

Corporate of Good Governance, Manage Transparently

KEY PERFORMANCE IN 2019



100%

of employees at all levels have been trained and passed assessment tests on governance and anti-corruption



100%

of Critical Tier-1 suppliers have been communicated suppliers' business ethics and code of conduct



97.51%

of Tier-1 suppliers have provided written acknowledgement



The Company was listed in 5-star Excellent for Corporate Governance Report (CGR) of Thai Listed Companies, ranked by Thai Institute of Directors (IOD)



2020 GOAL



100%

of the Company discloses governance performance according to OECD (The Organization for Economic Co-operation and Development) Framework and sustainability performance through the Company's report by 2020.

Supporting the SDGs



SDG12 Responsible Consumption and Production

12.6 Deploy approach for sustainable operations and communicates sustainability performance through reporting process

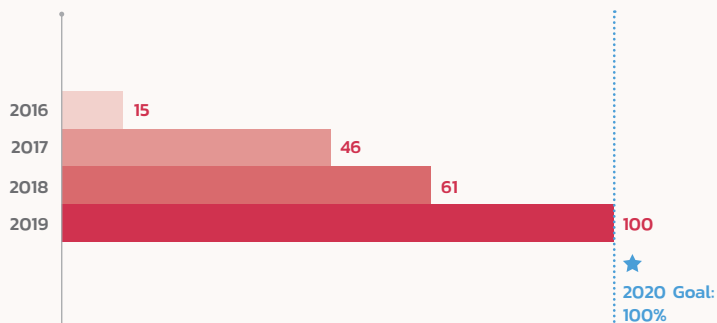


SDG17 Partnerships to achieve the Goal

17.16 Promote international-scale collaboration for sustainable development, through partnerships between stakeholders, to gather and share knowledge, expertise, technology, and financial resource. It serves to facilitate every countries in achieving SDGs, particularly developing countries.

PERFORMANCE AGAINST GOAL


Companies Disclosing Corporate Governance and Sustainability Performance (% of coverage)





Challenges


CP ALL Plc. and its subsidiaries (“the Company”) believes that good corporate governance guideline helps create the foundation of corporate sustainability, enabling the Company’s growth and enhancing competitiveness. This may be in the form of drawing increased interests from investors, and enhancing operational plan for greater efficiency. Effective management systems’ results also provided a clear reflection of the Company’s quality management system. Good systems build long-term trusts for stakeholders. In tandem, governance is another key global trend and challenge that the Company monitors and prioritize. Specific components the Company prioritizes comprise board composition and qualification, per investor groups’ expectation on the Board’s effectiveness assessment. Similarly, the Board’s diversity is another issue that investors around the world pay attention to, along with deeper focus on oversight of corporate culture, the Company’s image and reputation. These factors can directly affect business operations, employees’ attraction and retention. Furthermore, ESG (Economic, Social and Governance) integration with governance is another point investors are interested in, as part of the Board’s duty to integrate sustainability issues with key business strategy. The Company therefore established a governance structure that is efficient, transparent and traceable, within the framework of business ethics and laws. This optimizes benefits to the Company, as well as ensure communication and understanding among employees regarding corporate governance and sustainable development; which was challenging for any given business operations.


PROGRESS IN 2019


-  Deploy governance policy and guideline on conflicts of interests, data privacy and trade competitiveness

-  Conduct governance and anti-corruption training programs in animated form, delivered via E-Learning for employees at officer level to study and take assessment tests

-  Lay out internal control system for risk regulation in work process

-  Develop projects to handle crisis from online, and cyber simulation program

-  Approve charter and appoint sustainable development sub-committee

-  Develop sustainability guideline


CORPORATE GOVERNANCE DASHBOARD

Number and Percentage of Employees Trained and Assessed for Governance and Anti-corruption Training Program; Categorize by Level

