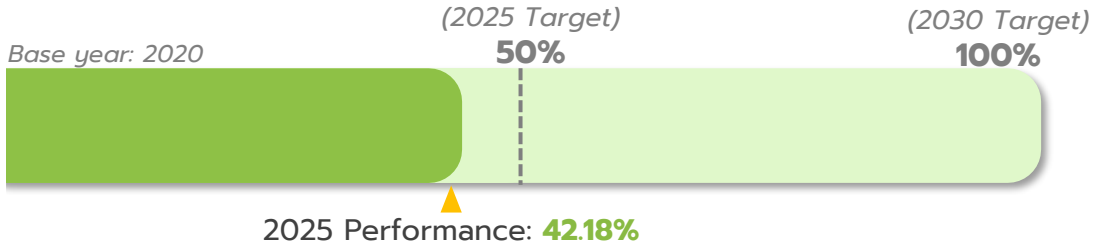
Circular Economy

Target and Performance

Long-term target by 2030

Zero waste and food waste sent to landfill.

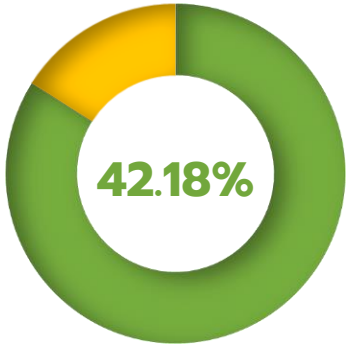


100% sustainable packaging.



2025 Target

- Reduce food waste sent to landfills by at least 50% of total food waste



Of Target

2025 Performance:

- Reduce food waste to landfill **42.18%**
  - › Food surplus **236.08** tons
  - › Animal feed **13,091.26** tons
  - › Composting **2,683.13** tons
- Waste intensity per revenue **0.04** tons per million Baht
- Total waste diverted from landfill **148,993.02** tons
  - › Waste reuse and recycle **132,977.23** tons
  - › Waste incinerated with energy recovery **5.32** tons
  - › Food waste reuse and recycle **16,010.47** tons
- Sustainable packaging **99.95%**

Opportunities and Challenges

As a leading distributor of consumer products, applying the circular economy is paramount in attaining the Company's 2030 Sustainability Targets. Efficient resource utilization, including waste, is the essential strategy to manage resources for optimal utilization value and sustainable product and packaging to mitigate the business impact on society as much as possible. The opportunity of converting waste into products that add economic-social values.

Policy and Management Approach

The Company applies the circular economy and waste management are as one of material and enterprise risk assessment also the being one key of 2030 sustainability strategy. The waste database is collected and stored by type and disposal method to determine impacts throughout the supply chain. This is combined with the three fundamental principles of the circular economy for proper operations. First, minimize adverse effects, second, design products and services that focus on preserving natural resource costs, and third, optimize resource utilization for maximum efficiency. The company commits the environmental protection policy which is public disclose on the website

Waste Management Programs and 2025 Result

The company commits Zero Waste to Landfill within 2030. To achieve the target, we have monthly waste audits to identify opportunities for improving waste performance and the result has reported to Waste management team and being all employee and manager are trained the waste reduction and added to the employee's performance evaluation (KPI). All related functions have action plans to reduce waste generation and must report the progress to top management as quarterly basis.

- Waste audits to identify opportunities for improving waste performance.
- **100%** areas or function where waste is generated are identified, collect data, analysis, action plan and monthly monitor.
- Shrinkage minimization to prevention the waste generate, the cross function working team conduct weekly basis monitoring.
- **100%** employee has trained the waste reduction policy and instruction.
- Food waste & waste utilization.
- Invest innovation and R&D to minimize waste such as near-expired food products are discounted or cooked and sold as ready-to-eat products. digital shrinkage management system, Black soldier fly feeding (Research with universities).
- Integration of recycling programs within every facility to reduce the waste sent to landfill.
- Waste diversion from landfill is certified by an independent accredited body.
- 5Rs to reduce the total waste to landfill.









