CP Axtra Public Company Limited

Annual Report 2023
(56-1 One Report)

POWER OF ONE

CP Axtra enhanced its operational efficiency and effectiveness through its technology digital, paving the way for new growth opportunities and positioning itself as a leader in the industry.

VISION

To bring about **change** for how life could be **better** fullfiled with **good health, love, joy** and **wellbeing**

MISSION

To become the **number 1 B2B and B2C** retailer in Asia, combining both online and offline, by fulfilling our customers' daily needs with **technology, innovation** and **operation excellence**; together with people and partners in **sustainable** way

CONTENTS

Appendix for Annual Report 2023 (56-1 One Report)
are disclosed on our website
https://www.cpaxtra.com/storage/document/annual-reports/2023/cpaxt-or-2023-en-attachment.pdf

DEFINITIONS

B2B	Refers to	Business to Business
B2B2C	Refers to	Business to Business to Consumer
B2C	Refers to	Business to Consumer
CPALL	Refers to	CP ALL Public Company Limited
CPF	Refers to	Charoen Pokphand Foods Public Company Limited
CPG	Refers to	Charoen Pokphand Group Co., Ltd.
CPH	Refers to	Charoen Pokphand Holding Co., Ltd.
CPM	Refers to	C.P. Merchandising Co., Ltd.
CPRH	Refers to	C.P. Retail Holdings Company Limited
Retail Business	Refers to	Retail business under the name Lotus's in Thailand and Lotus's in Malaysia
Ek-Chai/ ECDS	Refers to	Ek-Chai Distribution System Co., Ltd.
CPRD Group	Refers to	C.P. Retail Development Company Limited, a company with limited liability registered in Thailand, and its subsidiaries on a consolidated basis; because Lotus's completed its acquisition of Lotus's Thailand and Lotus's Malaysia on 18 December 2020, references in this Offering Memorandum to Lotus's for the period from 1 January 2019 to such date of acquisition are to Lotus's "as-if" Lotus's Thailand and Lotus's Malaysia had been consolidated subsidiaries of Lotus's on a pro forma basis from 1 January 2019;
CPRD	Refers to	C.P. Retail Development Company Limited only not including subsidiaries of C.P. Retail Development Company Limited
The Company/ CP AXTRA	Refers to	CP Axtra Public Company Limited and its subsidiaries on a consolidated basis.

Lotus's Malaysia/ LTMY/ Lotus's-MY	Refers to	Lotuss Stores (Malaysia) Sdn. Bhd., and subsidiaries.
Lotus's Thailand/ LTTH/ Lotus's-TH	Refers to	Lotus's Stores (Thailand) Co., Ltd., and subsidiaries.
Wholesale Business	Refers to	Makro-Thailand, Makro-International and Foodservice APME
Makro-TH	Refers to	Makro-Thailand Business
Makro-INT	Refers to	Makro-International Business
Foodservice APME	Refers to	Foodservice business focuses on import-export-distribution of premium frozen and chilled food business with delivery
O2O	Refers to	Offline to Online / Online to Offline Business
Omni Channel (OCS)	Refers to	Online and out-store sales along with delivery products to customers through Makro Pro, Lotus's App, Salesforce, and 3rd party platforms
CP Group	Refers to	CPG and its affiliate companies, including CPALL, CPH and CPM
Lotus's Acquisition	Refers to	The entire business transfer of CPRH to **CP AXTRA** including assets, liabilities, rights, and obligations of CPRH in which CPRH is an investment holding company which its main assets being shares in CPRD in in the proportion of 99.99 percent of the registered capital of CPRD and other assets such as cash and cash equivalents. CRPD holds (a) 99.99 percent in Lotus's Thailand which holds 99.99 percent shares in Ek-Chai, an operator of a retail business under the name Lotus's in Thailand (b) 100 percent in Lotus's Malaysia, an operator of a retail business under the name Lotus's in Malaysia.
LPF Fund	Refers to	Lotus's Retail Growth Freehold and Leasehold Property Fund
Subsidiaries	Refers to	Subsidiaries according to the definition as specified in the Notification of the Security and Exchange Commission Kor. Jor. 17/2008 Re: Definitions in the announcements relating to the issuance and securities offering (as amended)
Associates	Refers to	Associates according to the definition as specified in the Notification of the Security and Exchange Commission Kor. Jor. 17/2008 Re: Definitions in the announcements relating to the issuance and securities offering (as amended)
HoReCa	Refers to	Hotels, restaurants, and catering business operator
SEC	Refers to	The Securities and Exchange Commission
SEC Office	Refers to	The Securities and Exchange Commission, Office
SET	Refers to	The Stock Exchange of Thailand
Public Limited Companies Act	Refers to	Public Limited Companies Act, B.E 2535 (1992) (as amended)
Security and Exchange Act	Refers to	Security and Exchange Act, B.E. 1992 (as amended)


makro
Lotus's
MALL

EVOLUTIONING
THE INDUSTRY, LEADING TO
"RETAIL TECH"

Modernity

Platform

People

Brand Love

MODERNITY

THINK OF BETTER,
THINK OF AXTRA

Optimizing the potential of our existing assets to its full potential and paving the way for new growth opportunities with digital technology

1.2 million
permanent net leasable area (sq.m.)

93.5%
occupancy rate

2 Hybrid stores

PLATFORM

Seamless offline to online

Experience unparalleled customer service with our wide range of quality products at valuable prices, all while enjoying a seamless shopping experience from online to offline.

Sizeable stores network
2,690 stores
2.7 million sales space (sq.m)

Omni Channel Sales
13%
contribution

> 1,000 CP Axtra salesforce to enhance FR's & restaurant wealth

PEOPLE

Service-minded with warm smile

Highlighting the progress and well-being of our people invanous aspects recognizing their tremendous worth as our most valuable resource.

A team of over
88,000
professionals

Sustainably perform specific duties and responsibilities
Average **47.30**
hrs/person/year of training for all employees

Growth Opportunities
Developing, enhancing and advancing in career

BRAND LOVE

Build together, moving torward

Make a positive impact on the communities we serve through our commitment to sustainability and ongoing support for our shareholders, partners, societies, and our people.

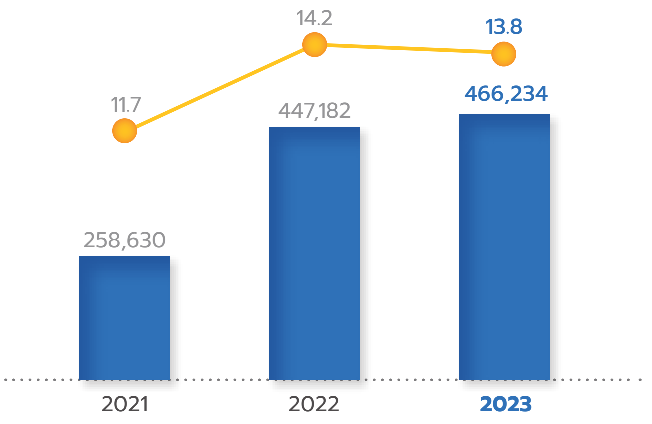
100% Recyclable packaging for private label products

Supported school lunch program more than **3,000,000** meals through "Im Suk Project"

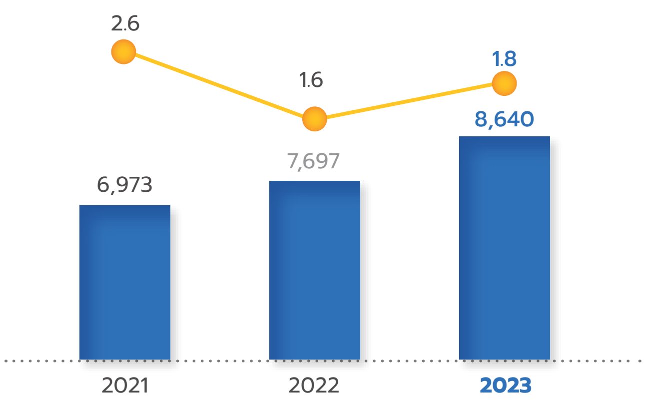
Jobs creation to the society **400,000** jobs within 2030

Financial Highlights

Total Sales and Gross Profit Margin
Unit: Baht Million / %



Net Profit and Net Profit Margin*
Unit: Baht Million / %



*Excluding gain on step acquisition

As at 31 December

	2021	2022	2023
Number of Stores			
Total Stores	2,829	2,805	**2,690**
Thailand	2,760	2,730	**2,614**
Oversea [(1)]	69	75	**76**
Financial Performance (Baht million)			
Total Sales	258,630	447,182	**466,234**
Total Revenues	266,367	469,131	**489,949**
Gross Profit	30,292	63,577	**64,341**
Net Profit	13,687	7,697	**8,640**
Net Profit (Excluding gain on step acquisition)	6,973	7,697	**8,640**
Earnings per Share (Baht)	2.38	0.73	**0.82**
Financial Position (Baht million)			
Total Assets	569,490	548,643	**540,371**
Total Liabilities	280,992	257,712	**246,899**
Interest-bearing Debts [(2)]	136,319	111,662	**96,185**
Issued and Paid-up Share Capital	5,290	5,290	**5,290**
Retained Earnings	25,699	28,185	**31,410**
Total Equity	288,498	290,931	**293,472**
Financial Ratios			
Gross Profit Margin (%)	11.7	14.2	**13.8**
Net Profit Margin (%)	5.0	1.6	**1.8**
Interest-bearing Debt to Equity [(2)] (time)	0.47	0.38	**0.33**
Return on Total Assets (%)	3.6	1.4	**1.6**
Return on Equity (%)	8.8	2.7	**3.0**
Stock Data			
Share Capital (Million ordinary shares)	10,580	10,580	**10,580**
Par Value per Share (Baht)	0.50	0.50	**0.50**
Book Value per Share (Baht)	27.22	27.44	**27.69**
Dividend per Share (Baht)	0.72	0.51	**0.57** [(3)]

Notes:
(1) Excluding restaurant / minimart under Food Service Business Unit.
(2) Interest-bearing debts excluding lease liabilities.
(3) Dividend per share of Baht 0.57 includes the followings;
- Interim dividend of Baht 0.18 per share paid on 6 September 2023
- Final dividend of Baht 0.39 per share proposed by Board of Directors for shareholder's approval at the 2024 Annual General Meeting of Shareholders.

Message From the Chairman

Mr. Suphachai Chearavanont
Chairman of the Board of Directors

This 2023 is a year of remarkable growth and significant transformation for CP Axtra Public Company limited ("The Company"). The Company remains committed to adapting and evolving, as well as constantly striving to increase its competitive potential both domestically and regionally. These qualities form the cornerstone of the vision to pursue leading the industry as the best in retail and wholesale tech.

The Company has focused on the development of products and services that not only answer the needs of diverse customers but also enhance their shopping experiences, be they online or foot traffic through the stores, namely to and from our signature fresh food section. We understand that consumers are seeking quality products at a great value alongside healthy and sustainable, eco-friendly alternatives. The Company aims to go one better with a wide assortment of products that cater to these needs, ultimately enhancing sales and customer satisfaction.

One of our key strategies was to optimize the value of our assets. In 2023, we continued to increase the value of existing assets with enhanced operational efficiency and effectiveness and, in turn, created new opportunities for growth and profitability, ensuring all shareholders and stakeholders that every hardware is firing on all cylinders for their optimal, fullest value.

Digital transformation is the key catalyst for a fruitful journey to enhance its competitive potential both domestically and regionally. We have made significant investments in cutting-edge technology and digital infrastructure to improve our customer experiences and operational efficiency. The Company's online platforms and digital services have seen tremendous growth, and we continue to explore innovative ways to connect with our customers in the digital realm, towards our aspiration to become a leading retail tech company.

We recognize that sustainability is not just a buzzword but a fundamental responsibility. In 2023, we made substantial progress in our Environmental, Social, and Governance (ESG) area and we were privileged to become a member of world-renowned global and local indices. In so doing, we continue to focus on business management aspects that align corporate governance to Sustainable Development Goals. We have implemented rigorous governance standards, ensuring transparency, accountability, and ethical conduct throughout our organization. Moreover, we have taken steps to reduce our environmental footprint and contribute positively to the communities we serve. Our in-house structure, capacities, and personnel model together form a potential fulfiller that synchronizes development and supports current business undertakings alongside those planned for the future, and their well-being is key, as we recognize that they are our most valuable asset.

Last but not least, on behalf of the Board of Directors, I would like to express my deepest gratitude to our shareholders, partners, and stakeholders for your unwavering trust and support. I would also like to thank the Board of Directors, executives, and employees for their hard work and dedication to the Company. Together, we achieved remarkable milestones in 2023. With it, I am confident the Company is more than capable of synchronizing multiple fronts for good, intended results. Lastly, the Board of Directors and I would like to assure you that the Company is firmly committed to conducting business under good corporate governance and adhering to the Company's codes of conduct in pursuit of sustainable growth for the nation, the community, and all groups of the Company stakeholders alike.

Report of the Audit Committee

Dear Shareholders,

CP Axtra Public Company Limited's Audit Committee, appointed by the Board of Directors, consists of three independent directors who are qualified and have experience in various fields, and are independent as stipulated by the Stock Exchange of Thailand. The members of the Audit Committee are Mr. Ralph Robert Tye, as Chairman of the Audit Committee, Mrs. Kannika Ngamsopee and Mr. Jukr Boon-Long as members of the Committee. Serving as secretary to the Audit Committee is Ms. Busakorn Rakkanka, Head of Internal Audit Department.

The Audit Committee has discharged its duties by rendering independent opinion according to the roles and responsibilities specified in the Audit Committee Charter, complying with the Best Practice Guidelines for Audit Committee of the Stock Exchange of Thailand as well as the Corporate Governance Code of the Securities and Exchange Commission, Thailand. During the year 2023, the Audit Committee proceeded as follows:

1. The Audit Committee held nine meetings to perform its duties as assigned by the Board of Directors and presented the audit committee report to the Board of Directors on a quarterly basis. The attendance at the Audit Committee's Meetings for the year 2023 by Mr. Ralph Robert Tye and Mrs. Kannika Ngamsopee was nine times and by Mr. Jukr Boon-Long was eight times. During the year, the Audit Committee also had regular meetings with the external auditors in which one of the meetings was without the presence of management. In this private meeting, the Audit Committee and the external auditors discussed their audit independence and other concerns, if any.

2. Reviewed the Company's Audit Committee Charter and Internal Audit Charter on an annual basis. For the current year, the role and responsibilities of the Audit Committee and Internal Audit were considered, and additional areas had been included according to the Audit Committee's Best Practice Guideline issued by the Securities and Exchange Commission Office.

3. Reviewed and approved the internal audit plan prepared by the Internal Audit Department based on our Roadmap for Transformation (2020-2023) to become the "Next-Generation Internal Audit" and the Company's risk assessment. The plan's focus is on collaboration with 1st line and 2nd line of defense in order that internal audit work is responsive to the changes in risk (continuous risk sensing), while maintaining independence in conducting the audit. To enhance efficiency and standardization, technology is integrated into the internal audit process through the usage of data analytics and "Internal Audit Management System (IAMS)", a project management tool. The audit plan is continuously developed and included in the 2024 annual audit plan.

   In conclusion, the Audit Committee was highly satisfied with the internal audit function, its independence, the adequacy and effectiveness of work and the continuous quality development of people, process and technology.

4. Reviewed the quarterly and annual financial reports of the Company which included the performance of its subsidiaries and the disclosure of material information. Considered the external auditor report through meetings with the external auditors and the executive management to discuss the key areas and changes that were relevant to the review and audit of the financial reports. This was to ensure that the Company's financial statements presented fairly, in all material respects, the Company's financial position and financial performance, in accordance with Thai Financial Reporting Standards.

5. Reviewed the Company's connected transactions and disclosure of related party transactions between the Company and related companies to ensure that the Company complied with the terms of business and rules stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand. In this context, the Audit Committee assigned the Internal Audit Department to review the Company's connected transactions and report the outcome to the Audit Committee. The results of the Internal Audit Department's review showed that the connected transactions were undertaken in the normal course of business and no unusual transaction was found.

6. Reviewed the adequacy and effectiveness of the Company's internal control systems which covered key business processes, for both domestic and international operations. Base on the internal audit report and the review report on internal controls of the Company and Group's finance and accounting by the external auditors for the year 2023, the Audit Committee was opined that the Company's internal control systems were adequate and appropriate.

7. Reviewed with the management the efficiency and effectiveness of risk management at an organisational level (Enterprise Risk Management), including risk management policy, plan and management approach that impact the Company's operational result. Worked with the management to ensure the continuity and effectiveness of risk management on a quarterly basis. Subsequently, the Internal Audit Department was assigned to prepare a risk-based audit plan which aligned with the result of the risk assessment.

8. Considered selecting, recommending the appointment of the external auditors, and giving opinion to the Board of Directors for approval at the shareholders' meeting. The Audit Committee's meeting unanimously approved the appointment of KPMG Phoomchai Audit Co., Ltd. as an external auditor for the year 2023 including the scope and annual audit plan of the external auditors.

9. Considered the policy of engaging an auditor to perform non-audit services; and reviewed the use of service for good corporate governance by considering the appropriate actions and independence of the external auditors.

10. Monitored the result of whistleblowing and complaint-making process of the Company and its subsidiaries as reported by the Internal Audit Department. Regarding the whistleblowing information concerning fraud, misconduct and the violation of the Code of Conduct, the Internal Audit Department independently reviews and is involved in the investigation process. Furthermore, the Internal Audit Department also acknowledges and monitors the subsidiaries' complaints. The Company took strict disciplinary actions, including reviewing working procedures and stressing code of conduct training for employees to prevent such risks.

11. Considered the Internal Audit Department's report on the Company's compliance with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and other legislations including Anti-Corruption Guidelines and regulations. The Audit Committee was of the opinion that the Company had closely supervised and controlled its operations to ascertain that every unit operates properly and was in compliance with the laws, rules and regulations related to its businesses.

12. Reviewed the consistency of the financial reports with other information on financial position and operating results that the Company had disclosed to investors or related parties. Based on the internal audit report, the Audit Committee was of the opinion that the Company's other information disclosure of financial position and operating results is consistent with the financial results.

13. Reviewed whether the proceeds from raising of funds had been appropriately used according to the disclosed objectives. Based on the internal audit report, the Audit Committee was of the opinion that the proceeds had been appropriately used according to the disclosed objectives.

In summary, the Audit Committee is of the opinion that the Company's financial statements had presented fairly, in all material respects, the Company's financial position and financial performance, in accordance with Thai Financial Reporting Standards. Furthermore, the Company's internal audit, internal controls and risk management were appropriate and effective. The Company is also in compliance with the applicable laws and regulations and has followed the principles of good corporate governance.

Mr. Ralph Robert Tye
Chairman of the Audit Committee

Report of the Corporate Governance and Sustainable Development Committee

Dear Shareholders,

The Board of Directors of CP Axtra Public Company Limited has appointed the Corporate Governance and Sustainable Development Committee comprising 2 independent directors and 1 non-executive director who are qualified and knowledgeable as well as having a wide range of experiences according to the requirements of the Stock Exchange of Thailand and are suitable for serving as a member of the Corporate Governance and Sustainable Development Committee. The appointed committee members are:

1. Adj. Prof. Rawat Chamchalerm — Chairman of the Corporate Governance and Sustainable Development Committee
2. Mr. Jukr Boon-Long — Member of the Corporate Governance and Sustainable Development Committee
3. Mr. Umroong Sanphasitvong — Member of the Corporate Governance and Sustainable Development Committee

The Corporate Governance and Sustainable Development Committee has performed its duties in accordance with the Charter of the Corporate Governance and Sustainable Development Committee and as assigned by the Board of Directors. There was a total of 3 meetings, with details of meeting attendance as follows:

Name	Position	No. of Attending the Meetings
1. Adj.Prof. Rawat Chamchalerm	Chairman of the Corporate Governance and Sustainable Development Committee	3/3
2. Mr. Jukr Boon-Long	Member of the Corporate Governance and Sustainable Development Committee	3/3
3. Mr. Umroong Sanphasitvong	Member of the Corporate Governance and Sustainable Development Committee	3/3

The Corporate Governance and Sustainable Development Committee performed its duties and regularly reported a summary of its performance to the Board of Directors. The significant tasks in 2023, which can be summarized as follows:

1. To consider and approve the report of the Corporate Governance Committee performance to disclose in the Annual Registration Statements / Annual Report 2022 (Form 56-1 One Report).
2. To consider, review and amend the Charter of the Corporate Governance Committee by changing the name from the Corporate Governance Committee to the Corporate Governance and Sustainable Development Committee with added an additional roles and duties of the Company's sustainable development become a part of the duty and responsibilities of the Corporate Governance and Sustainable Development Committee.
3. To consider and approve the 2023 corporate governance and sustainable development plan.
4. To consider and approve the appointment of a working group for sustainable development to drive the organization towards sustainable development goals and appoint a working group for the Thailand Private Sector Collective Action Coalition Against Corruption to drive the implementation of anti-corruption policy continuously and promote the operations of the Company with transparency and achieving the success in accordance with the Company's goals.
5. To consider, review and amend the Company's anti-corruption policy by adding an information regarding the guidelines has been revised to be consistent with the self-assessment on anti-corruption measures, version 4.0 of the Thai Private Sector Collective Against Corruption (CAC) and presented to the Company's Board of Directors' meeting for further consideration and approval.
6. To consider, review and amend Tax Policy by adding an information to be in line with national policy under the inclusive framework on the prevention and migration of tax bases of multinational companies of the Organization for Economic Co-operation and Development (OECD).

In addition, the Company's corporate governance and sustainable development operations for the year 2023 will be implemented to achieve the goals set out as follows:

1. The Company has carried out communication/public relations to create awareness and understanding in relation to continuously practices of the principles of good corporate governance, code of conduct and anti-corruption by focusing on applying it to our actual practices.
2. The Company has prepared a survey on the perception and understanding of our employees regarding corporate governance and code of conduct. The survey results were applied to optimize the Company's good corporate governance operations.
3. The Company received a full score of 100 points on the AGM Checklist for the 7th consecutive year, reflecting the quality assessment of the annual general shareholders' meeting.
4. The Company was assessed as "Excellent" for the 6th consecutive year according to the 2023 Corporate Governance Report of Thai Listed Companies (CGR).
5. The Company received the results of the SET ESG Ratings for the year 2023 at the "AAA" level.

The Corporate Governance and Sustainable Development Committee is committed to promote, support, and develop an efficiency in corporate governance of the Company to achieve the goal of sustainable growth, obtain the confidence from investors to create value and benefits to stakeholders in the long term, and leading the Company to further international recognition in the process.

(Adj. Prof. Rawat Chamchalerm)
Chairman of the Corporate Governance and Sustainable Development Committee

Report of the Nomination and Remuneration Committee

Dear Shareholders,

The Board of Directors of CP Axtra Public Company Limited has appointed the Nomination and Remuneration Committee comprising 2 independent directors and 1 non-executive director who are qualified and knowledgeable as well as having a wide range of experiences according to the requirements of the Stock Exchange of Thailand and are suitable for serving as a member of the Nomination and Remuneration Committee. The appointed committee members are:

1. Adj. Prof. Prasobsook Boondech Chairman of the Nomination and Remuneration Committee
2. Mr. Korsak Chairasmisak Member of the Nomination and Remuneration Committee
3. Mr. Jukr Boon-Long Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("Nomination Committee") has performed its duties with care, transparency and fairness as assigned by the Board of Directors. There was a total of 2 meetings, with details of meeting attendance as follows:

Name	Position	No. of Attending the Meetings
1. Adj. Prof. Prasobsook Boondech	Chairman of the Nomination and Remuneration Committee	2/2
2. Mr. Korsak Chairasmisak	Member of the Nomination and Remuneration Committee	2/2
3. Mr. Jukr Boon-Long	Member of the Nomination and Remuneration Committee	2/2

The Nomination and Remuneration Committee performed its duties and regularly reported a summary of its performance to the Board of Directors. The significant tasks in 2023, which can be summarized as follows:

1. To consider and approve the report of the Nomination and Remuneration Committee performance to disclose in the Annual Registration Statements / Annual Report 2022 (Form 56-1 One Report).
2. To consider and review the qualifications of 5 directors who were due to retire by rotation in 2023, taking into account the legal qualification requirements, relevant regulations, the board charter and board diversity, such as skills, industry knowledge with business experience and specific skills that are most beneficial to the Company, the ability to manage the Company's business regardless of gender and age including time dedication as perform the duties of a director and propose the opinions to the Board of Directors for approval and further to recommend the same in the 2023 Annual General Meeting of Shareholders to re-elect the 5 directors for another term.
3. To consider the 2023 remuneration structure and rate for the Company's directors, taking into account the suitability a directors' responsibilities against the business size and comparable listed companies in the same industry while correlating remuneration with economic trends, overall company performance, and the dividend payout ratio to shareholders as the priority, and proposed the opinion to the Board of Directors for approval and further consideration in the 2023 Annual General Meeting of Shareholders under the approval criteria.
4. To consider the results of the evaluation of the Board of Directors' performance for the year 2023 and report the results to the Board of Directors for their acknowledgement.
5. To consider and review the charter of the Nomination and Remuneration Committee and conclude that it is appropriate, adequate, and consistent with relevant practices and criteria, including current Company business operations. At present, there is no requirement to amend a charter.
6. To consider the development plan for directors and senior executives for the year 2024 to continuously develop knowledge, increase necessary skills including strengthening potential as well as providing business operations knowledge to meet the Company's goals and strategic plans for our directors and senior executives.
7. To consider and improve the assessment form for the board and sub-committees' performance to be in line with the updated best practices of the Thai Institute of Directors (IOD).

Furthermore, the Nomination and Remuneration Committee has promoted and supported to provide an opportunity for shareholders to propose candidates to be elected as a director of the Company. There were no shareholders to nominate candidates to be elected as a director at the 2023 Annual General Meeting of Shareholders.

In this regard, the Nomination and Remuneration Committee perform duties and responsibilities with care and honest as specified in the Charter of Nomination and Remuneration Committee as assigned by the Board of Directors, completely adhering to the principles of good corporate governance and taking into account the balanced interests of all groups of stakeholders in a sustainable manner.

(Adj. Prof. Prasobsook Boondech)
Chairman of the Nomination and Remuneration Committee

Highlight Activities in 2023

January

launching mobile application **"Makro PRO"** a one-stop-service **"Sell – Buy – Reward"** in one application to offer good variety of over 50,000 products, to meet all demands as a professional platform

A new brand **"Lotus's Privé"** under the concept of **"Premium Inclusive"**, making "premium" accessible and inclusive for all. The first store opened at ICS, the mixed-use lifestyle town

April

Makro launched of EV Delivery Fleet by joined hands with global EV use electric-powered delivery trucks and **plan more than 300 clean energy delivery trucks** in next 3 years, reduction of carbon dioxide emissions up to 2,500 tons per year, **equivalent to planting 114,000 trees**.

Opened **Lotus's Pick & Go by True Digital**, a smart unmanned store in collaboration with True Digital Group, bringing in **RetailTech** to transform retails into the digital era.

July

Opened **"Lotus's Eatery"**, a new food court spanning 1,500 sq.m, at **True Digital Park** building

August

Makro HoReCa Academy (MHA) joined hands with the Department of Business Development organized workshop for the **"Smart Restaurant Plus 4"** program, aiming to elevate the restaurant business operators to keep up with the dynamic and foster the development of entrepreneurs' skills, enabling sustainable growth and competitiveness.

Makro organized Partners Conference, sharing business direction and future cooperation to develop a sustainable relationship and growth together.
Over 1,200 business partners

The new **Hybrid Wholesale** format, with at **"Makro Samut Prakan."** This venture leverages Makro's strengths as a wholesale center for consumer goods and Lotus's Mall as the community's lifestyle center. It offers a **One-Stop Service** for professional and retail customers.

October

"Makro Shohuay on Tour" Makro launched Shohuay on Tour that support Thai Shohuay business operators to be able to manage the store to keep up with the trends and sustainable growth for all regions.

Reopening of **Makro Srinakarin** store by developing store that meet the digital age. Emphasizing the wholesaler leader for **34 years** along with entrepreneurs and consumers under the concept **"Built Together, Moving Forward Together"**

November

Makro expands its 2nd **"Hybrid Wholesale"** store at Makro Promminimit branch in Nakhon Sawan

"Makro HoReCa 2023", with the concept of **"FOODINATION"**, the ultimate destination of food ingredients and cooking equipment with international standard

New Branches in 2023

Makro total **10 stores**

Lotus's Thailand **50 stores**

Lotus's Malaysia **3 stores**

2023 Awards and Recognition

Disclose the company's greenhouse gas management information on the **CDP** (Carbon Disclosure Project) website for the first year. Including environmental information and measures to reduce the company's environmental impact.

Obtained initially
ESG Ratings "A" from MSCI ESG Research
are designed to measure a company's resilience to financial material environmental, social and governance (ESG) risks.

Achived the **"Industry Mover"** award for the hightest increased CSA Score 2023 in Food & Staples Retailing industry

Continuous achieved 4 consecutive years
2023 FTSE4Good Index Series 2023

Achived The **2023 SET ESG Ratings** with **"AAA"** scores for the first year. Ranking for listed companies that have sustainable business operations. Consider the environment, social responsibility, and corporate governance (Environmental, Social, and Governance: ESG).

