emails, fax, and letters Roadshows nationally and abroad Site visits to the stores, factories and storage facilities of the Companies Independent third party assessment to demonstrate that the Companies are securities with quality, are valuable and are stable both at the national and international level, such as, IOD, Thai Investors Association, SET, DJSI and FTSE Russell 	<ul style="list-style-type: none"> Operational results and business expansion Good corporate governance Operational transparency, information disclosure, branding, and social acceptance Impact to the economy of the communities Received a governance assessment, by the IOD and Thai Investors Association Selected as the tier 1 member nationally and internationally, such as, Thailand Sustainability Investment, DJSI and FTSE4Good Index 	<ul style="list-style-type: none"> Managing the business to grow, reduce risks and increase transparency Specifying governance policies and ensuring strict adherence to the policies Providing equal treatment to the shareholders, and to maintain shareholder and investor interests Collect feedback from shareholders and investors to be taken under consideration when determining strategic operational approach of the Companies Determine policies on creating programs and clearly prevent any conflicts to the interests Carrying out work promoting job creation injecting salaries for the local communities through promoting subsidiary business operators in the community Advance and increase the efficiency in operations per principles of good governance Amendments to the charter, various compliance policies on corporate governance, combating corruption, sustainability, environment, and society to align with the international standards



Creditors

Approach to Stakeholder Engagement	Examples of Stakeholder Expectation	Examples of Companies' Responses
<ul style="list-style-type: none"> • Hold meetings to discuss upon request • Documents, letters, and information 	<ul style="list-style-type: none"> • Strict compliance of the agreement and the conditions in relation to the creditors 	<ul style="list-style-type: none"> • Acting in compliance under the agreement and the terms of the agreement where the compliance per the terms of the agreement will be supervised and managed by the originating body. If any issues arise that may risk damages to the overall image of the Companies, their legal department or legal advisors will assist in such supervisory works • When the issue of non-compliance arose between the Companies and its creditors (partners) the Companies had convened meetings to provide the creditors to share their views and past experiences in order to find a way to mutually resolve the issues • Where there were changes in policy, the Companies will directly authorize the relevant bodies to deliver letters and carry out record keeping in order to create an understanding with the creditors in adhering to the Companies' policies
	<ul style="list-style-type: none"> • Performance of obligations per the specifications 	<ul style="list-style-type: none"> • Payments made to the creditors to the designated account following the agreed installment or credit term, and per the conditions that are accurate, transparent, and on time. If there are any instances where the conditions are not being met, it would be notified to the originating body who will communicate with the creditor directly
	<ul style="list-style-type: none"> • To report an accurate, transparent, and auditable financial position • Report on any changes to the financial position of the Companies that are accurate, transparent, and have been audited by a licensed auditor. 	<ul style="list-style-type: none"> • Reports on the financial position of the Companies in respect of the creditors, where accounting will keep a count of creditors whose payment deadlines have been missed each month, together with reasons for such occurrence, specify the amount of payment and deliver a notice confirming the amount owed to the creditor throughout the year, which differs to the recorded amounts, which will be liaised and notified to the creditor for the difference to be cleared, as well as disclosing the results of such process through the annual report every trimester. Apart from this, the creditors to whom outstanding amounts are owed will be audited by the auditor which was subsequently disclosed in its report