Zero Waste to Landfill Projects

5Rs Strategy		Actions	2025 Result:
Waste prevention/reduction project	 Reduce	• Not provide free plastic shopping bags to customers. • Not selling deoxy plastic, products contain plastic microbeads and cap seals on beverage bottles.	• **100%** implemented at every store. • **100%** No product contains deoxy plastic, plastic microbead, and cap seal of beverage bottle.
	 Reuse	• Reuse material in operation i.e. plastic wrap, paper boxes, and palettes at stores and distribution centers.	• **72,915.62** tons general waste are reused. • **16,010.47** tons food waste are utilized.
	 Refuse	• Replace with recyclable PET plastic tray for sliced meat or fruit. • Biodegradable material (Banana stem) as the packaging "Local Organic Vegetable". • Utilized plastic bags that a thickness not less than 40-micron (recyclable).	• **1,796.45** tons. replacement of recyclable PET can reduce non-recyclable polystyrene packaging. • **1.20** tons of banana stems are used to substitute the plastic packaging and sale amount is **3,431,430** Baht. • **99.95%** utilized the recyclable material.
Reduce waste sent to landfills	 Recycle	• Plastic and material from own operation are collected, segregated, and sent to recycling process (Wholesale **10,337.36** tons Retail **49,625.99** tons). • Drop point at the store for collecting the plastic packaging from employees, customers, and communities total **44.52** tons.	• **60,007.87** tons of plastic and • **58,008.60** tons of paper waste from stores are sent to the recycling process.
	 Renewable	• "Axtra Green Together" project deployed Drop Points and RVMs at 120 makro and Lotus's stores to collect **42.20** tonnes of PET bottles for recycling into school uniforms. Additionally, the "Recycle Market" was held on weekends at 11 stores, allowing the public to sell recyclables to buyers. • 5th consecutive years, the company collected 1.99 tonnes of post-consumer PET plastic bottles from employees across 9 stores, delivered to Indorama Ventures to produce 200 jerseys for students in Samut Songkhram store. Meanwhile, the Phetchabun store donated 1,976 Baht to Wat Chak Daeng temple which is the selling 328.66 kg of post-consumers PET bottles from store's staffs.	• **44.52** tons are upcycling to new materials or goods. • The company investment in innovation for shrinkage management hardware and software, including the waste reduction training provided to 100% of employees. The Waste reduction strategy has implementing and communicate to all employee and stakeholder.

Example of Waste Management Projects

Activities	2025 Result:
	• Axtra Green Together" project deployed Drop Points and RVMs at 120 makro and Lotus's stores to collect **42.20** tonnes of PET bottles for recycling into school uniforms. Additionally, the "Recycle Market" was held on weekends at 11 stores, allowing the public to sell recyclables to buyers. • **60,007.87** tons of plastic and **58,008.60** tons of paper waste from stores are sent to the recycling process.
	• **58,008.60** tons of paper from distribution center and store are collected to SCGP recycling process. Additional, improve collecting that able to shifting the recycling to reuse for better retaining the value of material.
	• **100**% of employee uniform are made from upcycling PET bottle (PCR). • The Phetchabun store donated **1,976** Baht to Wat Chak Daeng temple which is the selling **328.66** kg of post-consumers PET bottles from store's staffs.

Activities	2025 Result:
	• **1.99** tons of PET plastic (PCR) from makro's store are sent to Indorama Venture PCL PET recycling process, produce **200** jerseys for students in Samut Songkhram store.
	• Lotus's joins hands with True Corporation Plc. Forging ahead the "e-Waste TinkTookTee D TorJai" project, expanding e-Waste points available at **20** Lotus's branches throughout Bangkok and the vicinity area.