Achived "Low Risks" Rating by Morningstar Sustainalytics indicating the company's potential environmental, social, and governance (ESG).

Received the international Award "Top Employer 2023 in Thailand" from Top Employers Institute, reinforcing the organization's leadership as a strong employer brand. and has world class standards

Received 2 awards from ASIA CEO SUMMIT & AWARD CEREMONY from Influential Brands, Singapore

1. Top Influential Brands in Supermarket category
2. Outstanding Leader

One of Top 50 Companies that New Generation would like to work for in 2023
surveyed by WorkVenture

Received 5 awards from Marketing Excellence Awards 2023

1. Excellence in Marketing Transformation
2. Excellence in Digital Marketing
3. Excellence in Loyalty Marketing
4. Excellence in Retail/ Shopper Marketing
5. Marketing Team of the Year

Awarded **"Most Trusted Brand"** of
Thailand Top Company Awards 2023
by Business+ magazine, staged
recently by ARIP PCL and
the University of the
Thai Chamber of Commerce (UTCC)

Best Brand Performance on Social Media
in Hypermarket & Supermarket category,
the Best Brand Performance On Social Media
award in the Hypermarket & Supermarket category for their
creative use of social media and outstanding works. The award
was announced by Wisesight (Thailand) Company Limited, a technology
company that develops marketing data analysis software.

Honored the Best Practice of Labour Relations
Management Awards and Occupational Safety's Award
for 2023, according to the Department of Labor Protection
and Welfare, for the ninth consecutive years.

Received the **Global Sustainable Energy and Environment (GSEE) Awards 2023**.
The Platinum award was given to Makro Bangplee store and the Gold award was given to Makro Nakhon In store in recognition for their outstanding contributions in the field of energy and environmental sustainability. The award ceremony was held by the Provincial Electricity Authority

Awarded the **HR Asia Best Companies to Work for in Asia 2023** reflecting the significance placed on human resource management in our journey towards creating an excellent working environment.

Received 2 awards from HR Excellence Awards 2023, Recognizing its Excellence in Human Resource Management.

1. Award in "Excellence in Women Empowerment Strategy" category, recognizing the commitment to gender equality and advancing women within the organization,
2. "HR Manager of the Year," organized by Human Resources Online, Singapore

My Lotus's NFT has won a prestigious **Bronze Award in the Innovations & Martech Category at Marketing Award of Thailand 2023**

Continuously Recertified
as a member of the Thai Private Sector Collective Action Against Corruption (CAC)

Received Recognition and Honors from Department of National Parks, Wildlife and Plant Conservation to drive business sustainability. The company is striving for a "Zero Waste to Landfill" policy through redirecting surplus food (Food Waste) to support wildlife across the country.

The Legal 500 awarding **The GC Powerlist: Southeast Asia Teams 2023** in recognition of the organization's legal performance. Selecting from 800 leading companies in the region.

Received the **CAC Change Agent Award 2023** from CAC National Conference 2023 for the second consecutive years. This award honors companies certified by CAC that have encourage thier partners to join and declare their intention with CAC, aiming to build a business network that is transparent and free from corruption.

Corporate Governance Report of Thai Listed Companies (CGR) rating as **"Excellent"** (5-star) and this is the sixth consecutive years from the **Thai Institute of Directors Association (IOD)**.

3 Awards at the Retail Asia Awards 2023

1. Hypermarket of the Year from Lotus's North Ratchapruek Project
2. Supermarket of the Year from Lotus's Privé
3. Digital Initiative of the Year from my Lotus's NFT campaign

Received a Plaque of Honor for the Second Consecutive Years for Retail's Multifaceted Excellence in sustainably contributing from the Provincial Press Association of Thailand (PPAT).

Awarded The Organization that Supports Employment for People with Disabilities 2023
from the Ministry of Social Development and Human Security

Received a plaque of **Honor as Supporting Elder at National Elderly Day 2023**

INVESTOR CALENDAR 2023

416 Funds
Meeting with Domestic & International Investors

64 Times
Company visit & Conference call

15 Times
Site visits and other activities organized by the Stock Exchange of Thailand or other agencies

5 Times
Results Briefing & AGM

January

12
Open House

17
JP Morgan Thailand Conference 2023

February

20
FY2022 Results Announcement

28
FY2022 Results Briefing

March

07 - 09
19th CITIC CLSA Asean Forum, Thailand

09
FY2022 Opportunity Day

31
BLS Retail Day

May

08
1Q2023 Results Announcement

11
1Q2023 Results Briefing

18
1Q2023 Opportunity Day

30
Goldman Sachs Thailand Virtual Corporate Day

June

29
Company Visit from Thai Investor Association

July

06
INVX Local NDR

August

07
2Q2023 Results Announcement

10
2Q2023 Results Briefing

18
Site Visit: Lotus's Pick and GO

22
2Q2023 Opportunity Day

24
Thailand Focus 2023

September

19
BLS Local NDR

28
INVX Local NDR

October

05
Grand Opening and Site Visit: Makro-Lotus Samut Prakarn

November

08
3Q2023 Results Annoucement

14
3Q2023 Results Briefing

16
3Q2023 Opportunity Day

24
BLS Local NDR

December

01
Site Visit: CPAXT stores on Srinakarin Road

14 - 15
CP Axtravagenza Meet&Eat

Board of Directors

As of 31 December 2023

1 Mr. Suphachai Chearavanont
- Chairman of the Board of Directors
- Chairman of the Executive Committee

2 Mr. Ralph Robert Tye
- Independent Director
- Chairman of the Audit Committee

3 Adj. Prof. Rawat Chamchalerm
- Independent Director
- Chairman of the Corporate Governance and Sustainable Development Committee

4 Mrs. Kannika Ngamsopee
- Independent Director
- Member of the Audit Committee

5 Mr. Jukr Boon-Long
- Independent Director
- Member of the Audit Committee
- Member of the Corporate Governance and Sustainable Development Committee
- Member of the Nomination and Remuneration Committee

6 Adj. Prof. Prasobsook Boondech
- Independent Director
- Chairman of the Nomination and Remuneration Committee

7 Mr. Korsak Chairasmisak
- Director
- First Vice Chairman
- Member of the Nomination and Remuneration Committee

8 Mr. Tanin Buranamanit
- Director
- Second Vice Chairman
- Vice Chairman of the Executive Committee
- Group Chief Executive Officer

10 Dr. Prasert Jarupanich
- Director

11 Mr. Pittaya Jearavisitkul
- Director
- Member of the Executive Committee

12 Mr. Piyawat Titasattavorakul
- Director
- Member of the Executive Committee

13 Mr. Narong Chearavanont
- Director
- Vice Chairman of the Executive Committee

14 Mr. Adirek Sripratak
- Director

15 Mr. Umroong Sanphasitvong
- Director
- Member of the Corporate Governance and Sustainable Development Committee
- Member of the Executive Committee

16 Mrs. Saowaluck Thithapant
- Director
- Group Chief Executive Officer - Makro Business and Group Chief Financial Officer

Executives

As of 31 December 2023

1 Mr. Tanin Buranamanit
- Group Chief Executive Officer

2 Mrs. Saowaluck Thithapant
- Group Chief Executive Officer - Makro Business and Group Chief Financial Officer

3 Mr. Sompong Rungnirattisai
- Group Chief Property Officer

4 Mr. Tarin Thaniyavarn
- Group Chief E-Commerce and Logistics Officer

5 Mr. Tanit Chearavanont
- Group Chief International Expansion Officer

6 Mr. Paul Stephen Howe
- Group Chief Information Technology Officer

Section 1

BUSINESS OPERATION AND OPERATING RESULTS

1. Organizational Structure and Operation of the Group of Companies

1.1 Business Structure and Operating Performance

Wholesale Business Group

Operating a wholesale business under "Makro" in Thailand and international, as well as Foodservice business.

168 stores

Retail Business Group

Operating a retail business and managing rental space in shopping centers, which is operated by Lotus's in Thailand and Malaysia.

2,522 stores

Our vision is to bring about change for how life could be better fulfilled with good health, love, joy and wellbeing. In our Makro wholesale business, we are committed to being a trusted partner to our professional customers. For over 30 years, the Company has been committed to developing its business, products, and services to be in line with the needs of its customers, together with expanding the business in its home market of Thailand as well as abroad through various formats and sales channels to create and maintain its competitive advantage.

The Company and its subsidiaries believe competitive advantage in wholesale includes, among others, its status as a leading grocery and consumer goods modern wholesaler in South and Southeast Asia, the strengths of its online sales platform and its robust customer development program where it maintains direct contact with its professional customers and provides consulting and advisory services. In addition, we recently completed the Lotus's Acquisition on 25 October 2021. Lotus's is a leading grocery and consumer goods retailer and mall operator in Thailand and Malaysia. Lotus's Ltd is a parent holding company which in turn holds Lotus's Thailand, Ek-Chai and Lotus's Malaysia, which Lotus's acquired from the Tesco Group in December 2020 in the Tesco Acquisition. The objective of the Lotus's Acquisition was to leverage the increased strengths of wholesale business, retail business and Lotus's malls businesses in Thailand and Malaysia. We plan to become a leader in retail and wholesale fresh foods and grocery and consumer products and expand the scope of our business operations to be competitive at a regional level in Asia, both offline and online. After the Lotus's Acquisition, our full spectrum of businesses comprises two segments: wholesale, and retail and malls.

1.1.1 Vision Mission Core Value and Business Strategy

Vision

"To bring about change for how life could be better fulfilled with good health, love, joy and wellbeing."

Mission

"To become the number one B2B and B2C retailer in Asia, combining both online and offline platforms, by fulfilling our customers' daily needs with technology, innovation and operational excellence, together with individuals and partners in a sustainable way."

Six Core Value

The Six Core Values have been implemented throughout the organization and have molded our employees to share a common vision, guided by company culture and values. They allow the Group to overcome numerous obstacles and empower our economic, social and environmental growth, in order to sustainably deliver benefits for the next generation.

CP AXTRA | The Six Core Values

Three Benefits

Speed with Quality

Simplification

Accept Change

Innovate

Integrity

Business Strategy

- Build a regional, multi-format, Omni Channel retail platform across South and Southeast Asia anchored on fresh food
- Strengthen our operations in Thailand and Malaysia through targeted store network growth, store optimization, digitalization, and transformation of our hybrid stores
- Extend domestic online sales leadership by further investing in and developing food and grocery focused B2B, B2C and B2B2C platforms
- Enhance supply chain capabilities to manage greater sales volumes from online business, fresh food, food service distribution business and store expansions
- Aim to drive cost and network synergies by bringing Makro and Lotus's platforms together, as well as leveraging the full capabilities of the CP Group to drive further upside in the long terms
- Create a platform of opportunity for all our stakeholders, with strong corporate governance

1.1.2 Selected Key Milestones

CP Axtra PCL was established in 1988 to operate a member-based wholesale center under the brand name “Makro”. CP Axtra PCL’s shares have been listed on the SET since 1994 under the trading symbol “MAKRO”. On 25 October 2021, we acquired 99.9% of the shares of Lotus’s through the entire business transfer of CPRH to us. In addition, the Company has changed its name to CP Axtra Public Company Limited and changed the securities abbreviation to “CPAXT” in June 2023. Selected key milestones relating to our business are set out below:

1988
- **Established as Siam Makro Company Limited**

1989
- **Opened its first store, which is the Ladprao branch in Bangkok, Thailand**

1994
- **Listed in SET under "MAKRO"**
- Ek-Chai opened its first Lotus’s Thailand hypermarket store in Seacon Square, Bangkok

1996
- Ek-Chai opened its first DC in Wangnoi, near Bangkok

2001
- Ek-Chai opened its first mini-supermarket called Express Ramindra in Bangkok
- Tesco and Sime Darby entered into a joint venture to form the Lotus’s Malaysia business

2002
- Lotus’s Malaysia opened its first hypermarket store in Puchong, Selangor, Malaysia

2003
- Ek-Chai launched the first Talad store opened in Phongphet, Thailand

2005
- **Acquired Siam Food Services Co., Ltd. in order to expand distribution of frozen and chilled products**

2007
- Lotus’s Malaysia acquired the Makro Malaysia cash and carry business
- Lotus’s Malaysia launched its Clubcard loyalty programme in Malaysia
- Lotus’s Malaysia opened its fresh products DC in Simpang Pulai, Perak, Malaysia

2009
- Launched the first Eco Plus store format in Pattaya, Thailand
- **Opened a DC in Wangnoi, Ayutthaya, Thailand**
- Ek-Chai launched its Clubcard loyalty programme in Thailand
- Lotus’s Malaysia opened its ambient DC in Bukit Beruntung, Selangor, Malaysia

2010
- Launched the Siam Frozen store in Chiang Mai, Thailand

2012
- **Launched Makro Foodservice Store in Hua Hin, Thailand and entered the Vietnamese market via the establishment of Vina Siam Food**
- LPF began trading on the SET

2013
- **CPALL became CP AXTRA major shareholder**
- Ek-Chai and Lotus’s Malaysia launched their Grocery Home Shopping ("GHS") online shopping platform, allowing customers to buy fresh produce, grocery, and general products online

2014
- Launched its Makro online sales channel for mobile devices

2015
- Ek-Chai opened regional DCs in the Northeast and South of Thailand
- Lotus’s Malaysia launched a strategic partnership with Lazada

2017

Opened its first Makro store overseas in Phnom Penh, Cambodia

Makro-TH developed and introduced the i-Trace system, which allows customers to trace the origin of products through QR code scanning, through partnership with CPF

2018

Opened its first two LOTS Wholesale Solutions stores in New Delhi, India

Completed its acquisition of 80% of Indoguna, giving it a foothold in Singapore, Hong Kong, and Dubai

Ek-Chai began redeveloping its hypermarket and mini-supermarket concepts

2019

Makro-TH Launched its online sales platform via MakroClick

Launched its "digital store" format with the opening of the first Foodservice Stores in Lad Krabang, Bangkok, Thailand

Lotus's Malaysia completed a refresh of 21 stores under its next generation program

2020

COVID-19 pandemic caused major disruption in the world economy, affecting our business in Thailand, Malaysia and overseas

Opened its first Makro store in Yangon, Myanmar

The investment in Lotus's by CPALL, CPH and CPM through shareholding in special purpose vehicle, CPRH, was completed in December 2020

2021

In February, Lotus's large stores were rebranded under the "Lotus's" brand, and we opened our first "Go Fresh" mini supermarket

On 25 October, the Company completed its acquisition of Lotus's via Entire Business Transfer

On 22 December, the Company allocated the newly issued ordinary shares up to 770,000,000 shares with a par value of THB 0.50 each to the public and completed the registration of change in paid-up capital from the previous paid-up capital amount of THB 4,905,161,750, increased by THB 385,000,000, to the aggregate paid-up capital amount of THB 5,290,161,750.

2022

In March, Lotus's Thailand launched a new online shopping platform "Lotus's SMART Application" along with membership system "My Lotus's".

In November, Lotus's Thailand opened a prototype SMART Community Center at North Ratchaphruek to support smart lifestyles in every dimension of every generation.

Integrating and developing Makro's online ordering services "MakroClick" to new online platforms "Makro PRO" to meet the demand of online customers in all dimensions

2023

In January, the Company introduced Lotus's Privé a premium hypermarket to meet the lifestyle of customers looking for a superior but value for money.

Changed the securities abbreviation from "MAKRO" to "CPAXT" and its company name from Siam Makro PCL to CP Axtra PCL in June

In July, the Company successfully inaugurated the first unmanned-smart store at Lotus's North Ratchaphruek to drive digital transformation to become a RetailTech company.

In August, the Company introduced Lotus's Eatery a standalone food court with an aim of creating an inspiring fresh & food destination

The Company developed a new format that leverages the strengths of Makro-Lotus Mall to serve both entrepreneurs and consumers in Samut Prakan and Nakhon Sawan areas in the fourth quarter.

1.1.3 Use of Proceeds from the Public Offering in the Registration Statement for Securities Offering

1) Use of Proceeds from an Issuance of Equity

With reference to the Company proceeded the Public Offering according to the registration statement for securities offering which have become effective on 2 December 2021. In this regard, the Company received net proceeds from the offering in the amount of Baht 32,942.82 million.

In order to reduce the interest burden on loans and to increase the efficiency of cash management for best benefits of the Group, the Board of Directors' Meeting No. 7/2022 held on 25 November 2022 approved the change in the objective of utilization of remaining amount of the proceeds. Details appears in the Company's disclosure submitted to the Stock Exchange of Thailand on 25 November 2022.

The Company would like to report the objectives and status of the use of proceeds from the Public Offering as of 31 December 2023 as follows: (unit : Baht million)

Objectives of the Use of Proceeds	As Planned (1)	Proceeds Used from 1 January to 30 June 2022	Remaining as of 30 June 2022	New Allocation Plan (2)	Proceeds Used from 1 July to 31 December 2022	Remaining as of 31 December 2022	Proceeds Used from 1 January to 30 June 2023	Remaining as of 31 December 2023
1. Investments in businesses and/or projects for our core businesses and/or in projects with the potential to support and expand core businesses of the Company and/or subsidiaries	16,471.41	2,547.32	13,924.09	4,124.09	3,404.46	719.63	719.63	-
2. Repayment to the existing indebtedness of the Company and/or subsidiaries	16,471.41	16,471.41	-	9,800.00	-	9,800.00	9,800.00	-
3. The working capital of the Company and/or subsidiaries	Remaining from the proceeds above	-	-	-	-	-	-	-
Total	32,942.82	19,018.73	13,924.09	13,924.09	3,404.46	10,519.63	10,519.63	-

Notes: (1) Utilization plan for the proceeds received from the offering and allocation of newly issued ordinary shares as previously disclosed in the registration statement and draft prospectus.
(2) New utilization plan for the proceeds received from the offering and new allocation of newly issued ordinary shares. Detail appears in the Company's disclosure submitted to the Stock Exchange of Thailand on 25 November 2022.

2) Use of Proceeds from an Issuance of Debenture in 2023

2.1) Debenture of CP Axtra Public Company Limited No. 1/2023

Use of Proceeds	Estimated Amount	Estimated Term Duration	Description / Progress of Use of Proceeds
1. Repayment of Bill of Exchange.	Baht 13,710 million	Within 4th Quarter of 2023	On 13th September 2023 to 30th October 2023, the Company made the repayment to the Bill of Exchange with a total of Baht 13,710 million.
2. Repayment of loans from financial institutions and Krung Thai Bank Public Company Limited, which is the bondholder's representative and underwriting manager.	Baht 1,290 million	Within 4th Quarter of 2023	On 13th September 2023, the Company made the repayment to the short-term loans from financial institutions and Krung Thai Bank Public Company Limited with a total of Baht 1,290 million.
Total	Baht 15,000 million		

1.1.4 Obligation Which the Company has a Commitment in the Registration Statement for Securities Offering

- None -

1.1.5 Other Information Relating to the Company

Company's Name	: CP Axtra Public Company Limited
Company's Symbol	: CPAXT
Head Office	: 1468 Phatthanakan Road, Phatthanakan Sub District, Suan Luang District, Bangkok 10250
Business Type	: Retail and wholesale business, and mall management
Company Registration No.	: 0107537000521
Tel.	: 0 2067 8999
Fax.	: 0 2067 9888
Website	: www.cpaxtra.com
Registered Capital (As of 31 December 2023)	: Baht 5,586,161,750.00 with 11,172,323,500 shares at a par value of Baht 0.50 each
Issued and Paid - Up capital (As of 31 December 2023)	: Baht 5,290,161,750.00 with 10,580,323,500 shares at a par value of Baht 0.50 each

1.2 Nature of Business

Unless stated otherwise, the Retail business's unaudited pro forma consolidated financial information is provided on the premise that CPRD has acquired Lotus's Thailand, which held a 99.9% stake in Ek-Chai and Lotus's Malaysia effective 1 January 2020.

1.2.1 Revenue Structure

The total revenue of the business group by business category is as follows:

Business Group	Operated By	Company shareholding (%)	Years ended 31 December					
			2021		2022		2023	
			Baht million	%	Baht million	%	Baht million	%
Wholesale Business								
Wholesale Store								
Revenue from sales of goods	CP AXTRA		216,175	49.9	235,246	50.2	252,267	51.4
Revenue from rendering of services	MAC CPWI MGZ MM	70.00 99.99 99.99 99.99	3,926	0.9	4,238	0.9	4,801	1.0
Revenue from rental and rendering retail services	CP AXTRA MAC MGZ MM	 70.00 99.99 99.99	347	0.1	443	0.1	517	0.1
Foodservice								
Revenue from sales of goods	SFS	99.99	5,169	1.2	7,191	1.5	7,544	1.6
Revenue from rendering of services	INDV INDS INDD INDM INDL MAXZI MAXZIG INDC	100.00 80.00 80.00 80.00 80.00 80.00 80.00 99.99	1	0.0	3	0.0	5	0.0
Other Income [(1)]			640	0.1	958	0.2	923	0.2
Total Revenue - Wholesale Business			226,258	52.2	248,079	52.9	266,057	54.3

Business Group	Operated By	Company shareholding (%)	Years ended 31 December					
			2021		2022		2023	
			Baht million	%	Baht million	%	Baht million	%
Retail Business								
Lotus's Thailand								
Revenue from sales of goods	ECDS	99.99	159,272	36.7	169,084	36.0	172,456	35.2
Revenue from rendering of services [2]			-	-	700	0.1	666	0.2
Revenue from rental and rendering retail services			9,348	2.2	10,786	2.3	11,488	2.3
Lotus's Malaysia								
Revenue from sales of goods	LTMY	100.00	34,457	7.9	35,661	7.6	33,967	6.9
Revenue from rendering of services [2]			-	-	481	0.1	463	0.1
Revenue from rental and rendering retail services			1,555	0.4	2,248	0.5	2,298	0.5
Other Income [3]			2,835	0.6	2,092	0.5	2,554	0.5
Total Revenue - Retail Business			207,467	47.8	221,052	47.1	223,892	45.7
Total			433,725	100.0	469,131	100.0	489,949	100.0

Notes : [1] Other incomes of Wholesale business include last-mile delivery service, waste sales revenue, and interest income.
[2] In 2021, the retail business has no revenue from rendering of services due to different classifications.
[3] Other incomes of Retail business include foreign exchange gains (losses), net derivatives gains and interest income.

Company Name:

CP AXTRA	CP AXTRA Public Company Limited, in part of Makro Thailand
SFS	Siam Food Service Company Limited
INDV	Indoguna Vina Food Service Company Limited
INDS	Indoguna (Singapore) Private Limited
MAC	Makro (Cambodia) Company Limited
INDD	Indoguna Dubai Limited Liability Company
INDM	Indoguna Muscat LLC
CPWI	CP Wholesale India Private Limited
INDL	Indoguna Lordly Company Limited
MGZ	Makro (Guangzhou) Food Company Limited
INDC	Indoguna (Cambodia) Company Limited
MM	ARO Commercial Company Limited
MAXZI	Maxzi The Good Food Restaurant & Cafe Limited Liability Company
MAXZIG	Maxzi Global FZCO
MGH	Guangzhou Huadu Makro Food Supermarket Company Limited
ECDS	Ek-Chai Distribution System Company Limited
LTMY	Lotuss Stores (Malaysia) Sdn. Bhd.

The following table shows Wholesale business's total revenue and Retail business's total revenue, domestically and internationally, for the specified periods:

	Years ended 31 December					
	2021		2022		2023	
	Baht million	%	Baht million	%	Baht million	%
Wholesale Business						
Wholesale Store	220,101	50.8	239,484	51.1	257,068	52.4
Thailand	213,639	49.4	231,245	49.3	247,683	50.5
International	6,462	1.4	8,239	1.8	9,385	1.9
Foodservice	5,170	1.2	7,194	1.5	7,549	1.6
Revenue from rental and rendering retail services	347	0.1	443	0.1	517	0.1
Other Income (1)	640	0.1	958	0.2	923	0.2
Total Revenue - Wholesale Business	226,258	52.2	248,079	52.9	266,057	54.3
Retail Business						
Lotus's Thailand	168,620	38.9	180,570	38.4	184,610	37.7
Lotus's Malaysia	36,012	8.3	38,390	8.2	36,728	7.5
Other Income (2)	2,835	0.6	2,092	0.5	2,554	0.5
Total Revenue - Retail Business	207,467	47.8	221,052	47.1	223,892	45.7
Total	433,705	100.0	469,131	100.0	489,949	100.0

Notes: (1) Other incomes of Wholesale business include last-mile delivery service, waste sales revenue, and interest income.
(2) Other incomes of Retail business include foreign exchange gains (losses), net derivatives gains and interest income.

1.2.2 Product Information

The Company's business is divided into two core businesses:

- Wholesale business consists of the Company's wholesale stores under "Makro" in Thailand and international and Foodservice business.
- Retail business, which is operated by Lotus's in Thailand and Malaysia.

(1) Characteristics of Products or Services and Development of Business Innovation

(1.1) Wholesale Business

The wholesale business is divided into the following two sub-business groups:

- Wholesale store: the core wholesale business consists of wholesale stores in Thailand and overseas, under Makro and LOTS Wholesale Solutions, with exclusive rights to the registered trademark of "CPALL," the major shareholder of the "Company. The business focuses on both third-party brands and private labels of general consumer goods, including fresh food, dry goods, and non-food products, to three main target customer groups, namely operators in retailing, HoReCa, and the hospitality industry. As of 31 December 2023, the Company operates 160 stores in Thailand, 3 in Cambodia, 4 in India (under "LOTS Wholesale Solutions"), and 1 in Myanmar.

- Foodservice: the core food business of premium food import-export distribution, alongside related services and delivery, where the products vary from the normal Wholesale Store offerings, be it by variety, price range, or target customer group latter being 4-5 star hotels, fine-dining and upscale restaurants, airline-related businesses, retail stores, and E-commerce companies. As of 31 December 2023, this business offers services in 7 countries, namely Thailand, Cambodia, Vietnam, Singapore, Hong Kong, Oman, and the United Arab Emirates. The Company specializes in sourcing and providing a selection of exquisite top-shelf prepared foods from excellent foreign sources, be they bakery and pastry, beverages, charcuterie (processed pork products), fine-dining and delicatessen, dairy products, fruits and vegetables, the meat department, plant-based foods, seafood, snacks, or finger foods, among other consumer delights.
  The Foodservice business offers over 100 brands that meet the highest standards of international food safety and quality control criteria. In addition to the premium brand names, private label products under Company trademarks are offered as an alternative for customers through normal distribution channels as well as Wholesale stores, namely Carne Meats charcuterie, Ocean Gems seafood, and Masterpiece halal dim sum. Makro-Customer Growing Together counseling services are provided to support partners and operating customers in business planning and operations through flexible customized plans and full-range food product services, among other consultation capacities.

(1.1.1) Wholesale Store Customers

The majority of the customer base of the Company's wholesale store are professional entrepreneurs, mainly from small and medium-sized business-to-business (B2B) customers various industrial sectors. The three main groups are as follows:

- *Retailers:* consumer goods retailing operators, including grocery stores, minimarts, and local shops.
- *HoReCa operators:* hotels, restaurants, and catering businesses, including small and medium-sized shops and street vendors providing a variety of food and beverages.
- *Service providers:* government agencies and businesses in various sectors, including schools, hospitals, non-profit organizations, beauty parlors, printing, and laundromats, among other retailing and service-based businesses.

In addition, the Company's wholesale store also serves the following customer groups:

- *Distributors:* small and medium-sized independent regional wholesaling operators providing food-related products.
- *Other* parties such as small B2B businesses, street vendors, and non-food retailing operators, including large families, consumers, and customers in demand for large quantities of food.

The wholesale store business underscores "Makro" membership programs where a one-time customer registration is required to become a "Makro" Member, free of charge, to receive special member-only privileges, and, most importantly, tax invoices - the primary reason most customers become a member. As of 31 December 2023, Makro has approximately 4.6 million members. A number of Makro Rewards campaigns are introduced and tailored to different customer groups to add membership value, support B2B customers, and encourage sign-ups, rewarding numerous member-only privileges, special offers, discounts, and promotions, among other special concessions, through the Makro Loyalty program that meets both the business and personal consumption needs of customers.

The Company grants approximately 30-day credit terms for specific wholesale store service providers and HoReCa operators to enhance their competitiveness in the market where the Company operates, although the proportion of their sales remains relatively small.

The following table compares wholesale store revenue from sale of goods in Thailand and international by customer group for the year ended 31 December 2021, 2022, and 2023.

	Years ended 31 December					
	2021		2022		2023	
	Baht million	%	Baht million	%	Baht million	%
Wholesale Store Customer Segment						
Retailers	58,397	27.0	55,530	23.6	56,754	22.5
HoReCa	52,850	24.4	65,537	27.9	72,992	28.9
Service	14,228	6.6	16,016	6.8	16,334	6.5
Distributors	14,423	6.7	15,207	6.5	17,041	6.8
Other customers	76,277	35.3	82,956	35.2	89,146	35.3
Total Wholesale Store Revenue from Sale of Good	216,175	100.0	235,246	100.0	252,267	100.0

The wholesale store business is continually developed to meet the changing needs of B2B clients and go above and beyond customer expectations as a reliable business partner.