Management Level

 **100%** **2,032** persons

Supervisor Level

 **100%** **5,712** persons

Officer Level

 **100%** **57,572** persons



97.51%
6,769 persons

Number and percentage of Tier-1 suppliers provided written acknowledgement



100%
6,942 persons

Number and percentage of Tier-1 suppliers communicated

Risk Management



of functions, operational areas with risks in legal misconduct and corruption



of functions received risk assessment

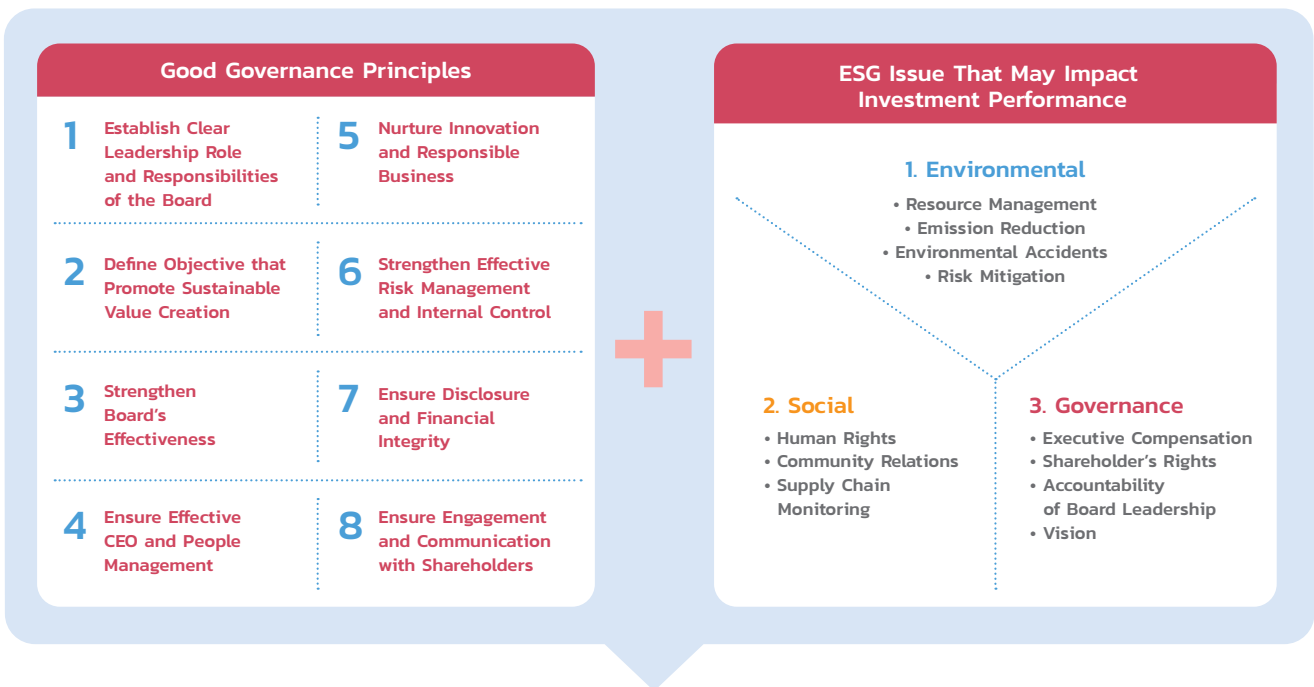


of function with risk management plan

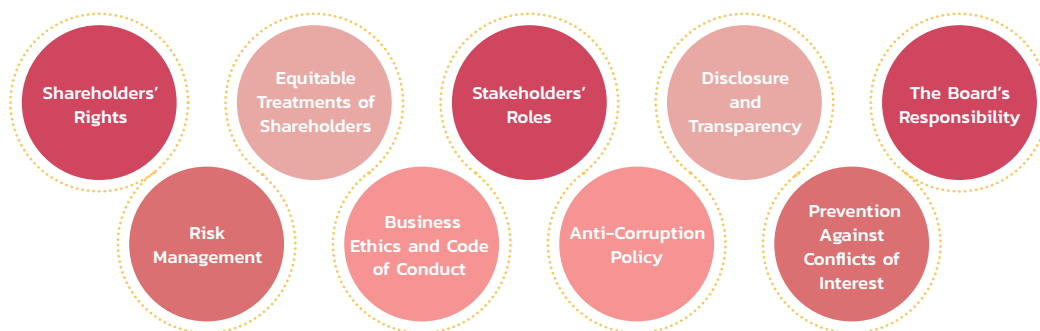
Management Approach

The Board of Directors has set up a corporate governance structure, and appointed Sustainability and Governance Committee to be in charge. The Committee is tasked with setting up corporate governance policy, anti-corruption policy, sustainability policy and guideline, including business ethics and code of conduct. The Committee also reviews and revises corporate governance policy to ensure suitability and alignment with governing principles


established by relevant governmental authority and international standards. As of 2019, the Company has revised corporate standards and regulations to address climate change more. The Company has also modified the structure of Sustainability and Governance Committee, and set up Governance Sub-Committee and Sustainable Development Sub-Committee. Operations will be within the Company’s governance guideline and policy, as follows.