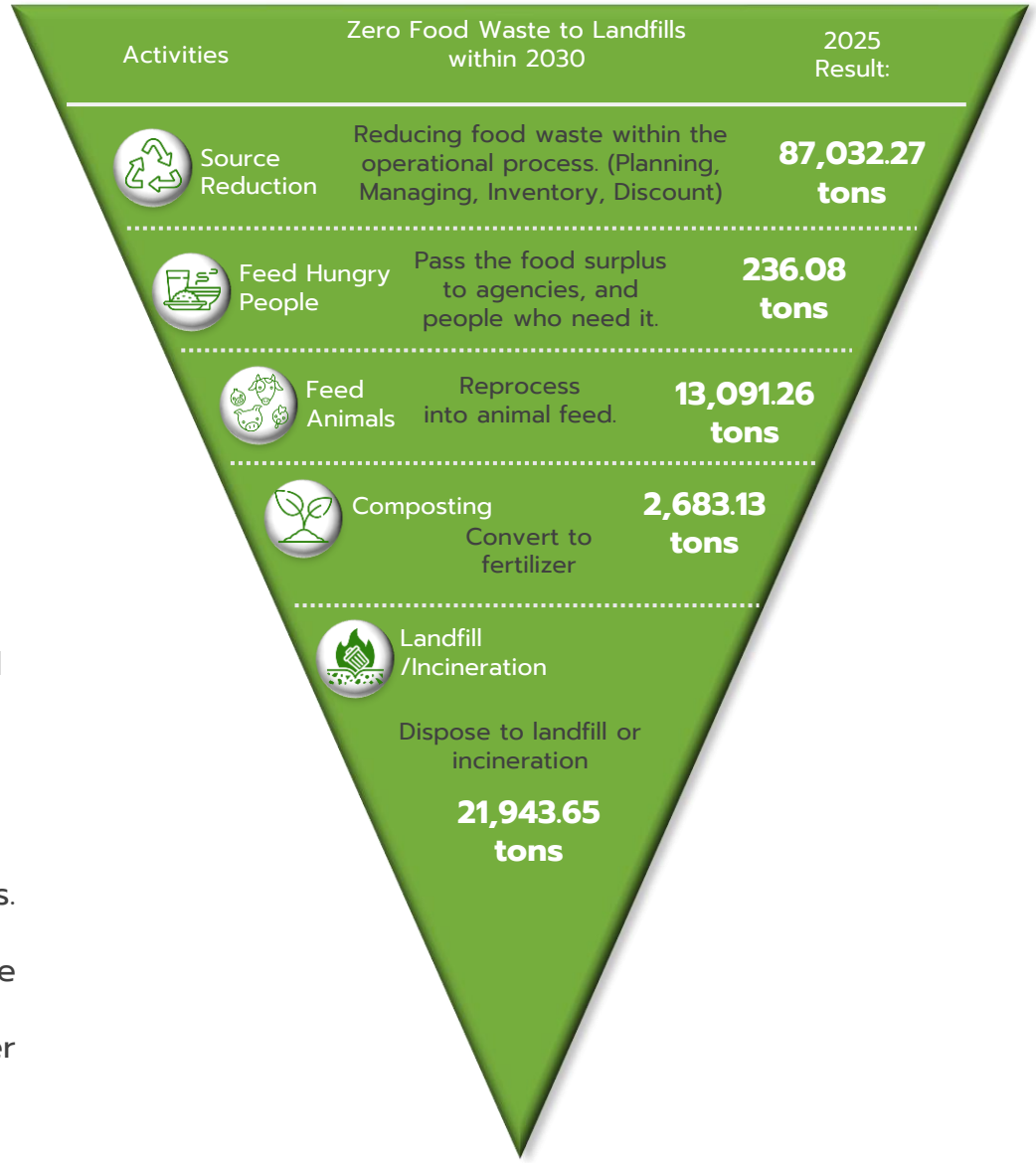


Food Waste Management

The Company's target to be Zero waste and food waste to landfill by 2030.
The Company has an approach and action for food waste management and reduction as follow;