Since the first overseas store in Cambodia in 2017, the Company has commenced a total of 8 other stores in overseas, including 1 classic store and 2 Eco Plus stores in Cambodia, 4 Eco Plus stores under LOTS Wholesale Solutions in India, and 1 Eco Plus store in Myanmar. The first business establishment overseas in any given country allows the Company to study the local market and evaluate potential business expansions in the future. Notwithstanding the economic uncertainty, the Company has delayed overseas plans until the situation ensures plans can be fully implemented without encountering outsized obstacles or restrictions.

For the year ending 31 December 2023, Makro-International sales revenue accounted for 3.6% of the total sales revenue from the wholesale business.

The following table shows the same-store sales growth (SSSG) of Makro Thailand for the year ended 31 December 2021, 2022, and 2023:

	Years ended 31 December		
	2021	2022	2023
Same-store sales growth	2.5%	6.8%	5.3%

(1.1.2) Wholesale Store Products

The wholesale store business provides a wide range of consumer goods in the following 3 main groups:

- *Fresh food:* fresh, chilled, and frozen food, including fruits and vegetables, deli, meat, seafood, dairy, and bakery products, among others.
- *Dry food and daily necessities:* fast-moving consumer goods (FMCG), non-durable packaged goods, beverages, snacks, consumer groceries, cleaning supplies, cleansing products, and cosmetics, among others.
- *Consumer goods:* electronics, appliances, kitchen equipment, tableware, furniture, office equipment, HoReCa-related products, food industry clothing, stationery, office supplies, home appliances, and household maintenance, among others.

The Company has prioritized fresh food products. In addition to products under the brand of other distributors, the Company also offers a variety of private label products as an alternative for customers through outsourcing to several qualified and competent manufacturers. The Company determines the private label specifications, ingredients, and recipes to provide good quality at cost-effective prices and continuous improvement of product quality and variety to meet the rapid, ever-changing consumption needs and preferences. The main private labels offered in the wholesale store are as follows:

- *Aro* is the main brand for B2B products consisting of raw materials, cooking utensils, and consumer goods.
- *Savepak* is an entry-level product brand.
- *M&K* is a brand for snacks and beverages, targeting small retailers.
- *Q-Biz* is a brand for office supplies.

The private label brands are owned by CPALL with a 0.%5 royalty fee on sales revenue, including the gross margin, from the first 10 distribution centers that commenced operations under Makro Thailand.

The following table shows the Wholesale store sales revenue in Thailand by product type for the year ended 31 December 2021, 2022, and 2023:

	Years ended 31 December					
	2021		2022		2023	
	Baht million	%	Baht million	%	Baht million	%
Wholesale Store Product Group						
Fresh food	83,167	38.5	93,418	39.7	99,791	39.6
Dry food and daily necessities	115,288	53.3	123,540	52.5	134,082	53.1
Consumer goods	17,720	8.2	18,288	7.8	18,394	7.3
Total Wholesale Store Revenue from Sale of Goods	**216,175**	**100.0**	**235,246**	**100.0**	**252,267**	**100.0**

The product mix strategy focuses on fresh food business growth to maintain the Company's position as a leader in the fresh food market in Thailand by increasing fresh food sales space and product range as well as improving supply chain system capacities. In addition, the Company focuses the product mix strategy for highly secure, trustworthy, and cost-effective HoReCa clients, a full-range food raw material plan is developed to proffer the sector with private label products that add special value for money. For the year ending 31 December 2023, private label sales accounted for 15.6% of the total Makro Thailand sales.

(1.1.3) Wholesale Store Distribution Channels

Wholesale store offers products through both offline and online channels, the former being the "Makro" distribution centers. As of 31 December 2023, Wholesale store expanded to a total of 168 stores, 160 stores in Thailand and 8 stores overseas, comprising 6 different formats that vary in terms of target customers, sales space, location, and product mix.

The following table compares wholesale store in Thailand and overseas by categorizie on offline and online revenue from sale of goods for the year ended 31 December ,2021 2022, and 2023:

	Years ended 31 December					
	2021		2022		2023	
	Baht million	%	Baht million	%	Baht million	%
Wholesale Store Channel						
Offline	191,856	88.8	204,358	86.9	209,727	83.1
Online	24,319	11.2	30,888	13.1	42,540	16.9
Total Wholesale Store Revenue from Sale of Goods	**216,175**	**100.0**	**235,246**	**100.0**	**252,267**	**100.0**

1) Offline Channels

The wholesale store offline channel consists of 6 distribution center formats:

- *Classic store:* the first distribution center designed, developed, and launched by Makro Thailand under the "Complete Product, Good Service, Cheap Price" concept, catering to a wide range of customers, especially HoReCa operators, with small retailers being the main customers. Each branch has an average sales area of about 5,500 to 12,000 square meters. Classic stores are operated a great many throughout Thailand with a highlight of a complete variety of fresh food, dry food, and consumable products at prices affordable and suitable for small B2B retailers to resell for profit. Over the years, the Company has emphasized fresh food provision through this offline classic by expanding the sales space, which has proven to be increasingly attractive to HoReCa operators
- *Eco plus store:* as a Classic store brainchild, this store format further expands the fresh food space to meet the needs of B2B customers, be the retailers or HoReCa customers, with an average sales area between 5,000 and 7,000 square meters at each branch. The stores are generally located in urban Bangkok areas with a high concentration of HoReCa operators.
- *Foodservice store:* the new type of distribution center is designed and developed to offer a one-stop shopping service for HoReCa customers with an average sales area ranging from 1,000 to 5,000 square meters. The highlight is the focus on fresh food and dry food products that are highly in demand by HoReCa operators. Other consumer products are offered in the remaining space, also catering to HoReCa's needs.
- Food shop: this format is designed and developed from a food service distribution center into a fresh-dry food selection space. Food Shops are generally located near small and medium HoReCa operators for their shopping convenience with minimal travel with an average sales area of 1,000 square meters or less.
- *Fresh@Makro store:* a new retail store developed with a focus on fresh food first opened in June of 2020 in Bangkok with a sales area of 800 square meters to facilitate small and medium-sized HoReCa customers in the surrounding area, making it easy to shop without having to travel far. The store also caters to large families and consumers in demand of large quantities of food and plays a key role in the Company's wholesale store business expansion strategy.
- *Siam frozen shop:* a small frozen food shop developed to increase frozen and dry food distribution channels for small restaurant operators in the surrounding areas with an average sales space ranging between 80 and 260 square meters.

As of 31 December 2023, Makro Thailand has distribution centers located in 70 out of 77 provinces across Thailand.

The following table shows the number of wholesale stores by format and location as of 31 December 2021, 2022, and 2023:

	Years ended 31 December		
	2021	2022	2023
Wholesale Store Format			
Classic	79	80	80
Eco Plus	15	16	23
Foodservice	35	42	45
Food Shop	5	4	3
Fresh@Makro	1	3	3
Siam Frozen	7	7	6
Thailand	142	152	160
Overseas	7	10	8
Total	**149**	**162**	**168**

Optimizing the supply chain, distribution system, and logistics network are the main business strategy that allows the Company to maintain adequate inventory levels of fresh and high-quality products across distribution centers nationwide, ensuring the customers enjoy the best value for money while profitable margins return to the Company in the same process.

As of 31 December 2023, Makro had the following 7 main distribution centers (DCs) in Thailand:

Distribution Center Type and Location	Space (sq. m.)
Fresh Food - Wang Noi (Central)	10,446 + 8 additional warehouses
Fresh Food - Mahachai (Bangkok Perimeter)	22,533
Dry Food - Wang Noi 1 (Central)	20,100
Dry Food - Bangna (Samut Prakan)	24,043
Dry Food - Wang Noi 2 (Central)	22,050
Fresh Food – Chaing Mai (Northern)	640
Ambient fulfillment center	6,848

In the future, the Company plans to focus on its distribution centers, which prioritizes fresh food distribution as customers need a reliable source for on-demand high-quality fresh food that delivers on time. Most of Makro's fresh food producers and distributors rely on the Company transportation, storage, and distribution networks for their products, whereby special teams are assigned to Makro distribution centers, consisting of the Company employees and quality control personnel on duty. The Company hired the outsources to operate the distribution centers, comprising a Mid-mile logistics fleet of over 1,500 transport trucks that handle in and outbound shipments from the Company distribution centers to Makro stores nationwide. In addition, the Company had its own last-mile logistics fleet of more than 1,900 transport trucks.

Meanwhile, Makro distribution capacity will improve and increase with the establishment of a new 100,000 sq.m. distribution center in Wang Noi District, Ayutthaya Province, in the Central Region of Thailand, with Phase 1 to commence fresh food services in late 2023, Phase 2 to commence dry food services in 2024, and Phase 3 to e-commerce warehousing in 2025 respectively, replacing currently operational legacies, namely the Wang Noi Fresh Food Distribution Center, Wang Noi dry food distribution center 1, and Wang Noi 2 dry food distribution center. The new distribution center will focus on fresh food, dry food, and online order fulfillment. By early 2024, an ambient fulfillment center had commenced services to support online business expansion, distributing over 5,000 popular dry grocery for distribution to customers' shops and houses, both in Bangkok and the Bangkok Metropolitan Area.

Furthermore, the Company procurement is mostly directly from the manufacturers who ship the products to the Company's distribution centers. The products are distributed from the distribution centers to stores, or directly to the customers via last-mile delivery. This process optimizes efficiency in shipment volume and cargo handling, reducing the costs otherwise incurred by the traditional multi-step distribution channels.

2) The Online Platform

Today's digital marketplace thrives on interaction, fueled by the dynamic forces of social media, streaming, and a customer-centric approach. To navigate this evolving landscape, Thailand's leading wholesale retailer Makro took a bold leap forward, retiring its legacy platform and launching Makro PRO – an online haven tailored to both B2B and B2C customers.

Makro PRO is driven by data, not just in its features, but its very DNA. Customer journeys, UI/UX, and in-app analytics all inform platform development, ensuring a seamless and memorable experience. Loyalty programs, rewards, partnerships, and best-in-class deals seamlessly blend with an extensive product range, including over 20,000 SKUs and a thriving marketplace for independent sellers. Makro PRO's magic lies in its ability to bridge the gap between traditional B2B and tech-savvy B2C consumers. 'Makro-mail' bi-weekly campaigns offer B2B players like restaurants and wholesalers the best deals, while Brand Days cater to individual shoppers. This seamless integration is further strengthened by Makro PRO Points, a loyalty program that rewards both bulk buy-and-save B2B shoppers and everyday B2C purchases. These points can be redeemed across a wide network of stores, turning the platform into a true ecosystem.

Convenience is king in the e-commerce realm, and Makro PRO reigns supreme. Same-day delivery, Next-day delivery, free delivery at minimum purchase, store pick-up, and even payment on delivery make it the only platform able to deliver bulky products within the same day. This commitment to customer satisfaction has paid off, with Makro PRO ranking amongst the top e-commerce platforms in Thailand.

In 2024, we will multiply and continue to build a loyal B2B base through strategic institutional HoReCa and Food Retailer partnerships, offering loyalty points and welcome packs as onboarding sweeteners. Our third party (3P) platform will be bolstered by key mass-appeal brands, boosting both selection and trendiness. The synergy between a vibrant third party's platform will unlock exponential growth for the platform. Makro PRO is poised to be a customer magnet and take center stage in 2024.

(1.1.4) Wholesale Store Pricing Strategy

The ability to set product prices at a competitive level for retail customers is one of Makro's key advantages in maintaining its competitive advantage and position as the market leader. As such, the following pricing strategies are used by the Company:

- Cost control to maintain leading price levels in the market and continuous improvement of organizational structure and supply chain efficiency.
- Competitive product pricing in regional markets with regular price evaluation and adjustments accordingly.
- Maintaining long-term relationships and cooperation with manufacturers and distributors of the Company products.
- Pricing criteria in comparison with wet market, local modern wholesalers, and retailers of dry or packaged food

The Company believes sustainable development relies on steady progress and grows together in tandem with the support policy to help entrepreneurs develop to increase their competitiveness. Makro business development teams are in place to plan and develop retail operators and hotel-restaurant business operators, namely the Makro Retailer Alliance (MRA) and the Makro HoReCa Academy (MHA) projects, respectively. Moreover, A B2B Sales Team is also developed to ensure Makro entrepreneurial customers are closely taken care of and experience a positive engagement as Makro customers.

- *The Makro* Retailer Alliance (MRA) project has been operating with Thai retailers for over 16 years with the main objective of empowering retail customers with practical retail and store management advice and knowledge through various channels, such as the Makro Retailer Expo and the Regional Retailer Fair, along with facilities improvement in collaboration with university students, among others.

In 2023, Makro's MRA raised the store development level by identifying and analyzing problems, and developing business models for partner stores under the the MitrTae Shohuay to increase the competitiveness of retailer stores by upgrading and modernizing them to meet the standards and needs of modern consumers with proficiency in 5 main areas:

1. Retail store management knowledge gathered from the success of over 600,000 Makro retailers nationwide.
2. 3D store layout, standard equipment arrangement, and product display with the MRA network banner under the MitrTae Shohuay.
3. Signature products and services to recommend in a wide variety that yield high margins and meet the needs of shopkeepers and consumers in the community.
4. Technological update and smart store management system like Point of sales (POS)
5. Delivery services supervised by the B2B sales team with shipments directly to the retailer's shop.

The Mitr Tae Shohuay has a plan to continuously expand the MRA network of retail shops to support steady growth and sustainable development for Thai society. Currently, we had more than 800 stores under the MitrTae Shohuay project.

- *B2B sales team* is set up to facilitate and meet professional customers regularly to discuss products and services to fill the basket or increase the basket's value. B2B sales team will regularly meet professional customers and render assistance as needed to develop and expand their business in various formats such as grocery stores, restaurants, and hotels. Moreover, we have developed the sales tools that are currently used to take orders and combined into one platform with Makro Pro to boost work efficiency and product diversity, as well as exclusive promotions for entrepreneurs via Makro Pro. Therefore, online purchasing will be under one platform to fulfill the customer's demand that want to order products themselves and order through the sales teams that will deliver products to their storefront in time-saving and one-stop service processes. In addition, the B2B sales team has implemented a Visit Plan, an automatic customer visit planning system, to improve the efficiency of the store visit and increase the number of store visits. In 2024, we plan to collaborate with business partners to develop our customers for sustainable growth under the project "Grew up Together, Growing up Together". Furthermore, we plan to find new customers under the strategy "Win The Road" to retain clients along the route, enhance delivery potential, and manage delivery and logistic costs.

- *Makro HoReCa Academy (“MHA”) is a* HoReCa support team to promote sustainable growth with HoReCa customers and build through its core missions: selecting products that are appropriate for their business, providing business knowledge, providing trade benefits, and connecting with business partners to support the business. It also offers hands-on activities and training, offline and online, ranging from recipe preparation, financial management, and marketing and advertising techniques. Entrepreneurs can visit the online platform at MakroHoReCaAcademy.com anytime and the MAKRO HoReCa fair to access and study available knowledge, and form business alliances to support the HoReCa business and entrepreneurs and grow together. Under the MHA program, the Makro Culinary Center (MCC) is a training center for HoReCa customers to share food-related information, knowledge, experiences, and food business trends, as well as transfer skills relating to cooking and food business management to customers, particularly new business operators, alongside Makro staff. MCC also provides research and development capacities for fresh and dry food products with systematic testing and evaluation for quality control.

(1.2) Retail Business Group

(1.2.1) Lotus’s Thailand

Lotus’s operates a retail business and manages rental space in shopping centers in Thailand through Lotus’s Thailand which holds shares in its subsidiary, Ek-Chai. Lotus’s is the leading multi-channel retailer in Thailand, either store-space or market-share-wise. As of 31 December 2023, Lotus’s had 2,454 stores in 75 out of 77 provinces across Thailand, consisting of 226 hypermarkets, 178 supermarkets, and 2,050 mini-supermarkets. Lotus’s retail business in Thailand is secured with a supply chain system and a strong and efficient distribution and logistics domestic network. The Lotus’s retail business model was developed to enhance the Lotus’s brand and proven strategies to generate profitable growth through business operations. Lotus’s also drives growth with ongoing investment projects in the following areas:

- Quality improvement of products and services at a cost-effective price
- New store embellishment, decoration, and modernization, as well as applying new technological systems to optimize Lotus’s business operations and boost customer convenience
- Branch increase to cover more areas in Thailand with expanded distribution channels through vending machines and other pipelines
- The Lotus’s SMART Application online distribution platform launched in March 2022 to accelerate online sales growth, leveraging a network of over 2,400 stores across the country and improving efficiency and collaboration with other popular online platforms, particularly Grab, Food panda, Shopee, Lazada, 7Market and TikTok Shop to increase consumer’s distribution points
- Core business strengthening by expanding into related businesses such as coffee and café chains under Jungle Café and Arabitia, and collaborating with the CP Group to expand the scope of retail product offerings

(1.2.1.1) Lotus’s Retail Stores in Thailand

The following table shows Lotus’s Thailand sales breakdown by channels for the year ended 31 December 2021, 2022, and 2023:

	Years ended 31 December					
	2021 (1)		2022		2023	
	Baht million	%	Baht million	%	Baht million	%
Retail Revenue						
Hypermarkets	91,196	57.3	92,898	54.9	94,620	54.9
Supermarkets	19,490	12.2	18,700	11.1	17,262	10.0
Mini-Supermarkets	44,924	28.2	50,101	29.6	50,673	29.4
Online Channels (2)	3,662	2.3	7,385	4.4	9,901	5.7
Total Revenue from Sale of Goods	159,272	100.0	169,084	100.0	172,456	100.0

Notes: (1) Unaudited financial statements prepared by management
(2) Sales via My Lotus’s APP and third party

The following table shows the average same-store sales growth by Lotus's Thailand distribution channels for the specified periods:

	Years ended 31 December		
	2021	2022	2023
Same-store sales growth	(6.3)%	0.2%	2.1%

Retail Stores in Thailand

Lotus's operates offline brick-and-mortar retail stores in three formats: hypermarkets (H-Store), Go Fresh supermarkets, and Go Fresh mini-supermarkets

- *Lotus's hypermarket* in Thailand is a large retail store with a one-stop shopping complex, which normally has sales area of about 2,000 to 7,000 square meters, with an average sales area of about 4,500 square meters. H-Stores focuses on fresh food and dry food, including health and beauty products, household and baby products, home appliances, and clothing, among others. H-Stores provide various services to meet customers' needs, such as top-up, bulk, or stock-up purchases for later use. This mega-retail store is key to the online distribution integration project as a multi-purpose distribution center and an offline foot traffic display center promoting online sales growth. Its hallmark is the consistent sales of competitive everyday affordable products as the main attraction for target Lotus's customers.
- *Go Fresh Supermarkets*: Lotus's rebranding to Go Fresh supermarket was completed in 2022 as a medium-size retail store with a sales area between 500-1,500 square meters and an average sales area of approximately 725 square meters, serving mostly in commercial or suburban areas under the neighborhood store concept for regular and convenient close-range drive and foot shopping with a focus on the distribution of quality fresh and dry food products, including various consumer products, especially in health and beauty, household goods, and baby products. Customer needs for either top-up additional items or stock-up for later use can be satisfied at Go Fresh. This mid-size retailer also plays a key role in Lotus's online retail business.
- *Go Fresh mini-supermarket:* Lotus's mini-supermarket rebranding was completed in 2022 under Lotus's Go Fresh. The small retail store has a sales area of 150 to 400 square meters, and an average sales area of about 170 square meters. As one of the largest mini-supermarket operators in Thailand, Lotus's has positioned mini-supermarkets as a key driver in the future growth of Lotus's Thailand. Currently, the mini-supermarket operates in various residential and commercial areas, including petrol-station stores, focusing on fresh food and consumer products, including other essential daily items for customers' convenience and accessibility to daily top-ups and food preparation shopping. While the express store plays a key role in online close-range on-demand delivery services, it also caters a brand-new coffee shop, Jungle Cafés, to increase foot traffic and attract consumers to shop at the store.

The following table shows the number of stores under Lotus's Thailand by store format.

	Years ended 31 December		
	2021	2022	2023
Number of stores			
Hypermarkets	222	223	226
Supermarkets	199	202	178
Mini-Supermarkets	2,197	2,153	2,050
Total	**2,618**	**2,578**	**2,454**

Online Channels

In addition to brick-and-mortar retailing, Lotus's serves online Thai customers by leveraging an extensive network of storefronts across the country that serve as fulfillment hubs. Lotus's online channel serves convenience-centric customers via the Lotus's Smart application and allows customers to shop online. Additionally, all hypermarkets, Lotus Go Fresh Supermarket and Lotus Go Fresh stores will be used as distribution points to directly deliver products to customers. With a distance closer to the customer's home, this will help to make the delivery process faster and more efficient. Also, customers can choose the delivery format of both same-day and next-day delivery with reasonable shipping costs, as the stores are located near the delivery location. Moreover, Lotus's has partnered with other leading online platforms and its delivery fleets to offer Lotus's products to customers with same-day delivery and next-day delivery.

SMART features of the online shopping system on Lotus's SMART App have over 30,000 products covering all categories, such as fresh food, dry food, beverages, home appliances, mother-and-child products, health and beauty products, etc. The stocks have been continuously updated, which can track delivery status and connect with Google Maps for accurate delivery coordinates. Customers can choose the delivery option from both same-day and next-day delivery. Also, it conveniently and easily connects with My Lotus's to collect and exchange Lotus's coins, as well as provide coupons and special discount codes only for purchasing from both storefronts and online.

Retail Optimization Project in Thailand

Lotus's is committed to developing and expanding the retail business in Thailand. Several new projects are undergoing as follows:

- *After rebranding the modernized Lotus's* - The rebranding of all stores that completed in 2022 has helped attract new target customer segments, particularly younger customers. While, technological applications have boosted Lotus's business efficiency and customer services, strengthened online sales and new loyalty programs, and facilitated store format optimization by customer segmentation across Thailand.
- *Product and service development* - Lotus's main attraction is the wide variety of high-quality offers at competitive asking that serve as a one-stop shopping destination for customers. In particular, Lotus's fresh-food strategy focuses on efficient sourcing from local suppliers that deliver directly to the store to maintain the freshness and quality in a wide variety of fresh foods that are available in all retailing formats, catering to the diverse needs of each customer segment. Lotus's also invests in private label product development under its trademark alongside other popular brand-name product lines, namely in health, beauty, wellbeing, and home appliances, to expand the options of high-quality, economical products for consumers and the retail market in Thailand. As of 31 December 2023, private label sales accounted for approximately 9.9% of the total retail sales in Thailand. The Company also strives to improve in-shop infrastructural components to optimize the overall shopping experience, such as conducive shop-shelving layouts and product arrangements to recommend suitable products and services for customer needs and technological applications to facilitate self-checkout, alongside in-shop cleaning and safety, among other creative services
- *Hypermarket transformation* - Lotus's has renovated the hypermarket to be modernized and to fulfill changed consumer behavior by reducing the sales areas of clothing and appliances areas and expanding fresh food and cooking products, in order to meet an increasing demand. In addition, Lotus's has applied new technology and IT systems to optimize customer shopping satisfaction and Lotus's operational efficiency. Ultimately, the hypermarket transformation goal is to make Lotus's the most efficient and convenient business for every customer.
- *Go Fresh store concept* - the rebranding of Lotus's open-market "Talad" supermarket style to the new Go Fresh brand and the Tesco Lotus Express mini-supermarket to Lotus's Go Fresh is the underlying instrument for the Winning With Fresh Company Strategy. Lotus's Go Fresh will focus on presenting fresh food, by weight and by package, leveraging the home advantage as the most convenient, quickest, and best fresh food in the neighborhood. Go Fresh store will focus on the look and store atmosphere of a modern fresh market offering quality fresh selections for daily cooking and household use.
- *Mini-supermarkets* - the Company strives for customer satisfaction by offering a wider variety of consumer goods than conventional convenience stores, with the commencement of the Jungle Café coffee shop and mobile shopping services. Smaller outlets with convertible sales areas to accommodate more products will be upgraded and rebranded as mini-supermarkets under Lotus's Go Fresh.
- *Expanding store coverage* - As traditional retail stores had a high penetration rate across the country, even in areas without a physical store, the Company plans to open new stores in uncharted territories to make Lotus's stores more accessible to expanded customer bases to better serve and meet their needs. According to the store expansion plan, the Company aims to open 2-4 new hypermarkets, 5-10 new supermarkets, and 100-150 new mini-supermarkets a year over the next three years.

- *Accelerating online sales by leveraging the nationwide store network* – Lotus's developed Lotus's SMART Application online distribution platform, by using both hypermarket and Lotus's Go Fresh as the distribution center. With the optimal location in the neighborhood, this will enhance the speed and efficiency of delivery. Lotus's customers can choose delivery options from On-demand, Next day delivery, and Click-and-Collect in all branches. Furthermore, Lotus's had the partnerships with other leading online service providers such as Shopee, Lazada, Grab Food Panda, 7Market, and TikTok Shop to strengthen Lotus's online services.

Retail Product Mix in Thailand

Another key factor in Lotus's retail business success in Thailand is the variety of leading domestic and international products offered in Lotus' stores, including fresh food, consumption and durable-nondurable goods, general goods, liquor and tobacco, or clothing, including small and medium-size enterprises (SME) as well as Lotus's private label products. The details are as follows:

- *Fresh Food* - the key and the fastest growing product category of Lotus's retail business, includes meat and seafood sections, e.g., pork, poultry, beef, eggs, fish, and shrimp, fresh fruits and vegetables as well as ready-to-eat and ready-to-cook meals, and dairy products, e.g., fresh milk, yogurt, cheese, and ice cream. Lotus's offers affordable top-quality fresh food with carefully selected input and raw materials of the highest quality to ensure consumption safety under applicable legal regulations and requirements.
- *Consumers Goods*
  - *Dry Food Consumer Goods* - includes cooking products, e.g., cooking oils, sauces, condiments; beverages, e.g., water, juices, coffee, and tea; dry foods, e.g., rice, instant noodles, and cereals; pasteurized and plant-based milk; infant products, e.g., milk powder and dairy food; confectioneries, e.g. biscuits, snacks, and candy; dietary supplements, canned foods, and baking machines. Lotus's carefully curates the product mix and availability through multiple distribution channels with a variety of price ranges, brands, and imports, keeping a close relationship with overseas suppliers to continually retain and expand the range of quality products to meet customer needs.
  - *Non-durable Fast-moving Consumer Goods* - consists of health and beauty products, e.g., shampoo, soap, toothpaste, lotion, cosmetics, medicine; household goods, e.g., detergent, fabric softener, dishwashing liquid, floor cleaner, insecticide; household paper, e.g., toilet paper, paper towels, facial tissues, sanitary napkins, and adult diapers; baby products, e.g., baby diapers and baby supplies; and pet food and accessories. Lotus's prioritizes a wide range of leading brand-name products, all sourced directly from the supplier to meet the retail needs of all customers where Lotus's operates.
- *General Merchandise:* includes household appliances and products, e.g. toys, stationeries, sports equipment, bathroom and bedroom products and accessories, furniture, bags and suitcases, plastic storage boxes, kitchen utensils, auto accessories, electronics, and home improvement DIY products that require self-assembly and installation. Lotus's offers high-quality products for daily usage, including Lotus's private label, and thus is able to differentiate and boost product value for customers with a wider range of product mix quality. Lotus's is also focused on offering a wide range of kitchen and food preparation products to leverage its hallmark as the nation's leading food distributor and optimize in-store sales spaces for the changed consumer behavior and food trends. For electronics, Lotus's offers small and large appliances, e.g., TV, refrigerators, air conditioners, and washer-dryer machines; small appliances, e.g., rice cookers, electric pots, floor fans, vacuum cleaners, and hair dryers, among others e-products. With the CP Group, Lotus's collaborates co-marketing campaigns to offer products in the electronics section, namely mobile phones, SIM cards, and internet-connected home goods, such as smart bulbs, power sockets, and thermostats, along with electronics accessories, and have a joint effort to develop online telehealth consultation services where customers can seek doctor consultation online at the store
- *Liquor and Tobacco* - the liquor and tobacco line includes beer, wine, and spirits, as well as a wide range of both locally produced and imported tobacco products for each store format.
- *Clothing* - Clothing products include everyday wear, with a focus on essential comforts for all family members.

As an alternative to brand-name products, Lotus's offers over 5,000 private label products under the Company's trademark in the 2 following groups:

- *Lotus's* is the Company's core brand, offering various groups of high-quality products, which the quality exceeds the price.
- *Value* is an entry-level brand for everyday life-essential brands, providing an alternative at very cost-effective prices, as well as a brand for daily essentials at the lowest price every day.