Corporate Governance Policy

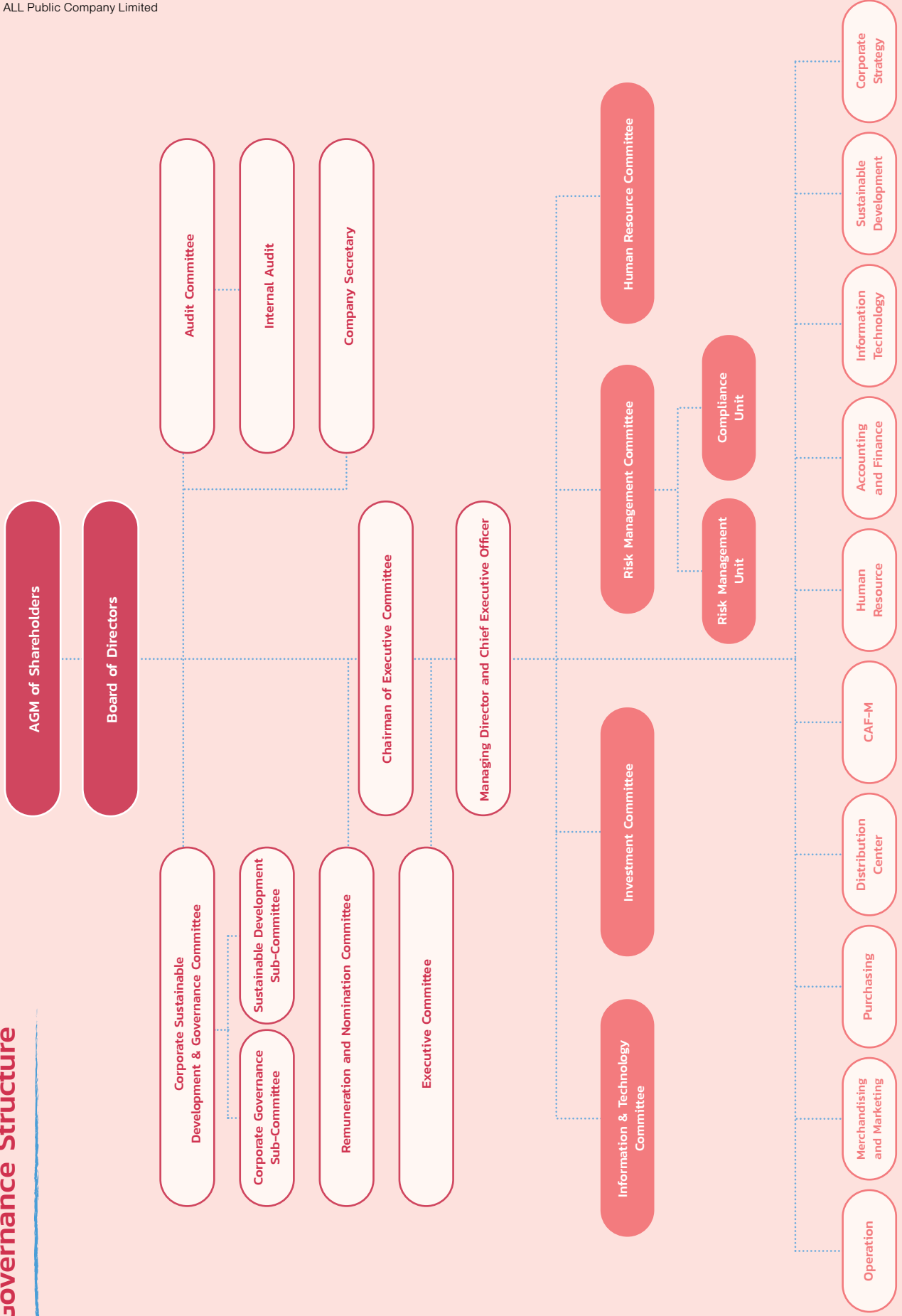


In parallel, the Board has appointed 3 sub-committees to work under the Board. All of which are independent. The sub-committees comprise 1) Audit Committee 2) Sustainability and Governance Committee 3) Remuneration and Nomination Committee. Their roles and responsibilities are as follows.