1) Measuring food loss & waste with the acceptable method and breaking down volumes by category and/or lifecycle stage or processing flow to identify the critical area for improvement.
2) Define appropriate action plan and target that may have economic, environmental, or social benefits instead of being discarded without any value creation such as the appropriate inventory planning, destinations, and repurposing actions may include any utilized for other processes including the alternative uses of waste and food waste which based on food safety practice.
3) Train and communicate to raise awareness related to food loss & food waste reduction actions and targets to the employees, temporary workers, contractors, and suppliers in the supply chain.
4) Collaborate and encourage the up/downstream partners, service providers, and contractors among production, transportation, storage, distribution, and trading to reduce the amount of food loss & food waste in the value chain.
5) Publicly disclose the status of the food waste & food loss reduction program and performance compares targets as annual basis.
6) Collaborate with other organizations such as government, education institutes, community, etc. to find opportunities for corporative solutions the food loss & waste such as The World Business Council for Sustainable Development.
   The action to reduce food waste, which company are prioritized step through;
   1) Shrinkage prevention: reducing food waste within the operational process. (Planning, Managing, Inventory, Discount)
   2) Feed hungry people: Passing the food surplus to agencies, and people who need it.
   3) Feed animals: Shifting to animal feed4) Composting: Convert to fertilizer or EM solution.

Zero food waste to zero landfill Projects



Example of Waste and Food Waste Management Projects

"Mai Tay Ruam-waste and food waste segregation" Project

In 2024, All wholesale and retail store signed the collaborate MOU with Bangkok Metropolitan Administration to join the "Mai Tay Ruam" project which the segregated food waste and general waste. The food waste will be composted and utilized in all public parks in Bangkok and the general waste is sent to recycling or energy converting process. Furthermore, the Company's "Segregation is Reduction" project continue the campaign for color code garbage bags to promote the waste segregation behavior among customer and community.







2025 Result:

- Reduce food waste to landfill **16,010.46** tons (wholesale 12,098.09 tons, retail 3,912.37 tons).

"4rd year of Food Waste Donation to the Wildlife Conservation Centers" and "Food Waste for Black Soldier Flies Feeding" Project

Wholesale and retail store continue the 4th year of food waste donation to feed the animal in zoo and national park. As the collaborative MOU with Ministry of Natural Resource and Environment, by Department of Environmental Quality Promotion, The Department of National Parks, Wildlife and Plant Conservation, the Zoological Park Organization of Thailand under the Royal Patronage, and Forestry Industry Organization. The Company's supports the **18** Wild Animal Reservation and Protection Centers upcountry. Furthermore, stores in the Northeast cooperated with Khon Kaen University to pass the food surplus to farmers within the Khon Kaen University network as feed for Black Soldier Flies (BSF), a protein insect, safe towards plants and communities. Furthermore, Makro store at Mahachai and Phetchaburi also collaborate Phetchaburi college for study the research studies the food waste from stores for black soldier flies feeding to find out the proper food waste formula, yield proc











2025 Result:

- **13,091.26** tons are donated for animal feeding (wholesale 11,675.14 tons, retail 1,416.11 tons).

Example of Waste and Food Waste Management Projects

"Donate the food surplus" Project

This project aims to reduce food waste from retail store which cannot sale but still eatable to community nearby Lotus's store (main format) in Bangkok and vicinity and foundation such as Scholars of Sustenance Foundation, V-VShare Foundation and Provincial Social Development and Human Security Office initiated from the pilot project. Furthermore, unsold food was donated to students of Chiang Mai Rajabhat University and Khon Kaen University to help reduce their cost of living





2025 Result:
- **236.08** tons donate as food surplus (from stores in Malaysia)
- **132.84** tons (stores in Thailand), total **368.92** tons

"EM Fermentation from Food Waste" Project

To reduce food waste to landfill by fertilizing the organic food waste, such as citrus fruits and pineapples, into bio-fermented water (EM) used to chemical free deodorize and degradable grease and oil in the sewer and floor at stores. Presently, 116 makro stores continue convert food waste to EM fermentation. Also donate food waste to be used for composting in the surrounding community.