In addition, Lotus's continuously develops private label merchandises such as Momento for home goods, Aliv for health and beauty products, NaxNax for snacks, Cute & Care for mother and baby products, and MeStyle for clothing products. The following table shows Lotus's retail revenue in Thailand by product type for a specific period:

	Years ended 31 December					
	2021 (1)		2022		2023	
	Baht, million	%	Baht, million	%	Baht, million	%
Retail Revenue						
Dry grocery	87,235	54.8	90,281	53.4	90,982	52.7
Fresh food	36,735	23.0	41,750	24.7	43,867	25.4
Non-Food	35,302	22.2	37,053	21.9	37,607	21.8
Total Revenue from Sale of Goods	159,272	100.0	169,084	100.0	172,456	100.0

Note: (1) Unaudited financial statements prepared by the management

Retail Customers in Thailand

Lotus's retail customer segments in Thailand vary by age, income, and household size ranges. The key strengths of Lotus's in attracting customers include:

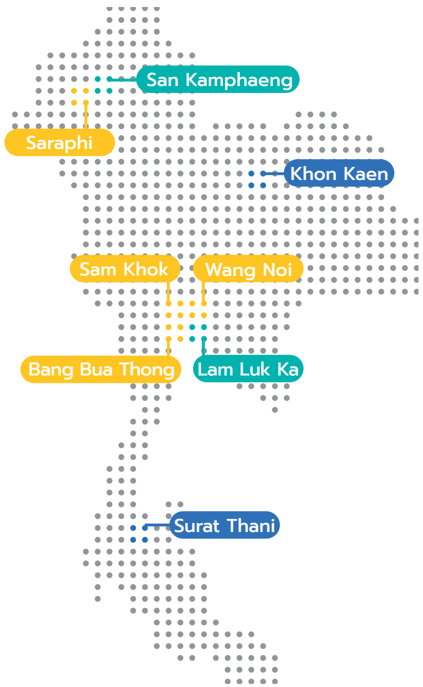
- The attitude of customers toward Lotus's products as value for money.
- The trust of customers in Lotus's. For example, in 2023, Lotus's won 3 Retail Asia Awards 2023, Hypermarket of the Year from Lotus's North Ratchapruek, Supermarket of the Year from Lotus's Privé), Digital initiative of the Year from my Lotus's NFT reflecting Lotus's dedication to becoming the Smart Community Center that carters the smart lifestyle of all generations in the digital era.
- Lotus's dedication to customer service and involvement in the local community that focuses on sustainability for communities.
- Lotus's plans to leverage these advantages to reach an expansive base of customers, especially those in the younger age group.

Lotus's analyzed in-depth customer data to provide a deeper understanding of Lotus's customers and thus an opportunity to create a satisfying shopping experience, bring in new and retain existing customers, and curate suitable products for each group. The analytics also brings to light purchasing behavior, enabling Lotus's to study the underlying shopping motives, develop pricing strategies and promotions that add value to the engagement with Lotus's, and accurately predict future shopping behavior.

The My Lotus's membership program is introduced to build and maintain hard-earned customer relationships and enable customers to collect points for their purchases at Lotus's stores. The data analysis suggests that My Lotus's members are more likely to shop than non-members, either by total purchase value or individual purchase volume. As of 31 December 2023, Lotus's Thailand had about 17 million My Lotus's members. Lotus's SMART Application, on the other hand, provides members with member-only information access, discounts, and coupons, among other promotional campaigns, as well as serving as the medium for direct communication between customers and Lotus's. All aspects of My Lotus's membership program are continually optimized for user-friendly applications and privileges that vary with individual consumption, in conjunction with the My Loyalty for new membership program which was launched alongside the rebranding of Lotus's. For the year ending 31 December 2022, the net sales from My Lotus's members accounted for 64% of the total Lotus's sales in Thailand.

Retail Distribution and Logistics Network in Thailand

A key factor in Lotus's retail strategy is the optimization of the supply chain and the distribution and logistics network, which allows Lotus's to optimize inventory levels across stores and distribution centers in a way that is efficient and suitable for products with a short shelf life to remain fresh and maintain the highest quality, enabling Lotus's to offer value-for-money to its customers continuously.



Distribution Center (DC)

- International certified ISO 45001 for health and safety management systems.
- Best employee relation award
- White factory awards

General Information

Products: > 50,000 products (consumer goods and fresh food)

System: Oracle Retail Warehouse Management System (ORWMS)

Additional Services: Delivering service from the distribution center

Transportation

- Daily and dynamic routing optimization
- 24/7 real-time monitoring and tracking

General Information

Delivery: >1,000 delivery per day (Ambient and cold chain fleets)

System: Transport Management System (TMS)

Additional Services: Picking-up service from suppliers to the distribution center

Ambient Fulfillment Center · Fresh Fulfillment Center · Composite Fulfillment Center

The distribution center of the Company has adopted modern logistics machines and systems such as a semi-automatic light-based product picking system (Pick-to-Light system), and automatic product sorting machine (Sortation system), to prepare the products for delivery to the stores. This will ensure maximum efficiency and quality in operating the distribution center.

Due to the rapid expansion of online business, some distribution centers offer online order storage and distribution, as well as optimize the nationwide stores to provide Last-mile delivery to customers. This is our competitive advantage over other online competitors.

The Company intends to continuously improve the efficiency of the distribution system and logistic network, for example, the Hub & Spoke distribution method for large electrical appliances. This method will select some hypermarkets to serve as storage and delivery hubs, as well as ready for installation at the client's home.

As of 31 December 2023, Lotus's had 8 distribution centers in Thailand with a total building area of about 260,930 square meters and 2 online fulfillment centers with a total building area of about 16,900 square meters.

Related information on Lotus's distribution centers and online fulfillment centers is displayed in the following table

Distribution Center, Region, and Type	Space (sq. m.)	Estimated Distribution Capacity (crates per day)
1. WNDC – National Ambient DC for Big Format Store	58,500	150,000
2. BBTDC – National Ambient DC for Small Format Store	29,000	152,000
3. SK RDC – Central Regional Ambient DC	33,700	185,000
4. LLKDC – Central Regional Fresh DC	28,500	65,000
5. KKRDC – Northeast Regional Ambient & Fresh DC	51,990	Normal Temperature: 110,000 Fresh Food: 34,000
6. SRRDC – South Regional Ambient & Fresh DC	51,990	Normal Temperature:51,000 Fresh Food: 14,500
7. SRP Hub – North Regional Ambient Hub	5,800	17,000
8. SKP Hub – North Regional Fresh Hub	1,450	9,000
Online Fulfillment Center		
1. Wangnoi Online Fulfillment Centre	10,400	Orders Per Day: 3,000
2. Lumlukka Online Fulfillment Center	6,500	Orders Per Day: 200
Total	277,830	787,500

In addition to providing internal retail transportation and storage services, Lotus's also provides distribution center and logistics network services to third parties (Backhauling & Primary Transport Services).

(1.2.1.2) Lotus's Shopping Center in Thailand

The Lotus's shopping center business in Thailand consists of property management and operation of Lotus's shopping centers and retail stores, as well as acting as the property manager of the shopping centers that the LPF mutual fund invests in, a fund of which holds 25% of investment units through its subsidiary Ek-Chai.

As of 31 December 2023, Lotus's shopping center business in Thailand has the following details.

- Leasing space management in 203 shopping centers, excluding the 23 shopping centers invested by LPF (as detailed below), with a permanent net leasable area (NLA) of approximately 774,116 square meters with Lotus's hypermarkets as the flagship store, whereby Lotus's is the freehold land-and-building owner of 63 shopping centers.
- The occupancy rate of the shopping centers is approximately 93.5%, calculated from the permanent NLA.
- With a 25% unitholding through its subsidiary Ek-Chai, Lotus's is the largest unitholder of the fund. LPF being a SET-listed property fund invested in 23 shopping centers across the country, a fund agreement through Ek-Chai is entered to position Lotus's as the LPF property manager.

Lotus's Shopping Center Mix in Thailand

Lotus's shopping center lease management business in Thailand, excluding duties as the LPF property manager, manages lease spaces in the following 3 types of shopping centers to serve various groups of customers:

- *Family malls,* or large shopping centers for families with various shopping services and entertainment activities, focus on particular business lessees, namely restaurants, fashion boutiques, financial service providers, and lessees providing entertainment-related activities, among other service providers. It typically has a permanent NLA of over 5,000 square meters.
- *Neighborhood malls* are medium-size stores, where customers can swing by in the community for a quick and easy grab, especially food products. It typically has lease spaces for a variety of restaurants, beverage shops, and grab & go fast food outlets. Although the lease spaces are smaller than Family Malls, in-store shops are available for family entertainment activities and fashion boutiques, along with financial and other service providers. The malls typically have a permanent NLA between 2,000 and 5,000 square meters.
- *Service malls* are smaller malls providing one-stop-shop spaces. The smallest of the three formats focuses on everyday products, necessities, and services, alongside selected restaurants, clothing shops, and children's play areas, among other services provided. It typically has a permanent NLA of up to 2,000 square meters.

Lotus's shopping centers sit in suitable locations throughout Thailand to serve in strategic areas that reach as many customers as possible, mostly in the central Bangkok metro area as well as other regions in the metropolis, each having a hypermarket as the flagship attraction. As of 31 December 2023, Lotus's shopping centers, built on Lotus's owned property, accounted for about 31% of all Lotus's shopping centers.

Shopping Center Leasing Projects

Lotus's continues to select suitable locations for new shopping centers across Thailand using the following criteria:

- Area with a large and dense population.
- Prominent locations with the potential of increasing in-store foot traffic.
- Access to main roads, public transit system, large parking areas and sound infrastructure

Lotus's has several projects related to shopping center leasing as follows:

- *Future shopping center development projects* focus on mixed-use properties that answer customer needs through online orders and delivery services. Lotus's also has plans to optimize foot-traffic shopping satisfaction in the future by expanding the product mix and related services in collaboration with business partners to personalize marketing by customer segmentation.
- *Optimizing shopping center space layouts,* particularly idled spaces, and seamless hypermarket-leased space services.

- *Space optimization:* expanding food-related commercial space, balancing mass market, niche, and traditional food brands, and transforming shopping centers into food destinations, maximizing customer foot traffic volume and rate for in-demand shopping center leases in the process.
- *Optimizing food courts:* renovating and optimizing shopping center food court spaces and introducing new brands and service providers, such as Cloud Kitchens, to satisfy food court goers
- *Digital experience optimization:* incorporating and implementing new IT infrastructures and applications to support digital payments and create shopping satisfaction
- *In-store shop mix optimization:* managing the appropriate proportions of suitable shopping center lessees by selecting and attracting restaurant operators and other quality service providers, focusing on branded or widely known franchises, and presenting a new shopping center atmosphere and image with the best in-store shop mix variety.
- *Health and beauty optimization:* improving health and beauty services by allocating space for health and beauty and selecting suitable service providers to adapt to the changed demand of consumer preferences.

(1.2.1.3) Investment and Provision of Services to LPF

Lotus's holds 25% of LPF, which was the largest unitholder of LFP, the real estate mutual fund listed on the Stock Exchange of Thailand. LPF owns 23 shopping centers under the Lotus's brand across Thailand. In addition, Lotus's has also entered into an agreement to act as an asset manager for LPF mutual funds.

The investment portion of LPF consisted of 11 Family Malls, 11 Neighborhood Malls, and 1 Service Mall. As of 30 November 2023, there is a permanent net leasable area totaling 339,571 sq. m.

As the property manager and the largest unitholder of LFP, Lotus's holds 25% of LPF. LPF receives income from the mutual fund as follows:

- Property Management Fee - As the Property Manager, Lotus's collects 4 types of fees from LPF for providing shopping center services: leasing and service fees, property management fees, incentive fees, and commission from leases. Lotus's receives a monthly fee as the property manager, calculated from various LPF shopping center performance indicators, including the share leasing and service fee from net annual revenue from LPF shopping center that not exceed 3.0%, the property management fee that must not exceed 0.3% of LPF's net asset value, and the incentive fees that not exceed 2.35% of the annual net profit from LPF shopping center.
- Dividend - Lotus's receives dividends as an LPF unitholder proportionately to its investment unit holdings. The dividend rate is not less than 90% of the net profit from quarterly investments and paid no more than 4 times a year.

Shopping Center Tenants Mix in Thailand

Lotus's has several types of tenants in Lotus's shopping centers in Thailand. The three main tenants are as follows:

- *Permanent* lessees: 1-year or longer tenants with either a fixed monthly lease payment or variable lease rate according to sales performance, with or without a minimum lease guarantee, including hypermarket and other lessees

  As the source of revenue stream, permanent lessees, namely the largest group of tenants in Hypermarkets, are integral to Lotus's shopping center leasing business success, averaging a lease term of about 3 years with major tenant lease commitments as long as 30 years. Financial, hospitality, technology-related, food, clothing, beauty, and entertainment service providers are Lotus's permanent occupied NLA
- *Temporary* lessees: -1 year or shorter leases that set up shop as stands or small vendors with a high turnover rate, allowing Lotus's to tailor new products and services to customers
- *Food court* lessees t: Lotus's services contracts with food court operators in shopping centers for an average term of one year. Food courts help attract foot traffic to shopping centers and other in-store lessees as customers prefer the price, quality, and quantity that offer a good value there.

In addition to revenue streams from lessees, Lotus's shopping center leasing business in Thailand includes other sources of income from service charges, such as utility bills and land-and-building taxes, pylon signage leasing fees, property management fees from managing LPF-invested shopping centers, among others.

(1.2.2) Lotus's Malaysia

Lotus's is Malaysia's leading retail and shopping center business through its subsidiary, Lotus's Malaysia, the leading retailer in Peninsula Malaysia. As of 31 December 2023, Lotus's Malaysia had 68 stores, including 43 hypermarkets and 25 supermarkets. Similarly to Thailand, Lotus's retail business in Malaysia has a reliable supply chain and an efficient distribution and logistics network, in addition to the strength of Lotus's brand and the following key strategic investment plans

- Attract new customer segments with modernized Lotus's rebranding
- Enhance the quality of goods and services with cost-effective offerings
- Expand the number of branches to cover more areas with store spaces between 2,000 and 4,000 square meters
- Accelerate online sales growth by leveraging a network of over 10 stores, including improving efficiency and collaborating with leading online platforms such as Food Panda, Lazada, and Shopee to increase point-of-sale products for consumers
- Leverage the wholesaling group to expand and optimize distribution channels for B2B customers across the country, focusing on independent restaurants, traditional retail stores, and other local businesses such as hospitals, hotels, and schools

(1.2.2.1) Lotus's Retail Business in Malaysia

Lotus's is the leading retailer in Peninsula Malaysia through its subsidiary, Lotus's Malaysia.

The following table shows the sales volume by channels and period for Lotus's retail business in Malaysia:

	Years ended 31 December					
	2021 [(1)]		2022		2023	
	Malaysian Ringgit million	%	Malaysian Ringgit million	%	Malaysian Ringgit million	%
Retial Revenue						
Hypermarkets	3,450	76.0	3,337	74.6	3,148	70.8
Supermarkets	763	16.8	863	19.3	1,063	23.9
Onliine Channels	288	6.4	215	4.8	203	4.6
B2B Businesses	37	0.8	61	1.3	35	0.7
Total Revenue from Sale of Goods	**4,538**	**100.0**	**4,476**	**100.0**	**4,449**	**100.0**

Note: (1) Unaudited financial statements prepared by management

The following table shows the average same-store sales growth across all Lotus's Malaysia distribution channels for the specified periods:

	Years ended 31 December		
	2021	2022	2023
Same-store Sales Growth	(2.2)%	(1.8)%	(2.5)%

Retail Store Formats in Malaysia

Lotus's operates 2 retail store formats in Malaysia: hypermarkets and supermarkets.

As of 31 December 2023, Lotus's had 68 retail stores located primarily in the Northwest, Central, and Southwest of Peninsula Malaysia, with as many as 23 stores in Klang Valley, Kuala Lumpur, the capital of Malaysia

- *Hypermarket* - Lotus's hypermarkets in Malaysia are large retailers with a one-stop shopping complex focusing on fresh food and consumer products with a sales area between 4,000 and 7,000 square meters and an average sales area of about 5,000 square meters, each serving mainly as the flagship store in Lotus's shopping centers, the leading hypermarket chain in Peninsula Malaysia.

Supermarket - Lotus's Supermarkets are medium-size retailers under the Corner Store concept with a sales space between 2,000 to 4,000 square meters, located primarily in Peninsula Malaysia as a convenient choice for daily groceries and other goods.

The following table shows the number of Lotus's retail stores in Malaysia by retail format.

	Years ended 31 December		
	2021	2022	2023
Number of stores			
Hypermarkets	46	46	43
Supermarkets	16	19	25
Total	62	65	68

Online Channels

Alongside Lotus's Malaysia's offline brick-and-mortar retail outlets is Lotus's online channel and services through other third-party online service providers such as Lazada, Food Panda, and Shopee. Lotus's has various methods to improve online customer satisfaction as follows:

- Delivery online services that create greater customer satisfaction through Lotus's continuous IT improvement program, enabling same-day delivery, smart promotion, and presentation of enhanced alternative products.
- Develop an online service center prototype, enabling more online services with optimized efficiency and lower operating costs.
- Increase the number of branches, from currently nine outlets in Malaysia, with an online Lotus's platform, which is currently available in 10 stores.

Retail Optimization in Malaysia

The Company aims to improve and expand the retail business in Malaysia with the following initiatives:

- *Optimizing products and services:* one of Lotus's core competencies in retailing, according to the Company, is its ability to offer a wide variety of high-quality products at affordable, worthwhile prices as the customers' preferred one-stop-shop destination, in particular, Lotus's fresh food has strategy that focuses on locally sourced fresh supplies delivered directly to Lotus's stores to maintain freshness and quality, alongside a variety of prepared meals to meet the diverse needs of each customer group. Lotus's also invests more in developing private label products under its trademark for the Malaysian retail market to offer value-for-money products compared to other products in the same price range on the shelf. As of December 31, 2023, private label product sales accounted for about 23% of the total retail sales in Malaysia. Moreover, Lotus's product mix is also tailored to meet the changed consumption needs as well as continuously changing trends, including health, beauty, and well-being products, as well as household appliances. Not only improving the product quality, Lotus's also aims to improve other in-store components for enhanced shopping experiences such as in-store layout and services, cleanliness, and safety, applying technology to implement spontaneous shelf replenishment, product recommendation, scan-and-shop, and self-checkout features alongside online shopping services.
- *Store modernization:* Lotus's hypermarkets have been modernized to better accommodate the changing needs of customers. Currently, the spaces for clothing and accessories in hypermarkets have been reduced while the space for fresh food and food preparation-cooking products has been expanded, adjusting to the growing demand for this product category. Lotus's has also adopted technological online systems to optimize store operations and customer shopping satisfaction.
- *Store scaling:* Lotus's currently operates more than 4,000 square meter of sales space of hypermarkets and 2,000 - 4,000 square meters of supermarkets. To account for the shopping shift in favor of convenient smaller retailers, The Company is considering resizing the stores into smaller retail stores to satisfy the shift in consumer behavior.

- *Accelerating online sales by optimizing the store format:* Lotus's plans to boost retail sales significantly by leveraging an optimized, reliable online infrastructure along with its retail network to support an efficient, reliable, and seamless shopping experience through the online shopping system and mobile app, accelerating growth through the online channel in the process. This allows Lotus's to offer convenience-centric services such as On-demand ordering, Click-and-collect, and Drive-through pick-ups without having to get out of the car. Lotus's also develops relationships with leading online service providers such as Food Panda, Lazada, and Shopee to further strengthen Lotus's online presence, ensuring customers can easily access prompt services through their preferred online channel.
- *B2B business development:* alongside the enhancement of offline brick-and-mortar is optimizing service capacities for B2B operators as a one-stop-shop destination for restaurant operators and local grocery chains regularly in need of meat, fresh food, dry food, and cooking facilities in bulk. To increase B2B sales through Lotus's Malaysia, the Company has established a B2B sales unit dedicated to providing direct service to nearby restaurants and grocery stores to facilitate business convenience. Lotus's continues to optimize its online infrastructure to provide a seamless shopping experience for customers.
- *Cost reduction:* Lotus's recent investments in cost reduction programs comprise cost-saving energy efficiency projects, leveraging technological renewable capacities to Lotus's stores in the areas of refrigeration, heating, ventilation and air conditioning, HVAC and lighting, as well as switching to renewable energy sources by installing roof solar panels to large retail stores and distribution centers to generate electricity. Also, Lotus's continued to evaluate the cost structure and expenditure associated with its distribution and sales network to improve and develop various related procedures. In 2023, Lotus's implemented an automated sorting system to enhance the efficiency of the supply chain and distribution system. Furthermore, Louts's has adopted the technology to increase the store's functions and reduce operating costs by implementing and increasing self-checkout kiosks from 15 stores to 34 stores.

Retail Product Mix in Malaysia

Providing one-stop-shop destinations with wide-ranging, affordable, and high-quality product mixes, namely fresh food, general goods, or clothing under various brands and private labels, among other consumer goods, is the core competency that determines Lotus's retail success in Malaysia. The retail product mix in Malaysia is as follows:

- *Fast-moving groceries:* Lotus's consumer products include commodities, dry food, canned food, cooking and baking goods, hot beverages, desserts, dietary supplements, beer, wine and spirits, cold drinks, health and beauty goods, infant chilled and frozen food, with a focus on providing quality consumer goods to customers who wish to purchase a variety of products at affordable prices. Lotus's optimizes inventory management in seamless sourcing from local manufacturers and distributors while developing private label products to compete with other products in the market.
- *Fresh food:* fresh food includes fresh fruits and vegetables, meat and seafood, and bakery products to sell quality food items at affordable prices. Lotus's direct sourcing and procurement enable value-added offerings, such as ready-to-cook food and ready-to-eat meals, where the entire supply chain is continuously evaluated for efficiency to ensure product freshness. Although fresh food is a fast-growing segment that effectively increases foot traffic to the store, it is in direct competition with transitional fresh markets as well as other supermarkets
- *General merchandise* includes a wide range of durable household goods, including home furnishings and accessories, electronics and computer accessories, outdoor entertainment, bags, home improvement items, auto-related products, toys, and stationery. Lotus's also offers quality products for household use under private labels. In addition, Lotus's selects and works with various manufacturers and distributors to provide new and higher quality products to optimize the product mix regularly.
- *Apparel:* Lotus's clothing line includes outfit and daily wear necessities at reasonable prices, including Lotus's private label and other domestic brands. Lotus's plans to expand into the toddler clothing segment in Malaysia.

Under its trademark, Lotus's private label products are offered to provide shopping alternatives to customers where the product groups with large markets, high growth potential, brand variety in the market, and the best chance to stand out in the respected are selected for private label development under its trademark. While local manufacturers are outsourced to produce the private labels, the intellectual property rights to the trademark and production are retained by Lotus's.

The Company plans to strengthen the quality of Lotus' products in the retail market in Thailand and Malaysia, including health food and other health-related products to focus on attracting more health-conscious consumers with wellness-oriented lifestyles. The Company plans to combine its product strategy for Lotus's Malaysia with its retail business in Thailand to allow cross-market distribution of Lotus's private labels and common sourcing to harmonize and synergize product mixes in Thailand and Malaysia with cross-market capacities without compromising the specific needs of each.

The following table shows the sales revenue by product category in Lotus's Malaysia by period:

	Years ended 31 December					
	2021 (1)		2022		2023	
	Malaysian Ringgit, million	%	Malaysian Ringgit, million	%	Malaysian Ringgit, million	%
Retail Revenue						
Dry Grocery	2,613	69.5	2,649	59.2	2,686	60.4
Fresh Food	1,297	18.9	1,197	26.7	1,213	27.3
Non Food	628	11.6	630	14.1	550	12.3
Total Revenue from Sale of Goods	**4,538**	**100.0**	**4,476**	**100.0**	**4,449**	**100.0**

Note : (1) Unaudited financial statements prepared by management

Lotus's Retail Tenants Mix in Malaysia

Lotus's retail customers in Malaysia vary by age, income, and household size. To grasp consumption patterns, Lotus's has partnered with an established company providing professional customer segmentation and analytical services to conduct measurable studies of each customer segment and develop product strategies, plan product sales through both online and in-store channels, develop a loyalty program, and an effective marketing plan.

To build and maintain customer relationships, the My Lotus's program is presented to enable customers to collect points from their purchases from Lotus's outlets. As of 31 December 2023, Lotus's Malaysia reported about 3.9 million members. In addition, My Lotus's mobile application is also available, providing members with information, member-only discounts and coupons, and other promotions, as well as a convenient medium for direct communication with customer service.

The Distribution and Logistics Network in Malaysia

Strategic to Lotus's success in Malaysia is the supply chain distribution and logistics network optimization for maximum efficiency and effectiveness in managing appropriate inventory levels in Lotus's stores across the peninsular. This is also necessary for maintaining the freshness of produce, deli, and fresh food through the journey from sourcing to Lotus's shelves with the highest quality and offering value-added products to customers at a suitable price.

As of 31 December 2023, Lotus's Malaysia owned 2 distribution centers and leased 1 distribution center for frozen products across the country, with about 89,243 square meters. Lotus's operates with 3 different types of distribution centers: room-temperature distribution centers storing consumer and general products, fresh-food distribution centers keeping products at 2-1 degrees Celsius, and frozen-product distribution centers operated by third-party service providers. Lotus's hypermarket, on the other hand, has an average storage space of 250 square meters with over 5.5-meter high ceilings, excluding leased stores with pending adjustments.

Lotus's mostly operates its own distribution and logistics network in Malaysia. The network was comprised of a truck unit transporting goods from-to distribution centers, shops, and warehouses in the northern, southern, and eastern regions of Malaysia with prime movers, ambient trailers, and refrigerated trailers.

The Company also provides distribution and logistics services for manufacturers and distributors in Malaysia to promote Lotus's online channels, including handling services such as freight, returns, and trades through cross-docking centers and transportation systems.

(1.2.2.2) Shopping Center Business in Malaysia

As of 31 December 2023, Lotus's Malaysia shopping center business comprised:

- Management of leased space in 62 shopping centers, with about 325,300 square meters of permanent NLA, 62 centers of which were either freehold or leasehold [1] from the Malaysian government.
- An occupancy rate of about 93.5%, calculated from the permanent net leasable area NLA.

Lotus's Shopping Center Mix in Malaysia

Lotus's manages three types of shopping centers in Malaysia to serve the following customer groups:

- Family Malls are large shopping centers that target families and households with a permanent NLA of over 6,000 square meters where a range of shopping and entertainment activities are offered by the main lessees, namely restaurants, fashion boutiques, financial, financial service providers, and entertainment event organizers, among others.
- Neighborhood Malls are medium-size shopping centers with a permanent NLA between 3,000 and 6,000 square meters for customers to swing by for a quick grab-and-go, especially food items, from wide-ranging restaurants, beverage shops, and fast-food eateries. Although smaller than Family Malls, there are also shops providing family entertainment activities, fashion boutiques, as well as financial and other services.
- Service Malls are smaller shopping centers with a permanent NLA of up to 3,000 square meters serving as a one-stop shopping destination for daily products and services, along with restaurants, clothing shops, and service shops for various daily needs and playground areas for children

Lotus's regularly evaluates and selects shopping center locations in strategic areas across Peninsular Malaysia to maximize access and consumer reach with a hypermarket as the main lessee in the establishment. The assessment criteria for selecting new locations are as follows:

- An area with a large and dense population
- A prominent location with increasing in-store customer foot traffic
- Access to main roads and public transit systems
- A large parking area with a sound infrastructure system

(1) Under Malaysian laws, freehold is the right to use land from the Malaysian government that can hold and use the land for an indefinite period of time. While leasehold means the right to use land from the Malaysian government not more than 99 years, which the owner can hold the land until the expiration of the lease agreement. If there is no extension or renewal of the lease agreement, the owner must return the land to the Malaysian government. Both freehold and leasehold ownership can be transferred.

Shopping Center Tenants Mix in Malaysia

There are three main groups of Lotus's shopping center tenants:

- *Permanent tenants* with a minimum lease period of at least 1 year or longer with fixed or variable lease rates based on sales performance, with or without minimum payment requirements. Where the average lease term is approximately 2 years, major tenants have an average term of 3 years. Together, they contribute to the success of Lotus's shopping center leasing business in Malaysia as a source of a stable income stream, including tenants in various businesses such as food-beverage, health-beauty, DIY, and clothing, entertainment, and sporting goods, among other service providers.
- *Temporary tenants* have under one-year leases that set up stalls or small shops and have a high turnover rate, allowing Lotus's to tailor new products and services to changing consumer behavior.
- *Food Court* - Lotus's has lease contracts with food court service operators in Lotus's shopping centers in Malaysia for an average term of one year. Food courts attract foot traffic to shopping centers and other shops as customers prefer reasonably priced meals.

(1.2.3) Business Innovation Development

Please see the detail under Section 3. Driving Business Sustainability.

(2) Industry Overview and Competition

(2.1) Industry Overview

The 2024 outlook for global economic growth continues to grow at a slower pace and has growth divergence in each country. While the developed countries tend to expand more slowly than the emerging and developing countries. A better growth rate is forecast for Asia due to an increase in domestic demand and the growth in exports, despite the Chinese economy tends to stagnate due to the debt in the real estate sector. Similarly, Thailand's economy is expected to strengthen from 2023, driven by the resumption of exports, domestic demand including consumption and private investment, and the continued recovery of the tourism sector. In addition, the economic growth is anticipated to accelerate further if the projection includes digital wallets. However, the economic recovery still faces significant risks and constraints, including the high levels of household and business debt, the risk of drought to agricultural goods, and a slower-than-expected contraction in trading partners from geopolitical concerns, as well as the high volatility of the global economic and financial system.