 Roles and Responsibilities of Audit Committee	 Roles and Responsibilities of Sustainability and Governance Committee	 Roles and Responsibilities of Remuneration and Nomination Committee
<ul style="list-style-type: none"> Conduct financial audits Review the Company's performance to ensure alignment with policies, regulations, laws and requirements of governing authority Review internal control system and internal audits, as well as ensuring thorough risk management Consult with financial auditors for feedback regarding financial statements and internal control Report summary of operation performance and recommendations to the Board 4 times a year 	<ul style="list-style-type: none"> Develop policies on governance, anti-corruption, sustainability and relevant practices, as well as business ethics and code of conduct Review policies to ensure its relevance and consistency at least once annually Report summary of operational performance, and provide recommendations to the Board on the topics of corporate governance, anti-corruption, social responsibility and sustainability management, twice a year Ensure compliance of managers' and employees' work according to governance policy and relevant authority's regulation Review and assess operation results in collaboration with the Board and Management, according to policy, and provide recommendations to ensure operations remain aligned to relevant policy 	<ul style="list-style-type: none"> Consider criteria determining the Board's and high-level Management's remuneration, which will be propose for the Board's feedback Assess high-level Management's remuneration to ensure alignment with operation results Consider nomination criteria and process to ensure appropriate nominees for Board Select nominees from nomination process, and those nominated by shareholders; both groups meeting criteria set by the Company Provide comments to the Board's assembly, prior to proposing to the General Assembly for Board appointment



Corporate Governance Structure



Business Ethics and Code of Conduct

The Company has continuously prioritized business ethics, as demonstrates through publication of Business Ethics and Code of Conduct. The Code of Conduct serves as a guideline for Management, employees, suppliers and contactors in a tangible way, adhering to the rule of laws, transparency, virtue, and social responsibility. Corporate Legal & Compliance Units governs different functions and subsidiaries to ensure compliance to relevant laws and regulation. The Unit monitors legal notice in the Government’s daily gazette, in order to develop guidelines and communicate to relevant functions for correct practice. Communication is done via meetings, seminars, policies, or announcements, the latter for topics of special significance. Furthermore, the Unit also organizes training on new laws relevant to business operations, such as Personal Data Protection Act B.E 2562 (2019). The effort makes certain that all functions understand and are able to operate in accordance to the legal requirements. Additionally, the Unit advises functions with high non-compliance risks. In 2019, the Company announces guidelines on trainers, participation with external bodies, corruption and legal misconduct. The Company has also developed policies and guidelines on conflicts of interests, a data privacy policy, and a policy to make certain business operations are within the rule of laws. The list of guidelines developed also includes guidelines on governing trade competitiveness, and adjust authority for pilot projects or initiatives’ operations. Such extensive efforts demonstrates the Company’s commitment in prioritizing business ethics. Similarly, the Company has also organized trainings and assessments for E-Learning curriculums on governance and anti-corruption, as well as digital mindset through the use of animation. This grants all level of employees accessibility and ease in understanding.

The Company analyzed values generated from aforementioned projects, as follows.



Employees are knowledgeable and fully aware of business ethics and code of conduct; which facilitates monitoring within the Company’s operation, ensures prevention against corruption, or violation of business ethics and code of conduct.



Employees acknowledges that the Company is serious in operating business with ethics; accordingly, the employees come to have positive feelings and engagement with the Company.

87.9%



Mister & Miss Good Governances



Mister & Miss Good Governance was a space for new generations to demonstrate their talents and their opinions on current governance. There were over 124 youth representatives from over 62 offices/functions within CP ALL’s business groups. The representatives were thoroughly trained by experts, and they were able to responses to questions that assess their attitude, perspective and practice on governance. Beyond identifying the sole winner, the contest elevates the visibility of governance’s importance and ensures all functions recognize it. The contest has also become a framework for the Company’s Management and employees to abide to, while remain responsible of the community, society, and nation. It ascertains that business operations are fair to all groups of stakeholders. Mister & Miss Good Governance winners are tasked with the following:

1 To lead by example and share obtained with colleagues for good governance principle’s greater understanding and adherence

2 To participate in visits for development of approach to sustainably foster the Company’s governance

3 To drive forth activities and disseminate knowledge in governance



Mr. Korsak Chairasmisak
Chairman of Executive Committee CP ALL Plc.

The heart of CP ALL’s 30-years success in business lies in the recognition and prioritization of good corporate governance. It serves as the beacon for the Company’s Management and employees to adhere their practice to; to be cognizant of their responsibilities to the community, society and the nation; to operate business equitably with all groups of stakeholders. This is another crucial step forward to instill governance into all levels of employees.