2025 Result:
- **2,683.13** Food waste donation from convert to compost for community (wholesale 422.95 tons, retail 2,260.18 tons)
- **0.39** tons of food waste are converted to EM fermentation

Waste Disposal (exclude food waste)

Waste Disposal (exclude food waste)	Unit	FY 2022	FY 2023	FY 2024	FY 2025	2025 Target
Total waste recycled/reused	Metric tonnes	103,546.24	129,914.13	117,944.65	132,977.23	
Total waste disposed	Metric tonnes	46,873.68	21,349.91	28,973.80	11,190.57	15,000
- Waste landfilled	Metric tonnes	45,412.79	21,348.83	28,971.83	11,179.86	
- Waste incinerated with energy recovery	Metric tonnes	1,454.10	0.00	0.95	5.32	
- Waste incinerated without energy recovery	Metric tonnes	6.79	1.08	1.02	5.40	
- Waste otherwise disposed	Metric tonnes	0	0	0	0	
- Waste with unknown disposal method	Metric tonnes	0	0	0	0	
Data coverage (as % of denominator)	% od business operation	100	100	100	100	

Food loss & Food waste impact

Food waste Disposal	Unit	FY 2022	FY 2023	FY 2024	FY 2025	2025 Target
Total weight of all food loss & food waste	Metric tonnes	32,917.72	42,065.24	42,447.87	37,954.12	40,000
Total weight of food loss & food waste volumes used for alternative purposed	Metric tonnes	2,229.66	3,940.04	6,032.92	16,010.47	20,000
Total food loss & food waste discarded	Metric tonnes	30,688.06	38,125.20	36,414.96	21,943.65	20,000
Data Coverage	% of business operation	100	100	100	100	

Sustainable Packaging

The company commits promoting sustainable packaging to the public and utilization along the supply chain. Then the sustainable packaging strategy starts from stop selling single-use foam packaging. Altogether develop new sustainable packing with the supplier to provide a better solution for the food delivery business, reasonable and environment friendly The Company has an approach and action for sustainable packaging following program as;

- Programs to increase the use of reusable packaging.
- Programs to increase the use of recyclable packaging.
- Programs to phase out single-use plastic packaging.
- Programs to increase the use of recycled material as packaging solutions.
- Programs to ensure that recyclable packaging is actually recycled.
- Allocation of R&D resources to sustainable packaging and alternative solutions

Target: 100% Recyclable packaging by 2030



Base year: 2020

2025 Performance: **99.95%**

2025 Reuse packaging i.e. plastic wrap, paper boxes at stores and distribution centers. **72,915.62** tons general waste are reused.

Strategy to Ensure that Recyclable Packaging is Actually Recycled	
Design	• **Physical specifications** ensure that recyclable packaging i.e. color requirements, utilized plastic bags that a thickness not less than 40-micron (recyclable). • **Chemical specifications** as **100%** No product contains deoxy plastic, plastic microbead, hazardous substances, heavy metal, and etc.
Post-consumer waste	• Drop point at the store for collecting the plastic packaging from employees, customers, and communities total **44.52** tons.
Partnership with recycle factory	• Plastic and material from own operation are collected, segregated, and sent to recycling process total **60,007.87** tons.
New products	• Purchased back as recycled content plastic packaging and sell at stores **4,315** tons.

Example of Increase Reusable Packaging Project

“Shelf Ready Display” Project

To address this issue at the source and promote reuse and recyclability, CP Axtra launch out the new ecofriendly initiative in 2024 by encouraging all supplier and partners to adopt the Shelf-Ready Display (SRD) which made from 100% recycled paper material and redesigned the packaging for better shelf display. Beyond its reduced the environmental impact, SRD packaging also offers the business advantage-it's easier and faster for the staff to stocking and restocking, enhances product visibility and shelf appeal also convenience for customer to pick up the products.





*Watch more videos at
https://youtu.be/Dl-HQzrIZsM?si=h5SvTNn-fxxVLBm1

Example of Phase Out Single-use Plastic Packaging

Innovation project “Sustainable packaging with banana stems”

Create quantitative benefits for society and the environment by replacing single-use plastic packaging with packaging trays made from banana stalks. It can reduce plastic waste and help farmers increase their income.









2025 Result:

- **1.20** tons of banana stem tray replace plastic tray And sale amount **3,431,430** Baht per year.

Example of Increase the Use of Recycled Material as Packaging Solutions Project.