According to the International Monetary Fund ("IMF") report in January of 2024, an annual growth rate of 3.1% is projected in 2024, an increase from the projection in October 2023 at 2.9%, on account of greater-than-expected resilience in the United States and fiscal support in China. While inflation rates will reduce lower than expected from the tighter monetary policy. However, there will be no major downturn in activity. Therefore, it was more likely that the global economy would not enter a recession. Meanwhile, the Thai economy is expected to grow by 4.4% in 2024, an increase from the previous forecast in November 2023 at 3.6%. This is bolstered by an improvement in exports and continued growth in private consumption. While headline inflation is likely to increase slightly to 1.6 percent due to the support from energy price measures.

In line with the IMF, the Bank of Thailand ("BOT") projected 3.2% economic growth driven by a robust expansion in private consumption on the back of services spending as well as an improvement in employment and labor income, along with an increase in exports and tourism sectors. With the government's digital wallet scheme, the growth projection will be 3.8% in 2024. However, inflation tends to rise due to El Niño and a potential increase in global energy prices arising from the Middle East conflicts. In 2024, BOT estimated 34.5 million tourists as the foreign tourist recovery (excluding China) and benefits from tourism-stimulating measures such as Visa Free. Currently, BOT maintains the interest rate at 2.5% and will likely maintain at this level for 2024. Due to the gradual increase in the policy interest rate in the past, the current policy interest rate is appropriate for supporting long-term sustainable growth. The Baht-US Dollar will likely continue to appreciate throughout the year as the positive sign of steady recovery in the Thai economy and the US Federal Reserve's interest rate slowdown policy interest rate. However, the Thai economy remains uncertain. If the global economy, particularly the Chinese economy, recovers more slowly than expected, this will impact the slowdown in global trade, as well as the geopolitical issues, which was a significant challenge. Furthermore, Thailand faces structural obstacles such as an aging population, climate changes, and high household debt.

For the retail business in 2024, Kasikorn Research forecasted that the sales will grow 4.0-5.0% compared to the last year, owing to a recovery in foreign tourists and a rise in food prices. Thai Retailers Association released the Retail Sentiment Index ("RSI") in December 2023, which increased by 9.5 points compared to November 2023, due to the marketing and promotion activities during the New Year, which helps stimulate consumer spending. Meanwhile, the RSI in 2024 is likely to improve from the government's stimulus measures, as well as Olympic Games 2024 and Football Euro 2024, which increase retail sales. However, the details and conditions of the government stimulus initiative, like digital wallets, still need to be closely monitored. Furthermore, the entrepreneurs will confront several difficulties such as severe competition from the low-cost Chinese products, an increase in the minimum wage, and the El Nio phenomenon, all of which have an impact on retail business's profitability and expenses. In addition, the high household debt still affects consumer spending. The retail business format and shopping center will also change to reflect the demographics entering a fully aging society and declining population rebirth rates while technological developments and sustainability requirements change consumer behavior, and operational capacities, creating opportunities for business growth in the future. Meanwhile, according to TTB Analytics, the 2024 agricultural revenue of five major crops would be under pressure from the EI Nio phenomena, which will considerably reduce agricultural production even as prices rise. Therefore, the 2024 agricultural revenue of five main crops is estimated to drop by 4.0% compared to the last year, due to the risks of climate change and geopolitical issues. This may affect the energy cost and fertilizer. Overall, diminished income from agriculture will face the challenge and will affect the purchasing power of farmers, the main population of the country.

In December 2023, a report by the Asian Development Bank ("ADB") estimated a 4.8% economic growth in Asia for 2024, compared to 4.9% last year, following the domestic demand, a rebound in tourism, and decreasing inflation. Nevertheless, the economy is still under several risks such as higher interest rates in developed countries, financial stability, climate changes, and geopolitical tensions. In Malaysia, the ABD expects a 4.6% economic growth, a rise from 4.2% year-on-year, due mainly to recovering domestic demand, the reduction unemployment rate, and the increasing number of tourists. However, global economic uncertainty may affect future exports and domestic investment.

(2.2) Marketing

The Company's marketing campaigns are planned on a national scale and implemented locally. CP Axtra's fundamental marketing strategy concerns realigning traditional marketing through digital online channels while highlighting high-quality products at better value for target customers through various distribution channels. Wholesale brands and products are promoted through various offline and online media by developing product catalogs and promotions through Makro Mail, HoReCa Mail, and Foodservice Mail. Customers will be able to compare product prices and plan to increase profits. In addition, we select high-quality products with everyday low prices to match the needs of every customer.

Furthermore, we have product demonstrations in stores, as well as campaigns through the Company's website and social media channels. The Company also expands and maintains existing customer bases through its loyalty program, alongside sound pickup and delivery services that keep customers coming back.

The Company has multiple teams providing specific one-to-one marketing responsibilities. The insight team monitors store operations and analyzes customer data to optimize marketing, as the proposition team produces strategic marketing proposals based on analysis from the insight team. While the communication team executes the strategy developed by the proposition team, the customer development team has regular visits with customers to build strong relationships, conduct annual customer satisfaction surveys, and analyze the survey results to optimize services and customer satisfaction.

Lotus's retail business aims to provide customers with a one-stop-shop destination with convenient, swift, and proficient services through offline and online channels for all-encompassing needs, especially high-quality fresh food for value. Consistency in enhancing value and quality is fundamental to maintaining long-term customer relationships and thus Lotus's success. To account for rapid changes in customer behavior and shopping preferences following the pandemic, increasingly turning to shop at stores in the neighborhood and using online delivery services, Lotus's has adjusted its marketing activities as follows:

- Promoting enhanced customer services through online channels.
- Promoting in-store shopping to increase shopping frequency.
- Promoting per-shop volume to increase basket sizes.

In addition, Lotus's offers other marketing programs to reach new customers and retain the existing base with new-customer referral campaigns through various partner platforms such as restaurant service providers, food aggregators, e-commerce platforms and marketplaces, telecommunication service partners, and entertainment platforms. This includes new-customer welcome packs, personalized offers, exclusive customer rewards, and personalized customer communication to strengthen customer loyalty.

In the rebranding process, Lotus's is expanding its promotional and marketing campaigns of store trademarks and product brands to different customer segments, nationally and locally, through interviews with key thought leaders, online influencers, and business partners via social media as the target medium, as well as television and target local press, along with product demonstrations and in-store events.

Lotus's has several teams dedicated to marketing, namely the insight team responsible for tracking and analyzing customer data to optimize marketing, the proposition team responsible for formulating marketing strategies using in-depth analysis, and the communication executing strategy provided by the proposition team. Lotus's also applies customer data to personalize its products to individual customers by adjusting pricing and promotions accordingly.

(2.3) Competition

Given its diverse business scope, the Company faces many competitors across operating market segments, namely wholesaling, retailing, and leasing management in shopping centers. The Company believes that it has no direct competitors in the market segments that operate a variety of food businesses with the scope and scale comparable to the Company's business, notwithstanding the highly competitive food industry.

The Company is determined to become the leader in each operating market with competitive marketing and strategies to face the competition. Aside from the competitive edges in price levels, product quality, brand positioning and recognition, store locations, shopping convenience, product mix, and the availability of goods and services, it also has a significant competitive edge over competitors with traditional distribution channels. The Company's wholesaling-retailing cost structure and supply chain logistics capacities at scale make it extremely difficult for new entrepreneurs to enter the market and compete with the Company effectively.

Wholesale Competition

The Company is in direct competition at diverse regional and local levels with wholesalers, import-export companies, frozen-chilled foodservice distributors, manufacturer and distributor channels, and modern wholesalers of food and general goods in the same market. Our competitors are GO Wholesale, Thai Foods, and Big C Food Services. Also, we have competition from online channels.

Retail Competition

Lotus's faces competition in Thailand and Malaysia from a wide range of national, regional, and local competitors, including online and offline hypermarket operators, as well as wet markets and traditional retailing corner shops. Lotus's main competitors are Big C, Tops, and CJ More in Thailand, and Econsave, NSK, Mydin, and 99 Speedmart in Malaysia.

Lotus's is one of the largest fast-moving consumer goods retailers in Thailand. Its competitive edge is solid end-to-end fresh food sourcing and distributing, from producers and distributors to end consumers, as well as a comprehensive network of stores encompassing the larger part of Thailand. The Company thus believes few operators can effectively compete with Lotus's in the kingdom, especially in fresh food, as opposed to the highly competitive non-fresh food segment.

Shopping Center Competition

Lotus's competes with major shopping center leasing operators in Thailand and Malaysia for tenant retention, occupancy, shopping center location, customer convenience, tenant selection, tenant mix, and brand awareness. Competitors include Central Pattana, The Mall group, and Big C in Thailand, and Giant and Aeon Big in Malaysia. Lotus's is competing with the shopping center operators. Notwithstanding, Lotus's intends to transform shopping centers in some existing stores across the nation into "Smart Community Centers", a center for smart living for people of all ages in the communities via opening new stores mall transformation and mall extension. These centers shall be adorned with exquisite designs, offering an array of products and services, that cater to the diverse lifestyles of individuals in specific locales. Furthermore, Lotus's strives to be an Inspiring Fresh & Food Destination by launching the Eatery food court, a culinary complex that mixes famous street food and famous local restaurants to fulfill all customers of all ages in the communities.

Online Competitiveness

The Company faces increasing competition through online channels from the same wholesale and retail competitors in Thailand. In particular, the rapidly evolving online retail business has forced the Company to keep up with changing customer expectations and developments of competitors' new services. Customers have increasingly been communicating with the Company online through social media from their mobile phones and other mediums such as tablets, laptops, and other internet-connected electronics to shop and chat. The shift in shopping preference is evident in the product selection as well as the expectation for standard swift delivery. The Company has made significant investments in technological infrastructure and will continue to do so, especially in the part of the Company's website and application, aiming to improve offline and online seamless integration strategy. The online-mobile capacity allows customers to easily compare pre-purchase prices. Furthermore, the Company utilizes existing stores more than 2,000 stores as distribution centers to improve product delivery speed and efficiency. In addition, the Company prioritizes customers' convenience by allowing them to select the delivery format and delivery time, whether it is On-demand, Same-day delivery, or Next-day delivery, to support the growth of the Omni channel.

(3) Procurement

(3.1) Wholesale Procurement

The Company has developed and maintained strong direct relationships with its procurement sources, either international, domestic, or local, many of whom for over 30 years, namely manufacturers, producers, distributors, and small and medium-sized enterprises (SME) for all categories of products, including farmers and fishers. The Company's wholesale procurement strategy, especially for fresh food products, involves direct sourcing from farmers, manufacturers, local producers, distributors, and SMEs. No large-quantity procurement or a particular product is dependable on a single source for its wholesale business. In 2023, wholesale business procurement from its top ten largest sources neither exceeded 30% nor did any single order exceed 10% of the total orders during the year.

Group partners allow the Company better access to its manufacturers and distributors, namely the CPF partnership strengthening a stable supply of pork, poultry, eggs, and shrimp products and thus growth in the industry. CPF is also the center coordinator with overseas manufacturers and distributors for certain products.

Makro wholesale suppliers are granted 7 to 60-day credit terms.

(3.2) Retail Procurement

For the retail business in Thailand, Lotus's procures directly from a wide range of sources, including manufacturers, distributors, and suppliers, of brand-name products to provide a resourceful and wide-ranging value chain that delivers affordable quality products to customers. Lotus's Code of Conduct ensures that all procurement dealings are ethical and legal, where all merchandisers receive ongoing training.

Lotus's has leveraged its supply chain system to strengthen its capacity to source raw materials and supply goods amidst unprecedented disruptions directly from farmers, producers, and local distributors. In so doing, Lotus's has also developed a wide range of value-added fresh food to meet customers' needs, including marinated, ready-to-cook, ready-to-eat meat products, and the latest meat-product innovation, plant-based meat.

Lotus's retail suppliers in Thailand are granted 15 to 90-day credit terms.

For the retail business in Malaysia, Lotus's procures directly from a wide range of sources for brand-name products, including manufacturers, distributors, and suppliers. Although no products are procured primarily from a particular source, a high proportion of products are procured from popular brands. Lotus's negotiates with these sources for trade terms and large-volume purchase privileges to manage procurement costs. Notwithstanding the potential impact on product availability in the future, Lotus's can procure the same or similar products from its extensive network of suppliers in the event of a shortage for any reason.

Lotus's retail suppliers in Malaysia are granted 7 to 105-day credit terms.

(4) Business Assets

(4.1) Main Fixed Assets

The main fixed business assets of the Company and its subsidiaries consist of:

Unit: Baht million

Assets	Book value as of 31 December		
	2021	2022	2023
Investment Properties	45,268	43,910	44,314
Property, Plant and Equipment	118,443	118,115	115,574
Right-of-use Assets	36,831	37,167	39,751

Please consider details in Attachment 4 - Business Assets and Appraisal Details.

(4.2) Intangible Assets

Significant intangible assets of the Company and its subsidiaries as of 31 December 2021, 2022, and 2023 amounted to Baht 8,060 million, Baht 10,521 million and Baht 10,983 million million, respectively, consisting of mainly computer programs, trademarks, and other assets. Please consider in detail Attachment 4 - Business Assets and Appraisal Details.

(4.3) Trademarks and Service Marks

The Company and its subsidiaries had trademarks as of 31 December 2021, 2022, and 2023 amounting to Baht 464 million, Baht 462 million, Bath 462 million respectively. Please consider in detail Attachment 4 - Business Assets and Appraisal Details.

(4.4) Investment Policy in Subsidiaries and Associated Companies

The Company's policy is to invest in potential subsidiaries and associated companies with similar vision and growth plans that synergize operational capacities or optimize its operating results or competitiveness as a Group in attaining set goals as a leading operator in the business.

The Company, its subsidiaries, or associated companies, or all, may consider investing in other businesses under the same conditions. In considering such investment, the Company evaluates investment proportions, calculated risks and return, financial status, as well as investment feasibility and potential. The approval by the Executive Committee or the Board of Directors or the Company's shareholders' meeting is required, or by more than one of the approving parties as the case may be, under the Notifications of the Capital Market Supervisory Board and relevant SEC notifications.

The Group's Shareholding Structure

As at 31 December 2023

Wholesale Business Group

Wholesale Stores

99.99%

Makro ROH Company Limited
(Thailand)

- **99.99%** ARO Commercial Company Limited (Myanmar)
- **99.99%** Makro (Guangzhou) Food Company Limited (China)
- **99.99%** Guangzhou Huadu Makro Food Supermarket Company Limited (China)
- **99.99%** CP Wholesale India Private Limited (India)
- **70.00%** Makro (Cambodia) Company Limited (Cambodia)

Food Service

99.99%

Siam Food Services Limited
(Thailand)

- **100.00%** Indoguna Vina Food Service Company Limited (Vietnam)
- **99.99%** Indoguna (Cambodia) Company Limited (Cambodia)
- **80.00%** Indoguna (Singapore) Private Limited (Singapore)
- **80.00%** Indoguna Dubai Limited Liability Company (UAE)
- **80.00%** Indoguna Lordly Company Limited (Hong Kong)
- **80.00%** Just Meat Company Limited (Hong Kong)
- **80.00%** MAXZI The Good Food Restaurant & Cafe Limited Liability Company (UAE)
- **80.00%** Maxzi Global FZCO (UAE)
- **80.00%** Indoguna Muscat Limited Liability Company (Sultanate of Oman)

Retail Business Group

Retail and Mall

99.99%

C.P. Retail Development Company Limited
(Thailand)

- **99.99%** Lotus's Store (Thailand) Company Limited (Thailand)
  - **99.99%** Ek-Chai Distribution System Company Limited (Thailand)
  - **99.99%** Lotus's Mobile (Thailand) Company Limited (Thailand)
  - **50.00%** Retail Properties Company Limited (Thailand)
  - **50.00%** Lotus's Money Service Company Limited (Thailand)
  - **49.99%** Synergistic Property Development Company Limited (Thailand)
  - **37.50%** Sukhumvit Mixed-Use Company Limited (Thailand)
  - **37.50%** Sukhumvit Living Company Limited (Thailand)
  - **25.00%** Lotus's Retail Growth Freehold and Leasehold Property Fund (Thailand)
- **100.00%** Lotuss Stores (Malaysia) Sdn. Bhd. (Malaysia)

1.3 The Shareholding Structure of the Company

1.3.1 The Shareholding Structure of the Company

(1) Policy for the Segregation of the Company's Operations

The Company operates in retail and wholesale businesses of consumer goods and mall management. The wholesale business consists of the wholesale store business in Thailand and overseas, under Makro and LOTS Wholesale Solutions, and the Food Service business which is importing and distributing premium food products with storage and delivery services both Thailand and abroad. Retail business and mall management in Thailand and Malaysia were operated by Lotus's.

(2) General Information of Entities that the Company Holds more than 10% of Shares

Name of Company /Address	Type of Business	Country of Operation	Type/ Number of Paid-up Shares	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
Wholesale Business							
1. **Makro ROH Company Limited** 1468 Phatthanakan Road, Phatthanakan Sub District, Suan Luang District, Bangkok 10250 Tel : 0 2067 8999 Fax : 0 2067 9044	Providing teachical and supporting services to the Group	Thailand	83,970,000 ordinary shares	THB 8,397,000,000	THB 6,634,500,000	THB 100	99.99
2. **ARO Commercial Company Limited** 322, Upper Pazundaung Road, Sat San Ward, Mingalar Taung Nyunt Township, Yangon, Myanmar 11171 Tel : (95) 9770 330 003	Wholesales and retail operator and related business	Republic of the Union of Myanmar	-	-	USD 31,960,000	-	99.99
3. **Makro (Guangzhou) Food Company Limited** Room 1124, No. 193, Zhongshan 5th Road, Yue Xiu District, Guangzhou, China	Wholesales and retail operator and related business	The People's Republic of China	-	CNY 205,000,000	CNY 205,000,000	-	99.99

Name of Company /Address	Type of Business	Country of Operation	Type/ Number of Paid-up Shares	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
4. **Guangzhou Huadu Makro Food Supermarket Company Limited** (1) 163 Yingbin Avenue, Gaosheng Square, 1st & 2nd Floor, Huadu District, Guangzhou, China	Wholesales and retail operator and related business	The People's Republic of China	-	CNY 15,000,000	CNY 15,000,000	-	99.99
5. **CP Wholesale India Private Limited** 7th & 8th Floor, WeWork BlueOne Square, 246, Phase IV, Udyog Vihar, Gurugram 122016 India Tel : (91) 124 447 9000 Website : https://corporate.lotswholesale.com	Wholesales and retail business	India	105,857,134 ordinary shares	INR 1,160,000,000	INR 1,058,571,340	INR 10	99.99
6. **Makro (Cambodia) Company Limited** 5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Cambodia Tel : (855) 23 977 377 Website : www.makrocambodia.com	Wholesales and retail operator and related business	Cambodia	6,800,000 ordinary shares	USD 68,000,000	USD 55,200,000	USD 10	70.00
7. **Siam Food Services Limited** 2439 Old Paknam Railway Road, Prakhanong, Klongtoey, Bangkok 10110 Tel : 0 2782 6000 Fax : 0 2782 6009 Website : www.siamfoodservices.com	Importing and trading of food product from international and domestic sources.	Thailand	34,870,000 ordinary shares	THB 3,487,000,000	THB 3,487,000,000	THB 100	99.99
8. **Indoguna Vina Food Service Company Limited** 44B Phan Xich Long Street, Ward 3, Phu Nhuan District, Ho Chi Minh City, Vietnam Tel : (84) 907 091 188 Fax : (84) 28 3995 6756 Website : www.indogunavina.com	Trading, distribution, import and expot food products	Vietnam	-	USD 6,300,000	USD 6,300,000	-	100.00

Name of Company /Address	Type of Business	Country of Operation	Type/ Number of Paid-up Shares	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
9. **Indoguna (Cambodia) Company Limited** 5734, Street 1003, Bayab Village, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia Tel : (855) 2 390 1369	Importing and trading of food related products	Cambodia	450,000 ordinary shares	USD 4,500,000	USD 4,500,000	USD 10	99.99
10. **Indoguna (Singapore) Private Limited** 36 Senoko Drive, Senoko Industrial Estate, Singapore 758221 Tel : (65) 6755 0330 Fax : (65) 6755 9522 Website : www.indoguna.com	Manufacturing, trading, importing and exporting of food related products	Singapore	1,231,579 ordinary shares	SGD 1,600,000	SGD 1,600,000	-	80.00
11. **Indoguna Dubai Limited Liability Company** Al Quoz Industrial Area 4, Building No. 24, Road No. 25, P.O. Box 123125, Dubai United Arab Emirates Tel : (971) 4 338 6304 Website: www.indoguna.com/indoguna-dubai-llc/	Importing and trading of food related products	United Arab Emirates	1,800 ordinary shares	AED 1,800,000	AED 1,800,000	AED 1,000	80.00
12. **Indoguna Lordly Company Limited** Unit 5A & Unit 7B, Sing Mei Industrial Building, 29-37 Kwai Wing Road, Kwai Chung, Hong Kong Tel : (852) 2730 2025 Fax : (852) 2730 2024 Website: www.indogunalordly.hk	Manufacturing, trading, importing and exporting of food related products	Hong Kong	10,110,000 ordinary shares	HKD 10,110,000	HKD 10,110,000	HKD 1	80.00
13. **Just Meat Company Limited** Unit 5A & Unit 7B, Sing Mei Industrial Building, 29-37 Kwai Wing Road, Kwai Chung, Hong Kong Tel : (852) 2730 2025 Fax : (852) 2730 2024	Importing and trading of food related products	Hong Kong	1,000 ordinary shares	HKD 1,000,000	HKD 1,000,000	HKD 1,000	80.00

Name of Company /Address	Type of Business	Country of Operation	Type/ Number of Paid-up Shares	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
14. **Maxzi The Good Food Restaurant & Cafe Limited Liability Company** Al Shafar Investment Building, Shop No. 20, P.O. Box 126113 Al Quoz 1, Dubai, United Arab Emirates Tel : (971) 4 395 3988 Website: https://maxzi.ae	Restaurant and minimart	United Arab Emirates	8,000 ordinary shares	AED 8,000,000	AED 7,000,000	AED 1,000	80.00
15. **Maxzi Global FZCO** Dubai Silicon Oasis, P.O. Box 25748, Dubai, UAE	Restaurant franchise management business	United Arab Emirates	5,000 ordinary shares	AED 500,000	AED 500,000	AED 100	80.00
16. **Indoguna Muscat Limited Liability Company** Al Harm, Barka, Sourth Al Batinah Governorate, P.O. Box 869, Postal Code 115, Muscat, Sultanate of Oman Tel : +96892490280	Importing and trading of food related products	Sultanate of Oman	300,000 ordinary shares	OMR 300,000	OMR 300,000	OMR 1	80.00
Retail Business							
17. **C.P. Retail Development Company Limited** 629/1 Nawamintr Road, Kwaeng Nu-anchan, Khet Buengkoom, Bangkok 10230 Tel : 0 2797 9000 Fax : 0 2797 9884	Retail business and shopping center	Thailand	2,536,339,845 ordinary shares	THB 253,633,984,500	THB 253,633,984,500	THB 100	99.99
18. **Lotus's Store (Thailand) Company Limited** 629/1 Nawamintr Road, Kwaeng Nuanchan, Khet Buengkoom, Bangkok 10230 Tel : 0 2797 9000 Fax : 0 2797 9884	Retail business	Thailand	Group A 100 Ordinary Shares (2) Group B 740,000 Prefered Shares (3) Group C 490,000 Prefered Shares (2) Total 1,230,100 shares	THB 12,301,000	THB 12,301,000	THB 10	99.99

Name of Company /Address	Type of Business	Country of Operation	Type/ Number of Paid-up Shares	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
19. Lotuss Stores (Malaysia) Sdn. Bhd. Head Office, Level 3, No.3, Jalan 7A/62A, Bandar Menjalara, 52200 Kuala Lumpur, Malaysia. Tel : 03-6287 6000 Fax : 03-6272 8770	Retail business and other related business	Malaysia	Group A 39,200,000 Ordinary Shares (2) Group B 16,800,000 Ordinary Shares (2) Group C 60,000,000 Prefered Shares (2) Total 116,000,000 Shares	-	MYR 856,000,000	-	100.00
20. Ek-Chai Distribution System Company Limited 629/1 Nawamintr Road, Kwaeng Nuanchan, Khet Buengkoom, Bangkok 10230 Tel : 0 2797 9000 Fax : 0 2797 9884	Retail business and other related business operating	Thailand	513,750,005 ordinary shares	THB 5,137,500,050	THB 5,137,500,050	THB 10	99.99
21. Lotus's Mobile (Thailand) Company Limited 629/1 Nawamintr Road, Kwaeng Nuanchan, Khet Buengkoom, Bangkok 10230 Tel : 0 2797 9000 Fax : 0 2797 9884	Telecommunications	Thailand	50,000 ordinary shares	THB 5,000,000	THB 5,000,000	THB 100	99.99
22. Retail Properties Company Limited 313 C. P. Tower, 1st Floor, Si Lom, Khwaeng Silom, Khet Bang Rak, Bangkok 10500 Tel : 0 2247 3737	Shopping center rental and related utility services	Thailand	Group A 1,050,000 Ordinary Shares (2) Group B 1,050,000 Oridinary Shares (2) Total 2,100,000 Shares	THB 210,000,000	THB 210,000,000	THB 100	50.00
23. Lotus's Money Service Company Limited Krungsri Ploenchit Tower, 550 Ploenchit Road, Lumphini Sub-district, Pathumwan District, Bangkok 10330 Tel : 1712 Fax : 0 2627 8615	Finance (Credit Card)	Thailand	Group A 10,400,000 Ordinary Shares (2) Group B 10,400,000 Ordinary Shares (2) Total 20,800,000 Shares	THB 2,080,000,000	THB 2,080,000,000	THB 100	50.00

Name of Company /Address	Type of Business	Country of Operation	Type/ Number of Paid-up Shares	Registered Capital	Paid-up Capital	Par Value	Percentage of Shareholding (%)
24. Synergistic Property Development Company Limited 999/9 31st Floor, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel : 0 2667 5555 Fax : 0 2264 5570	Real estate development business	Thailand	Group A 2,325,000 Ordinary Shares (2) Group B 2,325,000 Ordinary Shares (2) Total 4,650,000 Shares	THB 465,000,000	THB 465,000,000	THB 100	49.99
25. Sukhumvit Mixed-Use Company Limited 18 True Tower Bldg. Ratchadaphisek Rd. Huai Khwang, Huai Khwang, Bangkok 10310	Acquiring Land and buildings for sale, rent, lease-purchase business and real estate development	Thailand	23,000,000 ordinary shares	THB 230,000,000	THB 227,023,000	THB 10	37.50
26. Sukhumvit Living Company Limited 695 Moo. 12 Bang Kaeo, Bang Phli, Samut Prakan 10540	Real estate development business	Thailand	35,000,000 ordinary shares	THB 350,000,000	THB 178,292,000	THB 10	37.50
27. Lotus's Retail Growth Freehold and Leasehold Property Fund 1 Empire Tower, 32nd Fl., South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok, 10120 Tel : 0 2686 6100 Fax : 0 2670 0430	SET listed Mutual Fund, invested in 23 shopping centers in Thailand and real estate rental	Thailand	2,337,282,928 units	THB 24,671,416,000	THB 23,828,131,994.37	THB 10.19	25.00

Note: (1) Under liquidation process (2) Voting rights: 1 vote per 1 share (3) Voting rights: 1 vote per 10 shares

1.3.2 Parties with Potential Conflict of Interests with the Company, Holding Over 10% of Voting Shares in Subsidiaries or Associated Companies

The Company operates in retail and wholesale businesses of consumer goods and mall management. Regarding to Retail Business, the Company completed the entire business transfer with C.P. Retail Holding Company Limited ("CPRH") in 2021, so that the retail business has become the main business of the Company. As this result, Retail Business has 2 major shareholders, namely CP Axtra Public Company Limited Group and Charoen Pokphand Group ("Companies under CPG Group").

Therefore, the companies under retail business having potential conflict of interests, holding more than 10 percent in associated company's voting shares are as follows.

Name of Company	Shareholding Proportion	
	Name of Shareholders	Percent
1. Retail Properties Company Limited	Ek-Chai Distribution System Company Limited (Indirect subsidiary which 99.99% of the total shares are held by the Company)	50.00
	Charoen Pokphand Group Company Limited (Companies under CPG Group)	27.00
	Other shareholders	23.00
	Total	100.00
2. Sukhumvit Mixed-Use Company Limited	Ek-Chai Distribution System Company Limited (Indirect subsidiary which 99.99% of the total shares are held by the Company)	37.50
	CP Future City Development Corporation Limited (Companies under CPG Group)	37.50
	Magnolia Quality Development Corporation Limited (Companies under CPG Group)	25.00
	Total	100.00
3. Sukhumvit Living Company Limited	Ek-Chai Distribution System Company Limited (Indirect subsidiary which 99.99% of the total shares are held by the Company)	37.50
	CP Future City Development Corporation Limited (Companies under CPG Group)	37.50
	Magnolia Quality Development Corporation Limited (Companies under CPG Group)	25.00
	Total	100.00

Nevertheless, the investment in the abovementioned associate companies may have conflict of interests with the Company, the Board of Directors has considered that the shareholding structure of these investments and related transactions are in line with the policies and investment strategy of the Company, and in the best interests to enhance with the Company's business operation.