"Recycled Content Products" Project

Ensure that recyclable packaging is actually recycled.
Plastic from stores and offices are collected and shifted to recycling and upcycling process to be the new product as garbage bags contain recycled materials and sell in stores.



2025 Result:

- **4,315** tons (**61%**) of plastic waste from store is sent to be recycled content of new products (rPE garbage bag) and sold in the store and income of **213,459,850** baht.

"Transition to Sustainable Packaging and Promotion of Circular Economy" Project

Commitment to transitioning towards the use of 'sustainable packaging', including recyclable, biodegradable, and reusable materials, as well as packaging that incorporates recycled content. Including the advertisement PP plastic board at store has changed to paper or biodegradable material. This joint initiative aims to drive positive change in Thailand's wholesale and retail sectors, setting a new standard for sustainability in the industry



Packaging made from rPET



Packaging made from paper

2025 Result:

- Sales of **825,829,724** baht, increase of **46.91** % from the previous year.

Example of R&D Resources to Sustainable Packaging and Alternative Solutions Project.

"Sustainable Packaging Product" Project

All stores announced to stop the single-use polystyrene (foam) food box in 2019. Together with continuously educating, promoting, and campaigning to the food business customers, and end consumers with the variable design and accessible prices biodegradable packaging. With a collaborative partnership, can provide more than 530 designed items. Become the centre of in Thailand and motivate sustainable consumer trends.





Biodegradable packaging



2025 Result:

- Biodegradable packaging product is sold in **6,067.56** tons (increased **16.18%** or **470,689,817.77** Baht)
- Income of **64,492,812.98** Baht.

Example of Reduce Single Use Plastic

“Shift Single Use PP Board to Paper Material” Project

CP AXTRA Partners with Leading Companies to Sign MOU on Sustainable Packaging, Promoting Circular Economy. The MOU highlights a commitment to transitioning towards the use of ‘sustainable packaging’, including recyclable, biodegradable, and reusable materials, as well as packaging that incorporates recycled content. This joint initiative aims to drive positive change in Thailand’s wholesale and retail sectors, setting a new standard for sustainability in the industry.











Packaging Materials

Packaging Materials	Coverage (% of cost of good sold)	FY 2025 Total Weight (metric tonnes)	Recycled and/or Certified Material (% of total weight)	2025 Target (% of total weight)	Percentage of materials used that is certified
Wood/Paper fiber packaging	99.98	91,343.63	99.98	100	1% Standard : FCS
Metal packaging (e.g. aluminum or steel)	100	356.48	100	100	n/a
Glass packaging	100	261.78	100	100	n/a

Plastic Packaging

Plastic Packaging	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	2025 Target
Total weight of all plastic packaging	tonnes	12,202.81	16,713.11	18,532.25	18,098.40	18,460.65	13,772.82	18,000
Percentage of recyclable plastic packaging	%	0	0	0	97.00	99.00	99.95	100
Percentage of compostable plastic packaging	%	0	0	0	24.33	25.69	26.69	26.00
Percentage of recycled content within the company's plastic packaging	%	0	0	0	5.09	7.27	15.66	10.00
Coverage	(as a % of cost of good sold)	83	83	83	83	93	100	

About This Report, GRI Data & Content Index and Independent Assurance Statement Link to attachment: https://www.cpaxtra.com/storage/document/sustainability-reports/2025/sustainability-performance-report-en.pdf

LRQA Independent Assurance Statement

Relating to CP Axtra Public Company Limited's Sustainability Report for the calendar year 2025

This Assurance Statement has been prepared for CP Axtra Public Company Limited (CP Axtra) in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

LRQA (Thailand) Limited (LRQA) was commissioned by CP Axtra Public Company Limited (CP Axtra) to provide independent assurance on its Sustainability Report 2025 "the report" against the assurance criteria below to a moderate level of assurance and at the materiality of the professional judgement of the verifier, using AccountAbility's AA1000AS v3, where the scope was a Type 2 engagement.