1.3.3 Relationship with Major Shareholders

The ultimate major shareholder of the Company is Charoen Pokphand Group, which operates business in various industries, such as agriculture, food, retail, e-commerce and real estate, etc.

The Company operates in retail and wholesale businesses of consumer goods and mall management, having transactions and collaboration with the Companies under CP Group such as trading commodities which are the normal business and normal business support transactions, and other relevant matters depending on the Company's necessity. In this regards, the Company has appropriate procedures to approve the connected transaction in accordance with the regulations stipulated by the Capital Market Supervisory Board and the Stock Exchange of Thailand, as well as strictly comply with the rule and regulations of the connected transactions, regarding to the price and conditions of transactions that will not transfer benefits.

1.3.4 Shareholders

(1) Major Shareholders as of 22 August 2023

Top 10 Major Shareholders	No. of Shares	(%)
1. CP All Public Company Limited [1]	3,693,728,100	34.91
2. Siam Makro Holding (Thailand) Limited [1]	2,646,302,800	25.01
3. Charoen Pokphand Holding Company Limited [1]	1,688,132,145	15.96
4. C.P. Merchandising Company Limited [1]	936,066,072	8.85
5. Thai NVDR Company Limited	378,292,176	3.58
6. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	52,756,259	0.50
7. STATE STREET EUROPE LIMITED	44,990,526	0.43
8. MAYBANK SECURITIES PTE. LTD.	27,952,700	0.26
9. Mr. Prinya Tieanworn	26,500,000	0.25
10. UOB KAY HIAN (HONG KONG) LIMITED - Client Account	19,783,800	0.19
Total	9,514,504,578	89.94

Note: [1] 84.95% of the total shares issued were held by the companies under CPG Group

(2) The Shareholders Agreement

The Company has not signed the shareholders agreement that affects either the issuance and offering of securities or the management and there is no material matters that impact the Company's operations.

1.4 The Company Registered Capital and Paid-Up Capital

As of 31 December 2023, the Company's registered capital was Baht 5,586,161,750.00, comprising of 11,172,323,500 ordinary shares at Baht 0.5 par value per share, and the paid-up capital was Baht 5,290,161,750.00, comprising of 10,580,323,500 ordinary shares at Baht 0.5 par value per share.

1.5 Issuance of Other Securities

1) Debentures

With reference to the 2022 Annual General Meeting of Shareholders, which was held on 20 April 2022 approved the issuance and offering of debentures in the amount of not exceeding Baht 70,000 million for the purpose of investment of business expansion, debt repayment and/or working capital for operations and others.

As of 31 December 2023, the Company has 1 series of debentures that have not been redeemed with 4 tranches, remaining of Baht 15,000 million as detailed below:

Debentures of CP Axtra Public Company Limited No. 1/2023: Subordinated, Unsecured Debentures with Debenture Holders' Representative

Sale and Offering	Public Offering
Outstanding Debentures Value	Baht 15,000 million
Issued Date	13 September 2023
Interest Payment Date	Twice a year on 13 March and 13 September of each year until the maturity date. The first interest payment date will be on 13 March 2024.
Issued Rating	"A+" by TRIS Ratings Limited

Series	Debentures Value (Baht million)	Coupon Rate (%)	Maturity Date
1 year and 6 months	10,000	3.04	13 March 2025
3 years	3,000	3.20	13 September 2026
5 years	1,000	3.55	13 September 2028
7 years	1,000	3.80	13 September 2030

2) Bill of Exchange

As of 31 December 2023, the remaining amount bill of exchange of the Company was Baht 1,000 million.

1.6 Dividend Payment Policy

1.6.1 Dividend Payment Policy of the Company

Unless otherwise required, the Company has the policy to pay dividends not less than 40% of the net profit based on the consolidated financial statements after deducting income taxes, which has been effective from 1994 onwards.

1.6.2 Dividend Payment Policy of Subsidiaries

The Board of Directors of each subsidiary shall consider its dividend payment policy on a case-by-case basis.

1.6.3 Dividend Payout Information (Year 2019 - 2023)

	2019	2020	2021	2022	2023 [1]
Earnings per share (Baht)	1.30	1.37	2.38	0.73	0.82
Dividend per share (Baht)	0.96	1.00	0.72	0.51	0.57
Dividend payout ratio (%)	73.80	73.10	40.00	70.00	70.00

Note: [1] The Board of Directors approved to propose to the 2024 Annual General Meeting of Shareholders to consider and approve the dividend payment from the 2023 consolidated net profit in the amount of Baht 0.57 per share which includes the interim dividend paid to the shareholders at the rate of Baht 0.18 per share on 6 September 2023.The remaining for the final dividend payment is at the rate of Baht 0.39, which will be paid on 9 April 2024 to the shareholders who are entitled to receive dividend as per the Record Date on 29 April 2024.

2. Risk Management

2.1 Risk Management Policy and Process

CP Axtra Public Company Limited realizes the paramount of effective Risk Management in the pursuit of favorable outcomes under set goals. In 2023, given the highly susceptible wholesale and retail businesses face various challenges, including inflation, the Russia-Ukraine war given the highly fluctuating of product price, intense competition in both product and service offerings, and evolving consumer behaviors with a growing preference for online. The primary objective being a systematic approach to evaluating and controlling every risk factor involving the Company's ever-more top priority-food safety and considering the ongoing pandemic situation and continues to prioritize and implement preventive measures in case of new outbreaks or variants.

The company places paramount importance on continuous learning and adaptation to ensure that its business operations align with the organization's goals and objectives. This commitment aims to meet the ever-evolving needs of customers and foster sustainable growth, amid the constantly changing landscape of situations and emerging risks. The company employs a comprehensive risk management process that addresses both the impact and opportunities, overseen by the Risk Management Steering Committee. The committee comprises Company executives and top managements, totaling 13 individuals (Details about the Risk Management Steering Committee can be found on the company's website), that jointly determine Risk Management Policy and develop a Risk Management Framework under international standards. Potential risk factors that may impact Company Strategy are identified, analyzed, flagged according to risk level, monitored, and applied in the decision-making process to determine the appropriate Corporate Risk Management Plan along with authorized personnel responsible for managing the risks according to the plan and controlling the impact to an acceptable level.

Additionally, to enhance the effectiveness of risk management processes in other crucial sectors of the company, the Risk Management Steering Committee has approved the establishment of sub-risk management steering committees dedicated to specific areas of risk management. These sub-committees include: 1) Committee to monitor and support risk management in International Group companies 2) Committee to monitor and support risk management in different matrixes, namely the Siam Food Service Group Company Limited, 3) Committee to monitor and support risk management in Digital Transformation and Information Technology. The subcommittees operate with one synchronized objective, to evaluate and manage risks while keeping abreast of Company changes and business plans and report significant developments to the Company Risk Management Steering committee directly.

Risk Management Standard

The Company has adopted the COSO (Committee of Sponsoring Organizations of Treadway Commission) International Standard for Cross-Rrganization Risk Management, setting Company Policies, objectives, Risk Management Frameworks, and Risk Management Structure accordingly, and announced its intention to fight as an active member of the Thai Private Sector Collective Action Against Corruption (CAC) since 2018 with a membership renewal on March 31, 2021.

Risk Management Tools

To optimize Risk Management undertakings, a Company Risk Pap, Mitigation Plan, and Key Risk Indicators (KRIs) are applied as Risk Management Tools to analyze and assess unfolding and emerging risk factors with the potential to affect corporate goals, operationally or investment-wise, to proactively determine the associated impact levels and the required risk-management measures for Company-wide risk management readiness in the business year ahead.

The Company also outsources Risk Management experts from Pricewaterhouse Coopers Limited for advisory capacities under the Company Risk Management Steering Committee.

In the year 2023, the company implemented a Risk Management System organization-wide to enhance the efficiency and effectiveness of the Risk Management process. The Risk Management Department is responsible for the execution of this system and provides support, including conducting training sessions to enhance the knowledge and understanding of Risk Management among the management team through Refresh Training. Additionally, the department conducts training sessions on the usage of the Risk Management System (System Training)

The company recognizes the importance of the Risk Management Process and Supports open communication channels for consultation. Employees are encouraged to provide suggestions or highlight critical risks directly to the Risk Management Department or through a centralized channel via email at RMcommunication@cpaxtra.co.th

2.2 Risk Factors

The Company analyzes the business environment from internal and external perspectives, including important domestic and overseas developments alongside trends in the economy, the social-political-technological domain, the competitive landscape, and competitors, as well as the environment and ecosystems to which it relies upon, among others, while taking into account the comparable business risk factors from a third-party expert perspective. Furthermore, consideration is given to the risks that may impact the achievement of the company's goals and strategies:

"To become the **number 1 B2B and B2C** Retailer in Asia, combining both online and offline, by fulfilling our customers' daily needs with **Technology, Innovation** and **Operation Excellence;** together with people and partners in **Sustainable** way."

that are analyzed to determine critical organizational risk factors that had to be managed and monitored properly. The Risk Factors are as follows:

1) Strategic Risks

1.1) Risk of Strategy Implementation

Business Impact

Driving the specified strategy to achieve long-term goals is crucial for the company, influenced by various factors. Internally, these factors include changes in the business environment, market uncertainties, technological advancements, resource inadequacies, workforce readiness, and external factors such as changes in laws and regulations, shifts in government policies, and fluctuations in economic and political situations. These factors may impact the execution of the company's strategy, presenting both opportunities and risks. Furthermore, the rapid growth of the company according to the outlined strategy may introduce internal risks in aligning operations with the defined strategy.

Mitigation Plan

A Strategic Execution Risk Workshop is thus organized to elucidate the short-term and long-term strategies, as well as operational guidelines. This workshop was conducted for the executives to communicate and foster a shared understanding of the company's strategies. Additionally, it involved identifying and assessing risks associated with implementing the strategies, along with outlining preventive measures. The workshop also emphasized regular monitoring and evaluation of the outcomes resulting from the risk prevention measures.

In pursuit of Company visions and growth goals, a new business model that is responsive to changes in customer behavior and needs is in place to identify and drive home key projects that administer Company strategies and goals in both the short- and long-term, each interrelated in responding to fluctuating pressures and changes in the industry, marketplace, and overall customer sentiments and demands through a systematic process that closely monitors implementation effectiveness, ensuring that each project achieves the planned results and delivers the targeted returns to the Company on time.

1.2) Risks of Strategic Management

Business Impact

As the business world enters the era of digital disruption, where technology is integral to daily life, and as the Company undergoes a digital organizational transformation under adapted corporate strategies and goals in pursuit of a digital-oriented business model, the professionals, corporate culture, and work processes that underpin the model also need to adapt to keep abreast of advancing competitors and develop comparable strength in the new competitive landscape.

Mitigation Plan

Impactful organizational requirements for change, digital transformation is thus identified as a risk that affects its strategy and operating model in various areas, be they corporate plans and budget, implementation, work process and professional development, or project management, among other areas.

A central task force is established, comprising Company management, outsourced third-party experts, and related stakeholders in different areas, to jointly prioritize and define strategic projects going forward along with plans to manage implementation, monitor progress and completion, and assess performance. The task force is responsible for ensuring organizational digital readiness with, on one hand, a digital infrastructure to underpin key digital-operational capacities, be it an enterprise system, AI, Big Data, or Paperless Workflows, among other capacities, and, on the other hand, adapting human resources and the corporate culture under rapidly changing business conditions, be it the recruit and development of professionals with the digital talent and mindset or the required incentives and career paths to sustain a competitive organizational capacity in the digital age. The task force is also responsible for monitoring and assessing the performance, progress, and success of the strategic projects, as well as further outsourcing for required capacities.

1.3) Risk of Overseas Investments

Business Impact

Overseas expansion being a growth strategy with uncertain operations and management, due to the complexity and numerous factors that need to be considered, such as cultural differences, legal and regulatory frameworks, economic and political conditions, exchange rates, among others, the investment risks in foreign countries may have implications for the organization in terms of finances, operations, reputation, and compliance with the laws and regulations of various countries.

Mitigation Plan

Overseas executives are required to establish risk management measures to identify and assess potential risks along with the associated impact, mitigate them to an acceptable level, and review the measures regularly.

The operational performance of overseas subsidiaries is monitored closely to ensure results are on target and the business is managed efficiently and effectively. Business expansion under planned timetables being key to achieving strategic goals, local executives and professionals in Company-based countries with the applicable knowledge, skills, and experience are retained to manage overseas operations alongside high-level Company executives from Thailand assigned to overseas subsidiaries to transfer and share knowledge and experiences in managing business operations with local management and monitor the business operations closely from abroad. This allows the Company to recognize problems, propose and develop solutions to problems similar to Thailand, and jointly and effectively manage them with local senior management, ensuring they are operational and competitive in achieving set goals and results in the process.

In situations that are significant and have an impact on the operations of each country, such as the spread of COVID-19 or uncertain political conditions, senior executives and relevant management committees continue to closely monitor the situations in each country. They provide advice and recommendations regarding various measures and guidelines available to be implemented in each country to ensure the continuous operation of the business.

2) Operational Risks

2.1) Risk of Organizational Readiness

Business Impact

Human Resources being any organization's most valuable asset, another factor obstructing corporate goals and strategy is the readiness of human resources to cope with changes or various situations is crucial, as it can impact the organization's ability to operate smoothly, including a shortage of key experience, knowledge, and talent, or, the insufficiency thereof thus the organizational structure to drive implementation with strategy.

Mitigation Plan

The company has developed a training plan and conducted various training programs for all employees and managers. Tailored courses are designed for personnel at each level to ensure they have sufficient knowledge and skills to execute the company's strategic plan. The company places importance on managing succession for key positions, identifying critical roles to ensure suitable successors, and considering capable employees for succession management based on skills, knowledge, experience, and job-fit characteristics. This approach allows employees to clearly see their career advancement path (Career Path) and involves planning for the development of succession candidates through training and capability management to enhance necessary skills systematically.

Furthermore, the company has established the People Committee to manage various risks related to human resources. This committee formulates policies for human resources management and development, including defining working processes and organizational culture conducive to supporting the company's business success.

2.2) Risk of Food Safety and Product Quality

Business Impact

The safety of food and the quality of products are crucial factors that directly impact the health and satisfaction of consumers. Safe and high-quality food and products contribute directly to the trust and confidence of the customer base. Therefore, the company places paramount importance on offering products that are of high quality and safe for consumers. Additionally, the company focuses on developing products that promote the health and well-being of consumers.

Mitigation Plan

Quality Control (QC) processes are constantly optimized and implemented to meet international standards for product safety and applicable requirements, starting from upstream evaluation and ethical sourcing, manufacturing, and procuring raw materials, to transporting goods and ensuring end-user products are from the best sources and have the best quality under food safety standards and certification compliance, namely GLP, Q Mark, HACCP, GMP, and Codex, among others.

Food safety projects include Quality Pro for fruits and vegetables and the Makro i-Trace system via QR Code scanning for customers to examine product origins. Surveillance, monitoring, and procedures are in place with close coordination with the government to prevent infectious diseases and keep abreast of the latest news and impactful developments, react promptly, set practical capacities to prevent, control, ensure Company-readiness to handle risks appropriately, and mitigate and respond to crisis when it unfolds.

The Company has also appointed a Sustainability Project Committee to promote environmentally-friendly resource utilization and production efficiency and prepared the MIA (Makro Initiative Accreditation) standard to raise the QC standards of contracted manufacturers and private labels to international standards.

2.3) Risk of Cyber-Security

Business Impact

While the IT infrastructure underpins any organization's operational and business capacity, linking information and communication throughout the organization, cyber attacks and threats are increasing in severity and form, and are evolving rapidly with emerging new technologies. The Company is well aware that such threats bear significant impact potential on its business operations and credibility, and has thus flagged cyber security as a key risk.

Mitigation Plan

The company has established a Cyber Security Department with information technology expertise and primary duties to plan and oversee cyber threat surveillance through the 24-hour Security Operation Center (SOC) to detect vulnerabilities in IT systems with a range of software and hardware capacities, be it artificial intelligence and machine learning tools that automatically respond to cyber threats and report results in real-time or automated data breach prevention tools. Proactive prevention and monitoring operations, protocol rehearsals and training, and simulated real-life cyber threat drills are also conducted to foster a corporate culture of digital-cybersecurity-oriented professionals and raise awareness, thus, overall organizational human resource readiness.

To effectively raise the cybersecurity management standard, the company appointed the Information Technology and Security Management Committee (IT & Security Committee) to oversee Information Security Policy and overall organizational digital-cybersecurity readiness under the company's Chief Information Technology Officer (CIO), a member of the Executive Board of Director Committee (EBD) serving as the Chairman of the IT & Security Committee, reporting directly to the Executive Board of Directors Committee (EBD).

The Company continuously raises cyber security awareness among employees, be it via phishing testing and training, and security email alerts on new threats, how to prevent them, and related IT laws through internal communication channels and training sessions.

2.4) Risk of End-to-End Operations (E2E)

Business Impact

To achieve the current and future business demands, given the changing lifestyles and the goal to focus on innovative services for customers, the company recognizes the importance of integrating online product purchases and offline customer service experiences. The company aims to expand sales and service channels to cover all possible avenues through an Omni-Channel approach. Therefore, operating the business in this new format requires the development of systems and a shift in working methodologies. Additionally, the company must respond to the evolving expectations of customers regarding products and services. This introduces new risks, impacting investment in system development, operational efficiency, and customer satisfaction. Examples include issues with product ordering and delivery services, which may lead to delays and affect the quality of certain products, particularly perishable goods.

Mitigation Plan

The company has continuously developed and improved E2E system to meet customer needs. This includes enhancing the convenience of online product ordering, diversifying product offerings, and payment methods. The company also provides options for customers to either pick up products at branches or utilize delivery services. Some branches in Bangkok have been allocated as storage centers to efficiently manage product distribution. Processes for packaging and delivering products have been optimized, and equipment used in business operations has been appropriately upgraded, such as delivery equipment and temperature control devices. Additionally, the company focuses on maintaining cleanliness and maintenance to ensure the efficiency of deliveries and preserve product quality. To further enhance service efficiency and customer satisfaction, the company has integrated new information technology systems, such as inventory management systems, product management systems, and delivery management systems.

The Company has improved training courses for employees and related companies such as transport and delivery companies, among others, to enhance their knowledge and understanding of the business model and quality management of delivered products, ensuring both Company employees and related parties acknowledge and are familiar with the model.

3) Reputational Risk

3.1) Risk of Corporate Reputation

Business Impact

Negative and inaccurate information about the Company weighs a heavy impact on its hard-earned reputation and creditability, be they opinions and comments on provided products or services, involved personnel, or the organization itself, all of which can be exaggerated, exacerbated, and go viral on social media online channels to damage related parties with far-reaching implications.

Mitigation Plan

A team and countermeasures are thus put in place to promptly handle such incidents and mitigate the likelihood and impact potential of negative circulation. The team is equipped with the technology and systems to monitor social media events and information from call center that may pose such a threat to the organization where incidents are reported directly to the appropriate chain of command that determines corrective and preventive measures accordingly, with a clearly defined reporting timeline for incident response and incident resolution. Countermeasures are also in place to handle negative reviews on Company product quality, services, employees, or management in particular branches to respond to the comment, prevent the cause of the problem from repeating, and seize the opportunity to show customers that they are the priority and the Company is open and willing to accept, make amend, improve, and prevent the problem from happening again. A communication system is in place to handle both normal situations and crises, where drills are rehearsed to practice prompt crisis handling and the crisis countermeasures are reviewed regularly to ensure practical responses.

4) Compliance Risks

4.1) Risk of Ethic and Legal Compliance

Business Impact

The Company adheres to business ethics and the good corporate governance principles of honesty, transparency, and fair business operations under the legal requirements of domestic and international Company-based countries alike, complying with both internal and government policy. Non- or partial compliance, however, be it legal provisions, regulations, or policies, can bear significant consequences or damages, or both, on the Company's reputation, delay operations, and result in penalties, fines, or loss of business opportunities.

Mitigation Plan

As legal provisions and requirements change regularly and apply to relevant internal departments differently as they do, the Company's legal department is also responsible for keeping abreast of the latest legal developments and governmental announcements with potential impact on business operations, as well as notifying and providing necessary compliance training to relevant executives and internal departments for acknowledgment. It takes part in adapting work processes that may be affected by changes in legal requirements to ensure accurate and complete compliance and developing a compliance monitoring system, be it compliance reports, contract preparations, renewals, or licenses related to Company operations.

For the subsidiary businesses operating in foreign countries, being overseen by the legal department of the parent company, moreover, domestic and international legal advisors are also outsourced to closely monitor legal changes and updates for overseas subsidiaries and advise best compliance practices in countries where the Company operates.

A Whistleblowing Channel is provided on the Company's website to receive complaints and clues of alleged wrongdoings or misconduct, namely corruption, investigate the case while maintaining whistleblower confidentiality and offer appropriate witness protection where necessary.

The Company became a member of the Thai Private Sector Collective Action against Corruption, or CAC, under the Anti-Corruption Act on February 12, 2018, to formally announce a stance against corruption and renewed its membership on March 31, 2021. Corruption risks of susceptible internal activities involving and dealing with government agencies are assessed regularly.

4.2) Risk of Personal Data Protection Act (PDPA)

Business Impact

Due to the effective of Personal Data Protection Act B.E. 2562 (PDPA) in the year 2022, the company has considered the impact of this law on the personal data. The data includes information about customers, employees, manufacturers, and suppliers. This may have a significant impact on the company's reputation and potential financial losses.

Mitigation Plan

The Company has appointed the PDPA committee to optimize existing computer systems and related work procedures, and formulate policies related to the protection of personal data alongside outsourced third-party experts. The committee supervises work processes, receives reports, and considers relevant matters to ensure accurate and complete compliance with legal requirements.

The company has provided training on the relevant laws to executives and relevant staff members to ensure awareness of its implications and potential changes in operations. Additionally, regular newsletters have been issued by the PDPA Office to communicate important information and updates to all employees throughout the organization.

The company also implements security measures to prevent unauthorized parties from access to personal information. The Data Protection Officer (DPO) is appointed with responsibilities to supervise the collection, usage, and disclosure of personal data, as well as conduct annual risk assessments, summarize the results, and report to the Risk management steering committee. The officer is also responsible for advising the committee and communicating with the entire organization on best practices and relevant disciplinary action, along with remedial measures for those affected.

To ensure compliance with legal requirements, the company has announced policies and relevant guidelines, such as the Personal Data Protection Policy. This includes details on data usage, the process for requesting personal data rights, and channels for notifying consent changes on the company's website.

5) ESG Risks

5.1) Risk of Climate Resilience

Business Impact

The Company is aware of the increasingly severe global climate and natural disasters, be they droughts, flash floods, or thunderstorms, intensifying with rapidly rising sea levels and temperature shifts, all of which significantly affect the agricultural farming, production, and output of trading partners as well as the transport thereon to Company distribution centers and stores.

In the year 2023, water stress from climate change has had significant and increasingly severe impacts, particularly on the sufficiency of water for various needs and the quality of water in the region where the company operates.

Mitigation Plan

As inconvenient as it already is for customers to travel under normal traffic conditions, the Company has developed a business continuity management (BCM) plan with designated capable branches and distribution centers across the country to transport goods and deliver orders to customers interchangeably in the event of an emergency, forming a national network of business partners and associates with the capacity and resilience to continuously supply products for online orders and provide services that save the customers from unnecessary journeys and exposures at our stores.

To mitigate the impacts of future natural disasters to an acceptable level, especially from flood risks, the Company has diversified distribution center locations to low-risk areas with varying natural disaster categories and put in place measures to provide help during a crisis, namely electricity from multiple sources and self-sufficient distribution centers with rooftop solar panels, to facilitate business as usual in the face of a natural disaster.

The Company has formulated a climate coping strategy to reduce both direct and indirect greenhouse gas emissions by using renewable energy and maximizing internal energy efficiency, promoting tree planting in Company areas to naturally absorb carbon dioxide as well as raising awareness of environmental conservation among employees, business partners, and all stakeholders alike.

Energy efficiency, for instance, is optimized with high-efficiency light bulbs replacements at 26 stores, the switch to variable speed drive chillers for air conditioning systems, and environmentally-friendly refrigerants at 17 stores, including the refrigerants in fresh food freezers while increasing the proportion of electricity from solar rooftops. These projects not only result in lower energy impact but also minimize greenhouse gas emissions.

To alleviate water stress, the company target of achieving a 20% reduction by the year 2020. Additionally, comprehensive reviews and preparedness plans for water crisis management will be implemented across all stores.

5.2) Risk of Human Right

Business Impact

Recognizing diversity and respecting the rights of others are essential for any community. Whenever inappropriately communicated and managed can cause the business' operational risk. The company respects human rights and labor practices in all operations, promoting equality, non-discriminatory and workplace occupational health & safety. This includes preventing human rights violations and protecting the person from discrimination and harassment.

Mitigation Plan

The company respects human rights and labor practices, such as the Universal Declaration of Human Rights (UDHR), the UN Global Compact, the UN System Code of Conduct, the UN Guiding Principles on Business and Human Rights (UNGPs), and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), including regulation in all countries where business is operated. The company regularly reviews human rights due diligence and communicates the human rights policies and labor practices to stakeholders.

The company announced the Human Rights Due Diligence committee's roles and responsibilities to ensure the salient issues are identified, and the causes of risk, mitigation, and preventive action are systematically and in place. The top management assigned Human Rights Due Diligence (HRDD) Committee to review the policy compliance to the global standard and drive the result performance in human rights, labor practice, occupational health and safety to be effective within the organization, and among the supply chain.

6) Emerging Risks

To prepare measures and management guidelines for effective and prompt proper response and management, developments and trends with potential impact on business operations are analyzed and reviewed alongside changes that may become problematic or risky on a yearly basis. The following risks emerged in 2023 with the potential to affect business as usual:

6.1) Risk of Consumer Preference Change

Business Impact

The post-outbreak new normal has forced the Company to adapt with a shift in consumer lifestyle and a rapidly growing preference and prioritize online distribution channels and popular delivery services that are replacing foot shopping. Although legacy online platforms emerged with technological developments that allowed the Company to compete and increase market share in the same market sustainably in the past, customers grew weary with safety and exposure concerns as the legacy business model relied predominately on providing products and services through a storefront.

Mitigation Plan

The new online platform has optimized maximum consumer convenience in accessing, comparing, and shopping Company products and services anytime and anywhere for a better value with swift e-payments and doorstep deliveries through multiple channels, on and offline, that synchronize into one omnichannel mobile application with zero safety or exposure concerns. Digital marketing and promotional activities are also managed through the application, alongside the Company's website, to conveniently communicate information and acknowledge customer opinions or concerns, online and offline.

6.2) Risk of Disruptive Digital and AI Technology

Business Impact

Digital Technology and Artificial Intelligence (AI) are rapidly transforming the world and playing a significant role in daily life. Business models, market competition, and consumer preferences have all undergone notable changes, especially in an era driven by "Innovation." Examples include the integration of Digital Technology in Transportation Services, marketing strategies, and online product sales. Furthermore, digital technology enables businesses to access and analyze customer data more efficiently. This data can be utilized to enhance products and services, aligning them more closely with customer needs. Additionally, AI facilitates increased automation in business operations, contributing to cost reduction and improved efficiency.

In the long term, such transformations pose risks that may affect traditional business models and distribution channels, potentially causing the company to lose its competitive edge. However, it also presents opportunities to establish new businesses that add value to the organization. Additionally, the growth and advancements in technology create risks related to a shortage of skilled personnel in the technology or digital talent. Furthermore, AI may lead to changes in work patterns and the necessary skills for employees, necessitating adjustments and organizational restructuring for businesses.

Mitigation Plan

The Company believes that businesses adapting proactively to the changes brought about by Digital Technology and AI will be able to grow and compete sustainably. As a result, the company regularly reviews its organizational strategy, ensuring it aligns with the business's growth and developing strategies for digital and AI transformation. This includes planning, monitoring plan execution, and developing systems, technology, and personnel readiness.

The company has earnestly prepared to address these changes, beginning with an assessment of the potential impacts on business. Subsequently, the Company has outlined appropriate response strategies tailored to the business context. This involves investing in the development of digital and AI skills for employees, enabling them to work efficiently alongside digital technology and AI. The company is also adapting work processes to align with digital technology and AI, aiming to enhance efficiency and reduce costs. Moreover, there is a focus on developing products and services that meet the changing needs and behaviors of customers in the digital era.

6.3) Risk of a Pandemic New Normal

Business Impact

Since the outbreak of COVID-19, scientists believe that humans may have to coexist with this disease for an extended period. Additionally, new variants of the COVID-19 virus continue to emerge, and it is anticipated that many more viruses may evolve into different diseases in the future.