Our assurance engagement covered CP Axtra's subsidiaries in Cambodia, Malaysia, Myanmar and Thailand, and specifically the following requirements:

- Evaluating CP Axtra's adherence to AA1000 AccountAbility Principles (2018) of Inclusivity, Materiality, Responsiveness and Impact.
- Confirming that the report is in accordance with GRI Standards[1] (2021).
- Reviewing the double materiality assessment process, Codes of conduct compliance system and integrity of CP Axtra's supplier screening, assessment and development process.
- Evaluating the reliability of data and information for only the selected indicators listed below:
  - *Environmental*:
    GRI 302-1 Energy consumption within the organization, GRI 302-3 Energy intensity, GRI 303-3 to 5 Water withdrawal, discharge and consumption, GRI 305-1 Direct (scope 1) GHG emissions, GRI 305-2 Energy indirect (scope 2) GHG emissions, GRI 305-3 Other indirect (Scope 3) GHG emissions (Purchased goods & services, Capital goods, Fuel and energy related activities, Upstream transport and distribution, Waste generated in operations, Business travel, Employee commuting, Downstream leased, Downstream transport and distribution, processing of sold product and used of sold products only), GRI 305-4 GHG emissions intensity, (GRI 306- 3 to 5) Waste generated/diverted form disposal and direct to disposal and food loss & waste and GRI 308-2 Negative environmental impacts in the supply chain and actions taken.
    Social:
    GRI 403-9 to 10 Work-related injuries and ill health, GRI 405-2 Ratio of basic salary and remuneration of women to men and GRI 414-2 Negative social impacts in the supply chain and actions taken.
    Non-GRI : Board Performance review

Our assurance engagement excluded the data and information of CP Axtra's operations and activities outside of Cambodia, Malaysia, Myanmar and Thailand and suppliers and any third-parties mentioned in the report.

LRQA's responsibility is only to CP Axtra. LRQA disclaims any liability or responsibility to others as explained in the end footnote. CP Axtra's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of CP Axtra.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that CP Axtra has not, in all material respects:

- Met the requirements above.
- Disclosed reliable performance data and information for the selected indicators as no errors or omissions were detected.
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

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

[1] https://www.globalreporting.org

LRQA's approach

LRQA's assurance engagements are carried out in accordance with AA1000AS v3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing CP Axtra's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by interviewing CP Axtra's management who engage directly with stakeholder groups as well as reviewing documents and associated records.
- Reviewing CP Axtra's process for identifying and determining double material issues to confirm that the right issues were included in their report. We also tested the filters used in determining material issues to evaluate whether CP Axtra makes informed business decisions that may create opportunities which contribute towards sustainable development.
- Auditing CP Axtra's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling process, and systems, including those for internal verification. We also spoke with key people in various departments responsible for compiling the data and drafting the report.
- Visiting CP Axtra's operations in Malaysia and Thailand as business representative to sampling performance data and information for only the selected indicators to confirm its reliability.

Observations

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

- Stakeholder inclusivity: We are not aware of any key stakeholder groups that have been excluded from CP Axtra's stakeholder engagement process. Stakeholders have the opportunity to express their concerns about how CP Axtra's operations may impact on them.
- Materiality: We are not aware of any material issues concerning CP Axtra's sustainability performance that have been excluded from the report. CP Axtra has processes for identifying and determining material issues from either ESG impact or financial materiality accordingly.
- Responsiveness: CP Axtra has addressed and response the concerns of stakeholders in relation to GHG emissions reduction and OH&S statistics.
- Impact: CP Axtra has processes to evaluate negative ESG impacts from its operations for example, input materials and food loss/waste.
- Reliability: Data management systems are considered to be well defined, but the implementation of these systems varies across CP Axtra's business unit. CP Axtra should consider interim verification to further improve the reliability and of its disclosed data and information.

LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only works undertaken by LRQA for CP Axtra and as such does not compromise our independence or impartiality.

Dated: 20 February 2026

Opart Charuratana
LRQA Lead Verifier
On behalf of LRQA (Thailand) Limited
No. 252/123 (C), Muang Thai – Phatra Complex Tower B.
26th floor, Ratchadaphisek Road., HuayKwang, Bangkok, 10310, THAILAND
LRQA reference: BGK00001274

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