External factors beyond the control of the company, such as changes in climate conditions, including rising temperatures, contribute to the rapid growth and spread of diseases. Moreover, the possibility of zoonotic diseases, where viruses from animals can easily transmit to humans, remains a concern. In this context, the occurrence of contagious diseases of this nature is likely to happen frequently and become a regular aspect of the future. This could impact business disruptions and stimulate changes in consumer behavior towards a greater adoption of the "New Normal" lifestyle.

Mitigation Plan

To mitigate the risks associated with this situation, the company regularly reviews and enhances the pandemic response plans. This includes elevating the plans to better cope with the opportunities and risks arising from more frequent major disease outbreaks. Considering the possibility of continuous mutations leading to new strains in the future, the company has developed and continues to develop products and services to keep pace with the evolving landscape. This ensures that customers can access products and services conveniently and safely in response to ongoing changes.

The company also consistently monitors news related to pandemics, and there is regular communication throughout the organization when there is an escalation in the severity of infectious disease outbreaks. This ensures that everyone is informed about the preventive measures that must be strictly adhered to, aiming to prevent potential impacts on both employees and customers.

6.4) Compliance Risk from Business Acquisition

Business Impact

The business acquisition of Lotus's in 2021 subjected the Company to regulatory requirements under the Trade Competition Commission of Thailand (TCCT), namely the announcement to investors regarding the potential benefits of the merger. Failure to comply with applicable laws, regulations, or contractual obligations may affect the outcome of the merger, the continuing operations, and the Company's reputation.

Mitigation Plan

The Company and its subsidiaries have thus jointly established the TCCT Compliance Committee, consisting of legal departments and related parties of involved companies to jointly supervise operational compliance and determine plans to prevent non-compliance risks. Regular committee meetings were scheduled in 2023 to follow up on compliance performance under the plan.

Due to the provisions outlined in the contractual agreement with the investors, these will arise from synergy projects where both companies collaborate. This collaboration aims to ensure that various stipulations are efficiently executed and objectives are successfully achieved. To achieve this, a task force has been established, comprising individuals responsible for each project. This team will actively monitor and ensure that operations align with the defined objectives. Regular meetings and reporting mechanisms will be implemented to keep management of both companies informed of the progress.

7) Risks Affecting Securities Holders' Rights or Investments Risk of Controlling Interest

The Company's majority shareholders consisted of 4 companies under the Charoen Pokphand Group, namely itself, 1) Siam Makro Holding (Thailand)Company Limited along with 2) CP All Public CompanyLimited are holding 59.92 of total company shares, 3) Charoen Pokphand Holding Company Limited holding 15.96% and 4) C.P. Merchandising Company Limited holding 8.85% whereby the 4 CP affiliates have a combined shareholding of 84.73% of all sold shares. This poses a risk to check and balance in the Company as a single group controls its decision-making processes and meeting resolutions, including special resolutions of the shareholders' meetings, thus the direction of the Company as effective voting that would normally check and balance proposed matters without a controlling interest is disenfranchised from the remaining minority shareholders.

The Company always conducts business under the principles of good corporate governance and provides equal opportunities for all. As such, minority shareholders are entitled to propose directorship nominees and meeting agendas to the Board of Directors which consists of 5 independent directors, representing a third of all board members, 3 of which serve on the audit committee, a Company structure of bylaws and procedures protecting the rights and interests of minority shareholders through check and balance of power and auditing transparency. All Company directors are knowledgeable, capable, and respected members of society that are elected irrespective of protected rights. Majority-shareholder matters or transactions with potential conflicts of interest with the Company are properly handled under the Company compliance policy governing measures and procedures for approving connected transactions, as well as relevant legal provisions and requirements.

3 Business Sustainability Development

3.1 Sustainability Management, Policy and Targets

Sustainable Development Vision

To be the number one trusted partner for customers, offering safe and high-quality products at fair prices, supporting customers to maintain their competitiveness and profitability. To enhance stakeholders' quality of life without compromising the future generations' opportunity to access the resources for their needs.

The Company has established a framework for developing and managing sustainability in three dimensions: economy, society, and environment. the Company expanded Sustainability strategies to the long term action as a 10-year roadmap start from January 2021 to December 2030.

2030 Sustainability Strategies

Sufficiency Economy Philosophy	C.P. Excellence Management Approach	The 10 UNGC Principles 17 UN SDGs & UNGP	Regulations, and Standards

HEART Living Right	HEALTH Living Well	HOME Living Together
Corporate Governance	Health and Well-Being	Climate Resilience
Human Rights and Labor Practices	Social Impact and Economic Contribution	Circular Economy
Education and Inequality Reduction	Food Security and Access to Nutrition	Water Stewardship
Education and Inequality Reduction	Innovation	Ecosystems and Biodiversity Protection
Cybersecurity and Data Protection	Stakeholder Engagement	Responsible Supply Chain Management

Materiality Reporting Boundaries

HEART : Living Right

Sustainability Strategies	2030 Sustainability Targets	Supporting UN SDGs	GRI Standard
Corporate Governance	**100%** The businesses implement a corporate governance impact scoring assessment.	5 Gender Equality; 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions	102-11, 102-12, 102-13, 102-18, 102-22, 102-24, 102-30, 102-35, 102-38, 103-1, 103-2, 103-3, 205-1, 205-2, 205-3, 406-1
Human Rights and Labor Practices	**100%** The businesses periodically conduct human rights impact assessment in high-risk and tier 1 supplier.	3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 16 Peace, Justice and Strong Institutions	102-41, 103-1, 103-2, 103-3, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10, 405-1, 405-2, 412-1
Education and Inequality Reduction	**150,000** people supported through education and lifelong learning and upskilling.	1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	103-1, 103-2, 103-3, 203-2
Leadership and Human Capital Development	**100%** of employees engaged in learning and initiatives.	3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities	103-1, 103-2, 103-3, 401-1, 404-1, 404-2, 404-3
Cybersecurity and Data Protection	**100%** of businesses are certified on an international standard of data security and data privacy.	16 Peace, Justice and Strong Institutions	102-19, 102-20, 103-1, 103-2, 103-3, 418-1

HEALTH : Living Well

Sustainability Strategies	2030 Sustainability Targets	Supporting UN SDGs	GRI Standard
Health and Well-Being	**70%** of total sales volume of B2B and B2C products and services help promote health and wellness.	2 Zero Hunger; 3 Good Health and Well-Being; 12 Responsible Consumption and Production	103-1, 103-2, 103-3, 417-1
Social Impact and Economic Contribution	**400,000** jobs supported to generate incomes for the community.	1 No Poverty; 2 Zero Hunger; 3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 17 Partnerships for the Goals	103-1, 103-2, 103-3, 201-1, 413-1
Food Security and Access to Nutrition	**150,000** children and people in need get access to safe and nutritious food.	2 Zero Hunger; 3 Good Health and Well-Being; 10 Reduced Inequalities; 12 Responsible Consumption and Production; 17 Partnerships for the Goals	103-1, 103-2, 103-3
Innovation	**6** patents or petty patents were registered.	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure	103-1, 103-2, 103-3
Stakeholder Engagement	**80%** engagement score of multi-stakeholders perception survey.	8 Decent Work and Economic Growth	103-1, 103-2, 103-3, 102-40, 102-41, 102-42, 102-43, 102-44

HOME : Living Together

Sustainability Strategies	2030 Sustainability Targets	Supporting UN SDGs	GRI Standard
Climate Resilience	Achieving Carbon Neutrality by 2030 and reaching Net Zero emissions by 2050.	7, 8, 9, 12, 13, 15	103-1, 103-2, 103-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5
Circular Economy	**100%** achieve food waste to landfill and use sustainable packaging.	3, 8, 11, 12, 15, 17	103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5
Water Stewardship	**20%** Reduction in water consumption per revenue compared to the baseline year 2020.	6, 12	103-1, 103-2, 103-3, 303-1, 303-2, 303-3, 303-4 ,303-5
Ecosystems and Biodiversity Protection	• **100%** of Store and distribution centers and tier 1 supplier are not in the natural or heritage reservation area. • **100%** of high-risk raw material are traceable.	6, 14, 15, 17	103-1, 103-2, 103-3, 304-1, 304-2
Responsible Supply Chain Management	• **100%** of suppliers are assessed ESG risk. • **100%** high-risk suppliers are audited and corrected.	5, 8, 10, 12, 16, 17	103-1, 103-2, 103-3, 204-1, 308-1, 414-1

3.2 Sustainability Management within the Value Chain

Product Sourcing

Select high-quality product complied with standards and ESG Criteria.

Selling

Retial business (Lotus's) and Wholesale business (Makro) in both onsite and online channel.

Distribution

Efficient delivery product to-from distribution centers without negative environmental impact to communities.

Marketing and After Sales Services

Branding, ethical marketing, customer rights including sales services to creating a great experience shopping to customer.

Stakeholder along the Value Chain

The Company emphasizes stakeholder engagement throughout the business value chain, analysing and categorizing direct and indirect stakeholders into 10 groups and periodically reviewing the engagement channels. The change in 2023, the new stakeholder "ESG Rating Agency" is added to ensure the global ESG trend are considered and managed.

Direct

- Shareholders and Investors
- Employees
- Customers and Entrepreneurs
- Supplier (including local SME and farmer)
- Contractors
- Community and Society

Indirect

- Financial Institutions
- Government
- Mass Media
- ESG Rating Agency & NGO

Materiality Analysis

The materiality assessment is conducted annually basis to consider the topic of the Company's activities, business value creation, external stakeholder impacts, and concerns from engagement, through the following process:

Stage 1

Identify both negative and positive material issues by internal and external stakeholders

Identifies ESG material issues both positive and/or negative impacts, actual or potential impact on economy, environment, people including human rights. The material are collected from external and internal stakeholders through multi engagement channels such as the annual ESG' engagement survey, compliant. Altogether with the actual ESG performance i.e accident case, breach case, Human rights risk assessment etc. The context review from global standard and ESG indices and guidelines i.e, GRI, SDG, CDP, S&P CSA, FTSE4Goods, SASB, TH-ESG Rating etc.

Stage 2

Prioritize the most significant impact for reporting

The materiality issues are prioritization is based on the principle of double materiality to ensure impact to stakeholder and business are considered. Also rating by both internal and external stakeholders (179 persons)[1] for level of impact of both Enterprise Value Creation and Long-term impact of social, environment and people in team of risk severity and likelihood.

Stage 3

Validation by 3rd party

The materiality are verified by the third-party assurance (LRQA). The assurance document is shown on last page of this report. The material assessment result signed off by BOD.

Stage 4

Integrated to company's ERM process

All significant ESG materials are integrated into the Company's Enterprise Risk Management (ERM) and shown on the company's risk map and tracking within the online platform. The risk steering committee quarterly monitored progress and by BOD at least once per year.

Note: [1] See more detail in Stakeholder Engagement on page 155-156

Identify the material issue from Stakeholder Engagement Channels

The feedback from the variable engagement channel will be collected and considered to the material issue. The negative feedback i.e., complaint, number of breach case, incident etc. The result will be counted as the negative issue. In the other hand, the positive feedback as suggestion and expectation from external stakeholder are considered either. Also the performance gap or significant change that potentially impact to ESG management system such as the migrant worker hiring in store which are review for human rights, non-discrimination, labor practice and living wage and safe work condition etc.

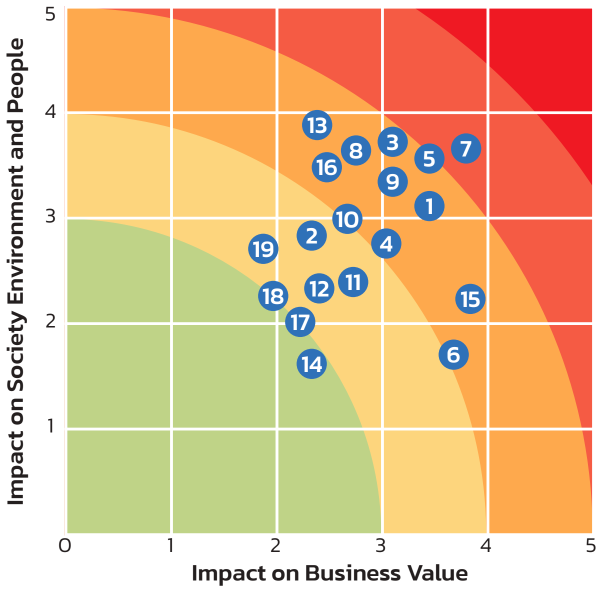
Stakeholders	Engagement Channels	Expectations / Impact / Performance gap	Materiality Issue
Shareholders and Investors (External stakeholder)	• Annual General Meeting of Shareholders (AGM). • Quarterly Analysts Meeting. • Investor meeting.	• Accurate, complete, and timely information disclosure. • transparency Management. • Protect shareholder's rights. • Business growth & Competitiveness. • Comply with Stock market's new CG and transparency disclosure.	• Corporate Governance. • Stakeholder engagement. • Innovation product & service. • Cybersecurity & data privacy.
Employees (Internal stakeholder)	• Annual ESG engagement survey. • Whistleblowing, Suggestion box, website, and hotline. • Annual employee engagement survey. • Quarterly meetings of Welfare Committee.	• Benefit, Welfare, Compensation, and Career Growth. • Safe working condition and equipment. • Work Life Balance and Flexible working hours. • Upskill and reskill for modern competency. • Equality, non-discrimination diversity and inclusion for migrant worker at store.	• Human rights - Non-Discrimination. • Health & Safety. • Human capital development. • Human rights - migrant workers at store (NEW). • Human rights - Discrimination (NEW).
Customers (External stakeholder)	• Annual ESG engagement survey. • Complaint channels as website, customer service call center and customer interviews.	• Ontime delivery with safe, quality and promote health. • Affordable food prices. • Stock availability. • Reliable & traceable product label & information. • Personal data protection. • Product and service that support the competitiveness for entrepreneur customers.	• Supply chain management. • Health & Well Being product. • Innovative product & service. • Cyber security and data privacy. • Education & inequality reduction.

Stakeholders	Engagement Channels	Expectations / Impact / Performance gap	Materiality Issue
Suppliers (External stakeholder)	• Annual ESG engagement survey. • Supplier audit and capacity-building program. • Onsite visits and audits.	• Support agricultural products local SME and farmer. • Fairness and transparency supplier selection process. • Better understand the certified sustainable agriculture product requirement.	• Job creation and local SME and farmer. • Stakeholder engagement. • Supply chain management.
Contractors (External stakeholder)	• Annual ESG engagement survey Complaint and suggestions channels. • Monthly meeting. • Onsite visits.	• Selection and encourage business partners with transparency. • Better understand the human rights and labor practice in Supplier's Code of Conduct manual. • Knowledge sharing for road accident prevention.	• Job creation for small local service company and worker. • Supply chain management. • Human rights & Labor practice. • Health & Safety - Road safety.
Community and Society (External stakeholder)	• Annual ESG engagement survey. • Communication channels via Makro's website, social media, call center. • Complaint channels for suggestions and complaints. • Dialogue / Monthly visits.	• Collaborative with local firms to develop and support communities. • Job and carrier opportunities for local community members. • Protection of accident and environmental impact on the community. • CSR activities / donations / continuous support for disaster. • Support for student's education in community.	• Social impact Job creation and economy contribution. • Waste water & waste management. • Health & Safety. • Food security and access to nutrition. • Education & inequality reduction.
Financial Institutions (External stakeholder)	• Key contact email and phone number. • Regular meetings. • Performance reports such as annual reports and financial statements.	• Strict compliance with accuracy, transparency, and punctuality principles. • Compliance with contractual terms and conditions. • Climate change target and action. • Encourage environmental and social support to local farmer.	• Corporate Governance. • Job creation and economy impact to local. • Climate resilience and GHG reduction.

Stakeholders	Engagement Channels	Expectations / Impact / Performance gap	Materiality Issue
Government (External stakeholder)	• Organize meetings with the government agencies. • Open for government agencies visits. • Collaborative agreements with government agencies.	• Compliance with legal and regulation. • Support activities beneficial to the community, society, and the environment. • Encourage BCG Model and protect natural resource. • Encourage and protection of human right in among value chain. • Collaboration to prevent food shortage from demand and supply including control or reduce price for end user during economic concern.	• Corporate Governance. • Supply chain management. • Human Rights & Labor Practice. • Circular Economy. • Climate Resilience. • Water stewardship. • Food security & Access to Nutrition.
Media (External stakeholder)	• Annual ESG engagement survey. • Communication channels such as website, social media, email, and TV programs. • Interview press releases.	• Communicate relevant, factual, and timely performance. • Strategy for business impact on the economy and society.	• Corporate governance - transparent. • Social impact and economic contribution.
ESG Rating Agency & NGO (External stakeholder)	• Meetings to discuss and exchange information. • Research and discussion. • Participate disclosure and rating program.	• Human rights along supply chain. • Supplier screening with ESG criteria. • Carbon reduction strategy in own operation and supply chain. • TNFD disclosure. • Prevent ocean plastic waste. • Promote the gender equity in supply chain.	• Supply chain management. • Climate resilience. • Sustainable packaging. • Biodiversity & ecosystem protection. • Human rights - Indigenous (New). • Human rights - Non discrimination in the supply chain (New).

Priority materiality issue

The materiality issue are follow GRI 2021 methodology, analyzed by using the Company's ERM criteria as severity and likelihood, risks map and integrated within the company's risk management process by being the risk assessment to review the impact in both financial and non-financial impact.



1 Corporate Governance
2 Human rights - Non discrimination in supply chain (New)
3 Human rights - Migrant worker (New)
4 Health & Safety - Workplace
5 Health & Safety - Road safety
6 Leadership & human capital development
7 Cybersecurity & data privacy
8 Climate resilience
9 Food waste to landfill
10 Sustainable packaging
11 Water stewardship
12 Biodiversity
13 Supply chain management
14 Education to public (+)
15 Health & Well Being product (+)
16 Social impact & Job creation (+)
17 Food security (+)
18 Innovation (+)
19 Stakeholder engagement

Summary prioritized material issue, impact and responding strategy

Material issue	Actual impact	Potential impact	Negative impact	Positive impact	Impact to Social	Impact to Environment	Impact to People	Impact to Business value	Strategy & Target
Cybersecurity & data privacy		●	●		●			●	Zero damage of cyber attack or breach case of data protection.
Health & Safety - Road safety	●		●				●		**100%** transportation vendor are trained and passed the defensive driving training within 2023
Supply Chain management	●			●	●	●		●	**100%** tier 1 and non tier 1 supplier passed ESG screening within 2024 **2%** increasing the certified product per total purchasing.

Material issue	Actual impact	Potential impact	Negative impact	Positive impact	Impact to Social	Impact to Environment	Impact to People	Impact to Business value	Strategy & Target
Climate resilience	●		●			●		●	Energy transition to solar cell, BEV vehicle and H2 Fuel cell within 2030
Food waste to landfill	●		●			●		●	Zero food waste to landfill within 2030
Health & Well Being product	●			●	●			●	**70%** of total sales volume from the product or service that promote health and wellbeing for our customer's daily needs within 2030
Leadership & human capital development	●			●				●	**100%** of employee engaged in learning and development program within 2023
Social impact & Job creation	●			●	●				**400,000** jobs supported to generate incomes for the community within 2030
Food security and access to nutrition	●			●	●			●	**150,000** children and people in need get access to safe and nutrition food within 2030
Human rights - migrant worker (New)		●	●				●		**100%** human rights of migrant worker are assessed through HRDD process and complete the mitigation plan within 2023
Corporate Governance		●	●	●	●			●	**100%** workers are communicated Code of conduct and trained CG within 2023

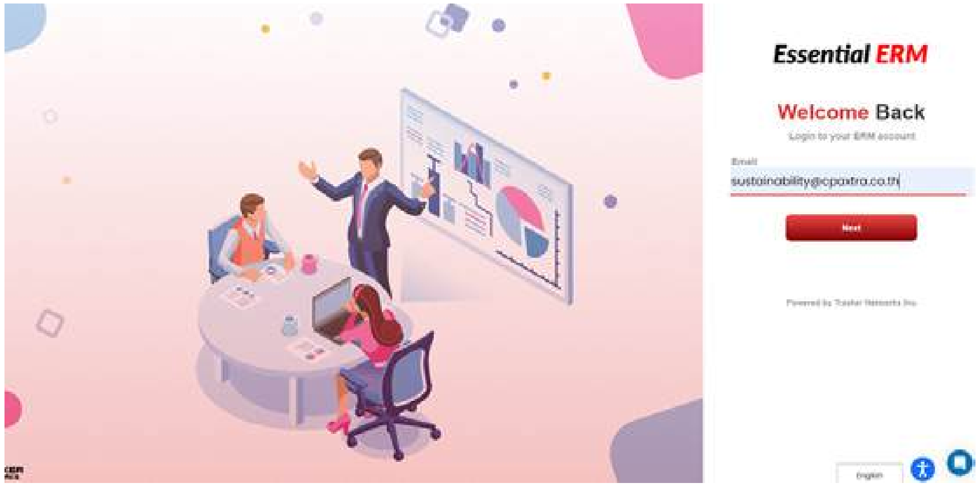
Material issue	Actual impact	Potential impact	Negative impact	Positive impact	Impact to Social	Impact to Environment	Impact to People	Impact to Business value	Strategy & Target
Sustainable packaging	●		●			●			**100%** plastic packaging are recycled **10%** increasing of packaging from recycle within 2023
Education to public	●			●	●				**150,000** people supported through education and lifelong learning and upskilling.
Human rights - Non discrimation in supply chain		●	●				●		**100%** critical supplier (tier 1 & non tier 1) has audited the gender equality or non-discrimination policy within 2025
Health & Safety - workplace	●		●				●		Fatality rate and severe lost time injury rate < **0.50** within 2030
Water stewardship		●	●			●			**20%** water consumption reduction within 2030 compared baseline 2020
Biodiversity		●	●			●			**100%** high risk activities in supply chain are assessed the biodiversity risk within 2025
Stakeholder engagement		●		●				●	stakeholder engagement score is higher than **80%** within 2023
Innovation		●		●				●	Own at least **3** Patents of business model, process, product or equipment within 2025

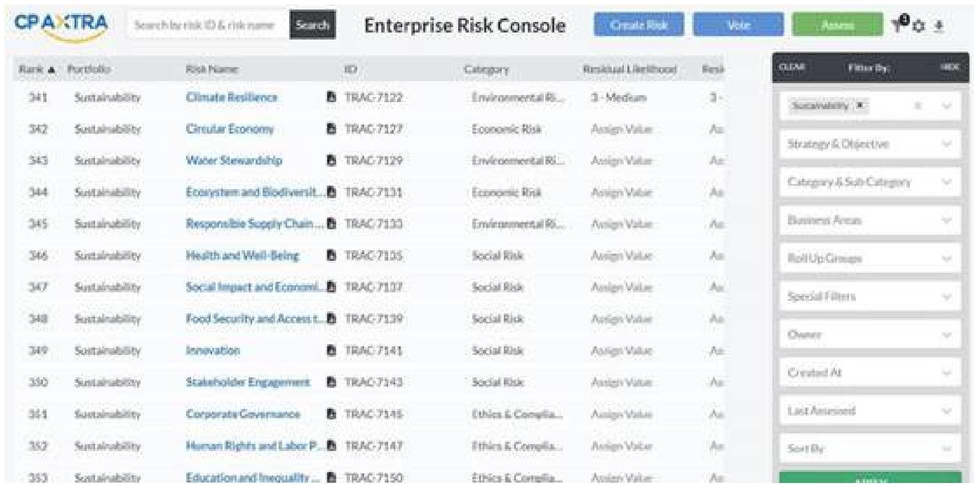
Integrated ESG Risk into Enterprise Risk Management

Strategic Risk	Operation Risk	Reputation Risk	Compliance Risk	ESG Risk [1]	Emerging Risk
• Digital transformation • Global investment	• Workforce & skill • Food safety & quality • Cybersecurity	• Corporate reputaion	• Code of Conduct • Personal data protection	• Impact from climate change • Water stress • Human rights and labor practice	• Consumer preferrence change • Digital disruption & AI Technology • Pandemic normal • Business acquisition • Investor rights

Note: [1] For all of the company's risk including ESG risk in the chapter 2: Risk management page 85

All materiality issues are integrated into the Company's Risk Management System. In 2023, the ERM platform is implemented as tool for executive management the efficiently tracking the data, more effective risk management. This system enables real time access to risk management information for BU management team including provide risk evaluation tools tailored to each unit's objectives, updating the risk level and demonstrate as the digitalized dashboard impact for the risk steering committee review and follow the action. The Company's risk including ESG Risk will be reviewed quarterly.





HEART
LIVING RIGHT

For sustainable growth of the business along with the country's development, the Company prioritizes internal operational efficiency, legal and regulatory provisions, adhering to business ethics, professional conduct, respect for human rights, and human capital development. People empowerment is key to reducing social inequality and preparing organizational readiness for digital transformation, cybersecurity management, and data protection.

Corporate Governance
- Corporate Governance
- Business Ethics
- Risk & Crisis Management
- Tax Strategy & Governance

Human Rights and Labor Practices
- Human rights
- Labor practices Indicator
- Occupational Health and Safety

Education and Inequality Reduction
- Lifelong learning for medium enterprise
- Scholarship Program for student

Leadership and Human Capital Development
- Human Resource Management
- Human Capital Development
- Talent Attraction & Retention

Cybersecurity and Data Protection
- Cybersecurity Governance
- Cybersecurity Measures
- Cybersecurity Process & Infrastructure
- Privacy Protection & Customer Privacy Protection

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CORPORATE GOVERNANCE

Opportunities and Challenges

To attain business growth on the path of sustainability, the Company emphasizes Corporate Governance (CG), building on an anti-corruption culture, managing risks across the organization, preparing organizational competition readiness, and expanding long-term business opportunities.

Target and Performance

2023 Target

100% Business units has Corporate Governance implementation

2023 Performance

100%

Of Target

- **100%** Corporate Governance (CG) policies are updated, communicated, public disclosed and implemented.
- **100%** ESM risks are integrated in the Organizational risks.
- **100%** Board of Director, Executive, Manager and Employee are trained Code of Conduct and Anti-corruption as annual basis.
- **100%** Monitor non-compliance, enforcement action, penalty and reporting periodically.
- **100%** Whistleblowing cases are investigated and corrected.

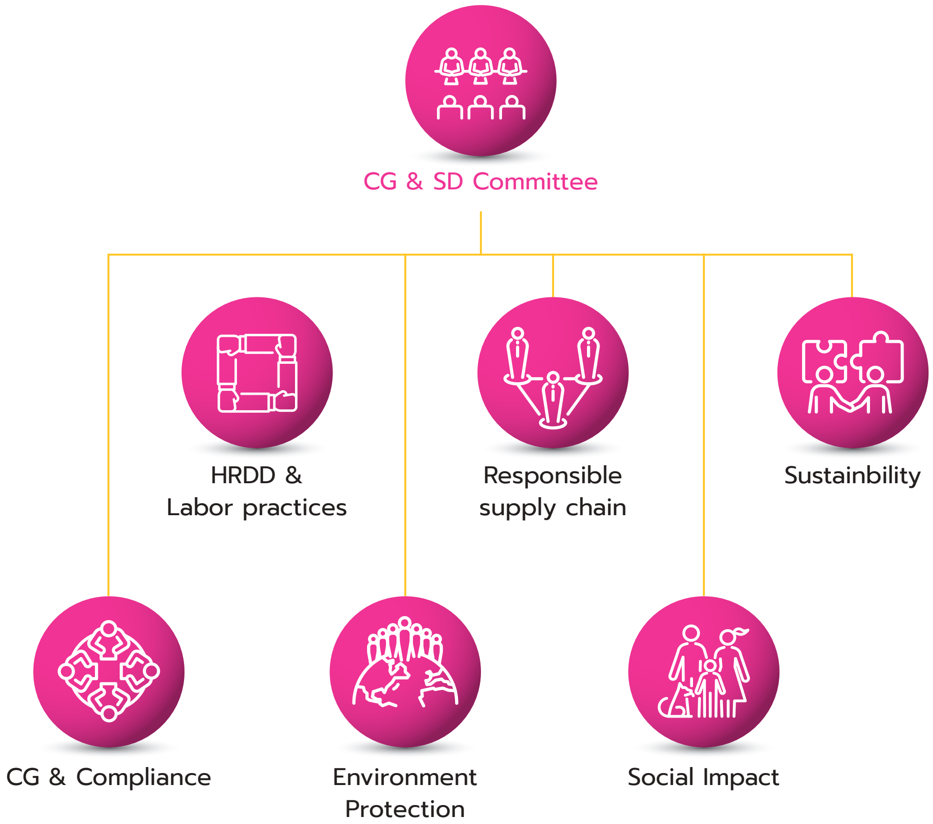
Policy and Management Approach

The company implements Zero tolerance policy and guidelines of the Corporate Governance (CG) and Business' Code of Conduct Manual[1] in Thai, English, and Cambodian for a thorough understanding of executives, employees, and Company's representatives alike, to be applied as duties and responsibilities. All personnel must sign, acknowledge and strictly comply with the guidelines in the manual, to achieve Company's goals while maintaining the highest level of the Business' Code of Conduct.

Note: [1] CG and Business Code of Conduct Manual at www.cpaxtra.com/th/corportate-governance/policy-and-guidelines

Corporate Governance & Sustainable Development Committee

The company has announced the CG & SD Committee to oversee the efficiency and effectiveness of sustainability performance throughout the organization. The committee consists of senior executives from all departments related to economic, social and environmental aspects, responsible for setting targets, action plans to monitor performance and assigning the working teams to implement and drive the action plans to achieve 2030 sustainability strategies.



Corporate Governance

The company believes that the conduct and management of its businesses through adherence to the Principles of Corporate Governance and Code of Conduct are key factors in promoting and effectively achieving operations in an honest, trustworthy, fully transparent, and accountable manner, as well as in being equitable for all its stakeholder groups. Further, this is also in order to create maximum benefits for our shareholders, which will result in ongoing development and growth of the Company on a sustainable basis.

Code of Conduct management system

Strategies	Description and 2023 performance
Policies and guidelines with clear responsibility and accountability	• Corporate Governance and Code of Conduct manual. • Guideline for Fair Trade Practice and Treatment of Business Partners under Fair Trade Competition. • Anti-Corruption policy. • Supplier's Code of Conduct.
Consultancy Hotline / Advisory	• Education & Consultancy channel within CG Journal (quarterly basis). • Whistle Blowing and issuer protection.
Training & Communication	• **100%** Board of Director, Executive, Manager and Employee are trained Code of Conduct and Anticorruption as annual basis. • **85%** Supplier are trained and acknowledged the supplier's CoC manual.
Motivation & Disciplinary	• Compliance link to employee remuneration. • CoC compliance are integrated to Employee performance & Promotion. • Disciplinary action of breach case as Company's Rules Manual.
External verification	• Certificate by IOD - supported by The Stock Exchange of Thailand (SET). • Certification of CAC for Anti-corruption change agent.

Trained CoC & Corporate Governance

100%
Board of Directors

100%
Top management

100%
Middle management

100%
Junior management

100%
Employee

85%
Contractor & Supplier

Anti-Corruption

The Chairperson of the Board of Directors and Chief Executive Officer of Business Group superintends, monitors, and promotes an anti-corruption corporate culture, both of whom report directly to the board. As a strong against any forms of corruption, the Company's Anti-Corruption and No Gift policies contain strict standards and specific guidelines for receiving contributions of all forms, whether political, charitable, sponsoring, favors, presents, or gifts from individuals with business. The Audit Committee also oversees Company activities under the Anti-Corruption policy and reports directly to the Board of Directors, including establishing an internal audit department to support the committee's auditing and ensure that the Company has the appropriate internal control system to prevent corruption through business operations.

Communicating Anti-Corruption Policy

100%
Board of Directors acknowledge the anti-corruption and Code of Conduct policy.

100%
Employees acknowledge the anti-corruption and Code of Conduct policy.

100%
Business partners acknowledge the anti-corruption policy through the Supplier's Code of Conduct.

Anti-Corruption Training

100%
Management-level

100%
Non-management level, operational officers and staffs

100%
New employees

Reporting of Breach Cases

Reporting on Code of Conduct breaches

Reporting on Code of Conduct breaches	Issured case	Makro	Lotus's	CP Axtra	Confirmed	Under investigating	Management Measure			
							Verbal Warning	Written Warning	Suspension	Dismissal/Resigned
Beach category	Case									
• Conflict of Interest : COI	Case		1	0	0	0	–	•	–	–
• Money Laundering / Insider Trading	Case		0	0	0	0	–	–	–	–
• Corruption	Case		1	1	0	0	–	•	•	–
• Fraud & Bribery	Case		4	54	34	6	•	•	•	–
Fine & Penalty	Baht	0	0	0						
Closed Action of Substantiated cases	%	100	100	100						
Correction	%	100	100	100						

Reporting on Community, Social & Environmental breaches

Description	Unit	Total	Makro	Lotus's
Beaches case	Case	3	2	1
Fine & Penalty	Baht	0	0	0
Closed Action of Substantiated cases	%	100	100	100
Correction	%	100	100	100

Partnerships to Drive Sustainable Development

Since 2020, the Company has committed to the ten principles UN Global Compact (UNGC) to support human rights, labor practice, environment, and anti-corruption, as well as collaborating with the World Business Council on Sustainable Development (WBCSD). In 2021, the Company also endorsed the Women's Empowerment Principles (WEPs) to advocate workplace policies and practices that promote gender equality, enhancing sustainable performance in the process. and 2023 participate CDP - climate reporting.

Membership of Associations in 2023:

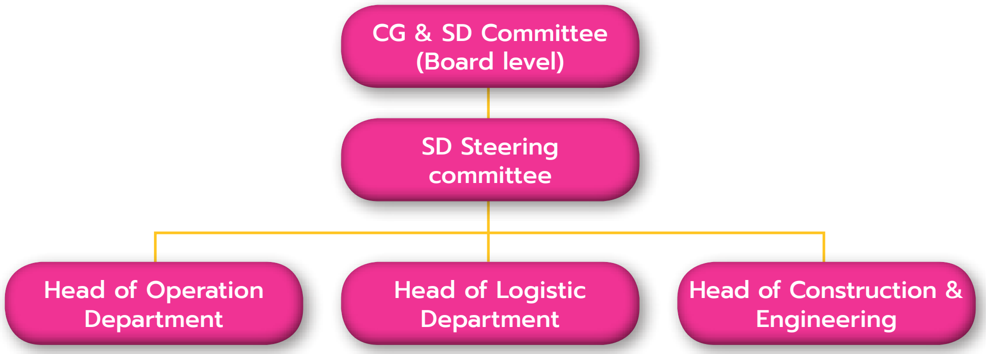
- The Thai Chamber of Commerce (TCC)
- The Personnel Management Association of Thailand (PMAT)
- The Thai Listed Companies Association (TLCA)
- The Thai Institute of Directors Association (IOD)
- The Thai Retailers Association (TRA)
- Thai Rice Packers Association
- The Federation of Thai Industries (FTI)
- The Regulatory Affairs Pharmacy Association (Thailand) (RAPAT)
- Thai-Russian Chamber of Commerce
- The Netherlands Thai Chamber of Commerce (NTCC)
- The Global Compact Network Thailand (GCNT)
- World Economic Forum
- Thailand Carbon Neutral Networkย
- Italian Chamber of Commerce
- Thai Frozen Foods Association
- World Business Council for Sustainable Development
- Kanchanaburi Tourism Association
- CDP (Carbon Disclosure Project)

Association Membership Fees

Association	2020 (Baht)	2021 (Baht)	2022 (Baht)	2023 (Baht)
Lobbying, persuasion, or similar activities	0	0	0	0
Local, regional, or national political campaigns / associations / candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g., expert groups)	248,988.85	1,028,817.14	1,048,253.77	1,797,483.76
Others (e.g., spending on voting or referendum measures)	0	0	0	0
Climate disclosure - CDP	0	0	0	101,332.50
Total	**248,988.85**	**1,028,817.14**	**1,048,253.77**	**1,898,816.26**

Trade Associations and Lobbying - Climate Alignment

Target Carbon Neutral by 2030 and Net Zero by 2050, collaborate with i.e Thailand Carbon Neutral Network. This covers all jurisdictions where operates trade associations and lobbying activity. The management system in place with executive's accountability. The SD committee conduct quarterly review and monitor. The head of operation, logistic and construction lead the actions. The result are verified by external auditor and publicly.

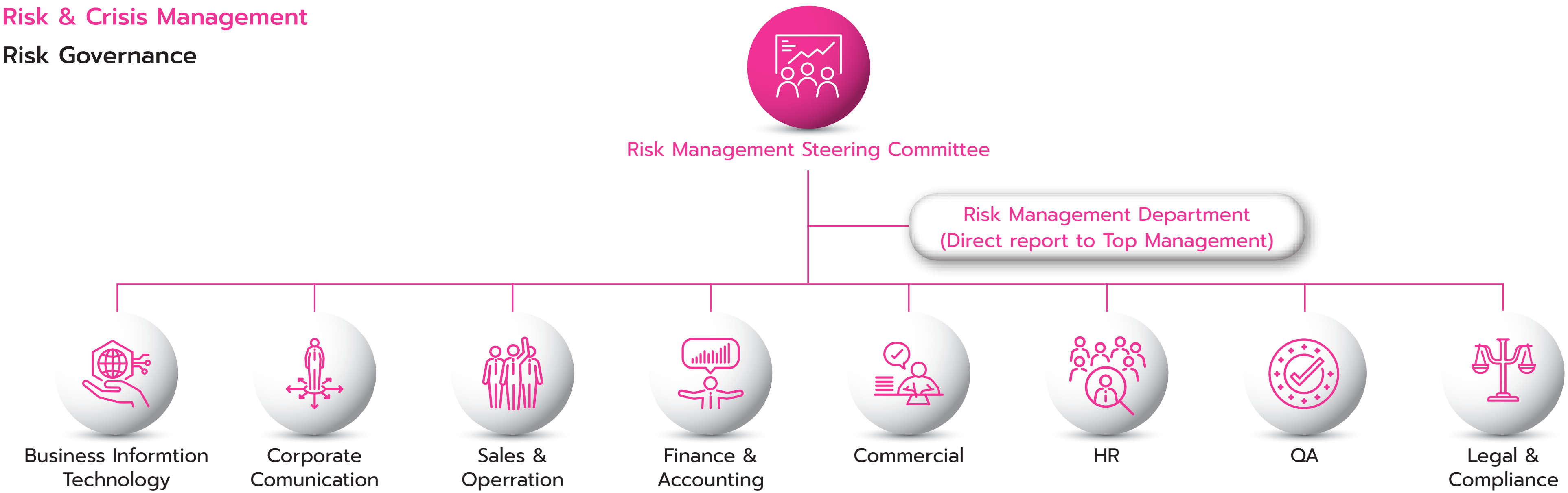


Top 3 Spending of Sustainability Membership Fee

No.	Association	Description	Contribution (Baht): fiscal year 2023
1	The Global Compact Network Association (GCNT)	The world's largest sustainability development network drives strategic actions through broader social goals focusing on partnership building and innovative developments. It lays strategic operational groundwork under the ten principles of the UN Global Compact, covering four key areas: anti-corruption, environmental protection, labor practices and human rights.	700,000
2	The World Business Council for Sustainable Development (WBCSD)	The global organization as a community of around the world over 200 leading business CEOs to promote and create a sustainable in terms of economic, social, and environmental aspects. The council works on several related issues in attaining the 17 Sustainable Development Goals (SDGs).	327,035
3	Thai Chamber of Commerce (TCC)	The intermediary institute promotes enterprises and collaborates between business entities, traders, the private sector, and the Thai government under the Chamber of Commerce Act 1966.	23,000

Risk & Crisis Management

Risk Governance



Risk Management Process

To increase the opportunity to achieve the business goals, reduce the chance of the organization's risks or negative impact on stakeholders occurring in terms of corporate governance, society, and environment. The Company therefore gives importance to the risk management system and implements it throughout the organization with 4 steps operational strategy as follows:

Strategy	รายละเอียด และผลการดำเนินการในปี 2566
Risk review	• 100% of departments are assessed the risk • 100% risk are review exposure • 100% Risk appetite • 80% mitigation plan are completed
Sensitivity analysis and stress testing	• 25% financial risk • 25% Non financial risk
Report progress committee	• 100% risk are quarterly reporting to committee • 100% review meeting are conducted as quarterly basis
Audit risk management process once a year	• 100% internal audited

Risk Culture & Motivation Program

Strategy	2023 Performance
Risk management training program	• 100% Store manager trained the Compliance and Risk Management course. • 100% Risk management on cashier job (4,590 staffs).
Risk management metric link to incentive	• 100% Senior executive level incentive. • 100% Line manger's promotion.
As KPI for annual performance evaluation	• 100% Top management level. • 100% Middle management. • 100% First level management.
Employee's risk participation program	• 5 potential risk reported by employee (+ 1 report vs last year). • 5 Risk champion from area. • 12,539 Near miss are reported.
Criteria and process for new product approval	• 100% New business model based on risk criteria. • 100% Product approval based on risk criteria.
Continuous improvement	Risk and mitigation plans are followed up as quarterly risk com including a review of annual performance and update to new year KPI.
The risk culture survey	• 100% Risk champion participate the questionnaire survey. • 100% result and feedback are review for improvement.

4,590 Persons

Tax Strategy & Governance

The company commits to comply with all tax laws and regulations in its countries of operation and not to use secrecy jurisdictions or so-called "tax havens" for tax avoidance. The adoption of a formal tax policy serves to guide company practices and provide investors, regulators, and other external stakeholders and disclosures 2-years comparative information as below and also within the financial statement in this report.

Primary activities:	Names of all the resident entities:
makro คู่คิดธุรกิจคุณ Wholesale Business (Makro)	Makro ROH Company Limited, ARO Commercial Company Limited, Makro (Guangzhou) Food Company Limited, Guangzhou Huadu Makro Food Supermarket Company Limited, CP Wholesale India Private Limited, Makro (Cambodia) Company Limited
FOODSERVICE Foodservice	Siam Food Services Limited, Indoguna Vina Food Service Company Limited, Indoguna (Cambodia) Company Limited, Indoguna (Singapore) Private Limited, Indoguna Dubai Limited Liability Company, Indoguna Lordly Company Limited, Just Meat Company Limited, Maxzi The Good Food Restaurant & Cafe Limited Liability Company, Maxzi Global FZCO, Indoguna Muscat Limited Liability Company
Lotus's Retail Business (Lotus's)	C.P. Retail Development Company Limited, Lotus's Store (Thailand) Company Limited, Lotuss Stores (Malaysia) Sdn Bhd, Ek-Chai Distribution System Company Limited, Lotus's Mobile (Thailand) Company Limited, Retail Properties Company Limited, Lotus's Money Service Company Limited, Synergistic Property Development Company Limited, Sukhumvit Mixed-Use Company Limited, Sukhumvit Living Company Limited, Lotus's Retail Growth Freehold and Leasehold Property Fund

Parameters	2022	2023
Number of employees (Person)	71,591	64,567
Revenue (million Baht) (1)	469,131	489,949
Profit (Loss) before tax (Baht)	10,410,668,657	11,133,839,204
Income tax accrued (Current year) (Baht)	953,853,181	971,087,422
Income tax paid (Baht)	3,635,698,357	3,345,399,204
Earnings before Tax (Baht)	10,410,668,657	11,133,839,204
Reported Taxes (Baht)	2,728,827,225	2,534,760,158
Cumulative acceptable adjustment	0	0
Cash Taxes Paid (Baht)	3,635,698,357	3,345,399,204

Note: (1) Since 25 October 2021, Makro completed its acquisition of Lotus's

HUMAN RIGHTS & LABOUR PRACTICES

Opportunities and Challenges

Recognizing diversity and respecting the rights of others are essential for any community. Whenever inappropriately communicated and managed can cause the business' operational risk. The Company respects human rights and labor practices in all operations, promoting equality, non-discriminatory and workplace occupational health & safety. This includes preventing human rights violations and protecting the person from discrimination and harassment.

Target and Performance

2023 Target

100% own business and value chain are conducted the Human Rights Impact Assessment

2023 Performance

100%

Of Target

- **100%** own operation and value chain was reviewed the human rights impact assessment
- **100%** Salient issued are identified and corrected
- **100%** employee and critical vendor (both tier 1 and non tier 1) are trained the human rights & labour practice policy
- **83%** of tier 1 suppliers are committed to follow the human rights & labor practice policy
- **100%** high risk supplier and vendor are onsite audited and **100%** closed the corrective action

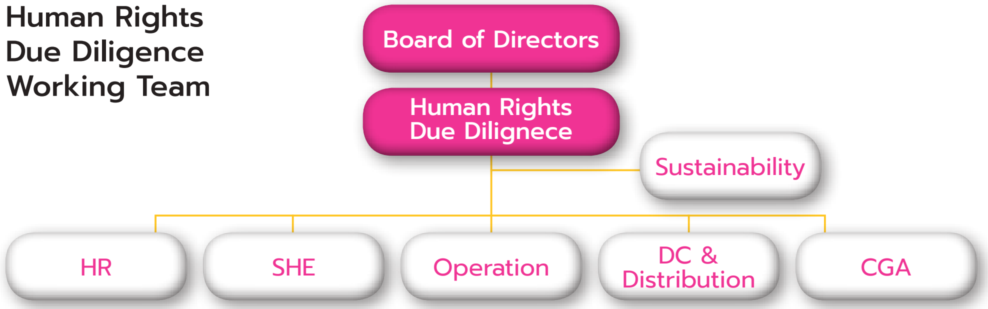
Policy and Management Approach

The company respects human rights and labor practices, such as the Universal Declaration of Human Rights (UDHR), the UN Global Compact, the UN System Code of Conduct, the UN Guiding Principles on Business and Human Rights (UNGPs), and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), including regulation in all countries where business is operated. The company regularly reviews human rights due diligence and communicates the human rights policies and labor practices to stakeholders.

Human Rights Due Diligence

Policy Commitment	• Periodically review and update policy to complied with regulation and requirement. • Announce the Human Rights Due Diligence working team.
Embedding	• Conduct training to to all employees and added in the new employee orientation programs. • Enforce policies and guidelines by integrating to employee remuneration and performance evaluation criteria.
Assessing Human Right Risk Impact	• Assess all our own operations at least every 2 year or whenever new business unit merging, acquisition, or JV or new facility opening or any change in process that potential impact to human right. • Assess all tier 1 suppliers and vendors at least every 3 year. • Assess all new supplier and vendor.
Integrating to Risk Map	• All salient issue's reviewed and integrated Entreprise risk management process (ERM). • Define the root cause and proper action.
Tracking Performance	• Monitor performance as quarterly basis in SD steering committee and Risk steering committee. • Follow-up action and performance of high-risk suppliers in every quarter.
Validation by third party	• External audit (see assurance report on last page of this report).
Stakeholder Engagement	• Engage during human rights impact assessment and onsite audit. • Supplier development program. • Disclosure performance in The Company's Annual Report.
Remediation and Grievance Mechanism	• Develop a rights-based approach for complaints channels. • Determine the remediation for salient issues.

Human Rights Due Diligence Working Team



The Human Rights Due Diligence (HRDD) working team to review and driven the policy compliance to the global standard and drive the result performance in human rights, labor practice, occupational health, and safety to be effective within the organization, and among the supply chain and quarterly update the progress to SD steering committee.

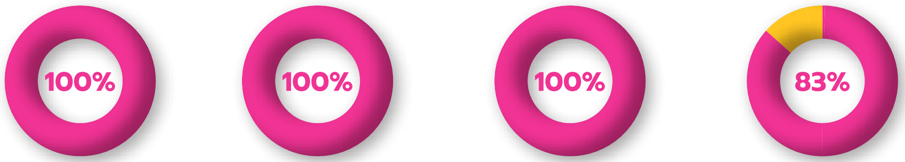
Human Rights and Labor Practices Policy [1]

The human rights and labor practices policy inclusive human rights principles and guideline as

Respect for Human Rights	Labor Practices
Civil and Political Rights	Forced Labor
Economic, Social, and Cultural Rights	Child and Youth Labor, Female and Pregnant, Elderly, Disabled and Migrant Workers
Gender Rights	Non-discrimination in Respect of Employment and Occupation
Community Rights	Harassment in any case and sexual harassment
Human Rights in the Supply Chain	Rights to Collective and Bargaining
Rights to Land and Natural Resources	Rights to a Decent Working Environment, Access to Clean Water, and Sanitation and Clean Air
Personal Data Privacy Rights	Whistleblowing

Note: [1] https://www.cpaxtra.com/en/sustainability/sustainability-policy-and-guidelines

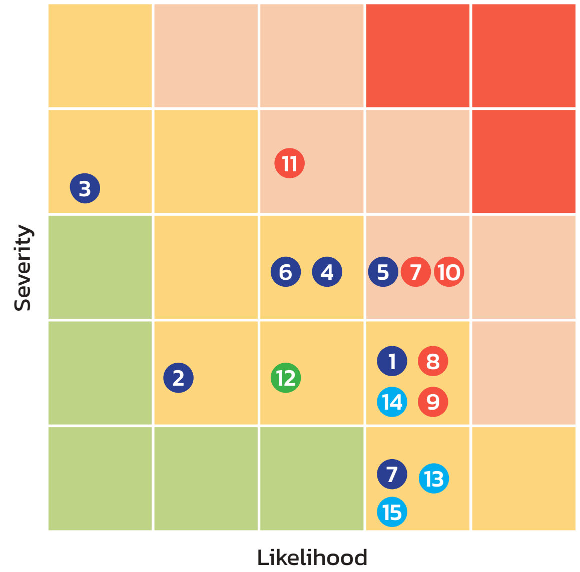
2023 Human Rights Due Diligence Action and Status



- Conduct human rights risk assessment including new business or operation i.e retail business unit and migrant worker at store
- Salient issues have been identified and closed all corrective action
- Store managers are trained basic human rights in working place
- Supplier and vendor are trained the human rights and labor practice policy

Human Rights Impact Assessment

In 2023, The Human Rights Due Diligence committee conducted the Human Rights Risk Assessment (HRRA) to review the potential risk that related to our operation including new business and operation which is retail business unit, migrant worker in store operation and potential impact to rights of indigenous people. The 15 concerned issues are identified, 5 Silent Human Rights Issues. These salient issues are reviewed the root cause and periodically follows up on the correction and remedial action for every significate salient issue.



Employee Practices
1. Forced labor
2. Woman labor
3. Human trafficking
4. Sexual harassment
5. Discrimination
6. Equal remuneration
7. Right to collective bargaining

Impact to Customer

12. Data privacy

Supplier and Vendor

7. Forced labor
8. Child labor
9. Freedom of association
10. Discrimination
11. Health & Safety

Impact to Community

13. Indigenous rights
14. Health & Safety
15. Standard of Living

2023 Significant Human Rights Salient Issue and Mitigation

Salient Issue	Potential Impacted Group	Risk Level	Mitigation Action and Result
Health & Safety 11	Supplier Vendor Community	High	• Announce the Life Saving Policy and compliance audit at site. • **100%** Conduct defensive driving training and testing for all transportation vendor. • **100%** Onsite human rights and safety audit to all high-risk vendors and **100%** closed the corrective action request.
Discrimination 5 10	Migrant worker Supplier Vendor	High	• Update non discrimination policy to cover the migrant worker and other form of contracted worker. • **100%** migrant worker received training and development opportunity equality to local employee. • **100%** % vendor has trained nondiscrimination, diversity and inclusion during annual vendor engagement meeting. • **100%** employee manual and related form, document or sign board are updated to cover all migrant worker.
Forced labor 7 1	Supplier Vendor Employee	High (Supplier and Vendor group) Medium (Employee group)	• **100%** supplier and vendor are committed to prohibit force labor. • **100%** Onsite audit the supplier and vendor to verify all migrant worker are strictly follow the labor regulation. • **100%** Communicate the proper overtime practice (consent from worker) to all store manager.
Equal remuneration 6	Migrant worker Women employee Employee	Medium	• **100%** review migrant worker are paid and welfare equality. • Conduct the third-party audit for gender equity payment.
Sexual harassment 4	Migrant worker Women employee Employee	Medium	• **100%** employee are trained and acknowledged sign for the Zero tolerance sexual harassment and harassment and the punishment in employee CoC document. • **100%** employee include migrant worker are refreshment training every year. • **100%** Employee including migrant worker are trained the whistle blowing and complaint channels.

Beach case of Human Rights & Labor Practice Monitoring & Action

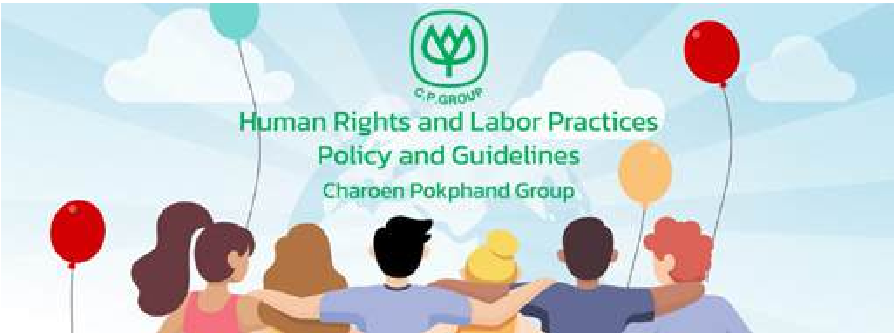
The Company monitor and disclose the human rights and labor practice performance that cover all own operation, contractors & vendors, and suppliers including the action as

Human Rights and Labor Practices Issue	Issued case	Makro	Lotus's	CP Axtra	Comfirmed	Under investigating	Disciplinary action			
							Verbal Warning	Written Warning	Suspension	Dismissal/Resigned
Discrimination	Case	7	140	147	88	8	•	•	–	•
Child and Youth Labor	Case	0	0	0	–	–	–	–	–	–
Forced Labor	Case	10	66	76	45	3	•	–	–	–
Sexual harassment	Case	5	5	10	9	0	–	•	–	•
Harassment	Case	19	128	147	100	9	•	•	–	•
Indigenous' s rights	Case	0	0	0	0	0	–	–	–	–
Freedom of association rights	Case	0	0	0	–	–	–	•	–	–
Fine & Penalty	Baht	0	0	0	–	–	–	–	–	–
Closed Action of Substantiated cases	%	100	100	100	–	–	–	–	–	–

In 2023, the 300 cases are confirmed and every case has the action and penalty as human rights and labor practice policy, company's rule and regulation.

Human Rights Policy and Non Discrimination Online Training

Human Rights and Labor Practices Policy and Guidelines has been conducted training to all employee and manager to emphasizing respect for human rights, labor practices, diversity, and inclusion behavior including zero tolerance policy for any form of harassment and sexual harassment. In 2023, The Company expand these trainings to the Company's supply chain either.



2023 Result:

- **100%** employee, vendor and supplier are trained the human rights & labor practice policy, prevention of discrimination, harassment and sexual harassment.

Diversity & Inclusion, Non-discrimination and Gender Equity

The company respects diversity and inclusion where employees, worker, supplier and vendor are treated with fairness, without any discrimination from the race, nationality, color, ethnicity, religion, social status, gender, age, physical features or disability, political belief and marital status. Proven by winning the 1st of the 2022 Thailand WEP Award: Gender Inclusive workplace and 2nd runner-up Asia Pacific Region from UN Women.

59% Women in total workforce
61% Women in management position (first level, middle and top)
49% Women in Top management
58% Women in Middle management
63% Women in first management
59% Women in revenue generating function
54% Women in STEM(1) related position

Note: (1) STEM : Science, Technology, Engineering and Mathematics

Gender Pay Indicators in 2023

The Company also conducts equal payment analysis to ensure that both men and women are paid equally fair, including the annual reviewing for compensation and benefits at competitive rates with benchmarking in the same industry and leading company. The data are verified by Third party as the assurance on last page of this report.

Level	Payment Ratio by gender
Excutive Level (Based Salary Only)	0.72 : 1.00
Excutive Level (Based Salary + Other Cash Incentives)	0.75 : 1.00
Management Level (Based Salary Only)	0.93 : 1.00
Management Level (Based Salary + Other Cash Incentives)	0.93 : 1.00
Non Management Level (Based Salary Only)	1.04 : 1.00

Indicators	% Difference between Male and Female Employees
Mean gender pay gap	-0.45
Median gender pay gap	-3.50
Mean bonus gap	-1.90
Median bonus gap	-3.18

The coverage of the data reported as a % of FTEs = 100%

"Excellence in Women Empowerment Strategy" Awards

The Company is committed to conducting business with respect for human rights and labour practices to strengthen respect for human rights equally, and fairly also promote gender equality this is an important component of the Company's human rights policy and labour practices, which it considers to be an milestone.

From the results of continuous operations in pushing for diversity and inclusion among employees in the organization. In 2023, the Company received the HR Excellence Award in the category of "Excellence in Women Empowerment Strategy" according to the Human Resources Online Institute in Singapore for our commitment to gender equality and for promoting women to advance within our organization.

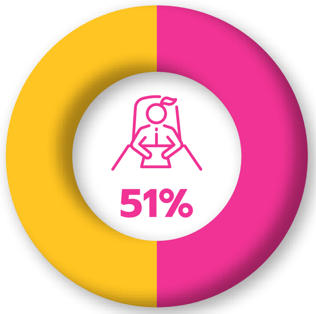
Support Women Own Business in Supply Chain

According to the successful integrating the principles of human rights, equality, and non-discrimination to daily operation and year 2022, the company achieved the first prize for 2022 UN Women's Award (Gender-Inclusive Workplace category).

In 2023, expanding the partnership scope with UN Women, SEC and partners. To integrate the human rights principles to procurement and supplier selection process with fairness and non-discrimination. The data of supplier owner shows female is 51% according to the Women's Empowerment Principles (WEPs), for promote gender equality in business. The Company support fair practices towards women and aim to enhance gender equality throughout the supply chain.

Australian Government
Department of Foreign Affairs and Trade

Gender of Own Business in Our Supply Chain



% Female Owner Business

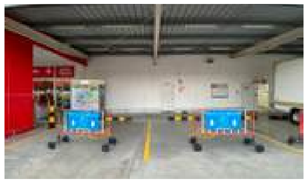
Employment of people with disabilities

Employment of disabilities **207** persons

Employment disabilities Award

Lotus received the "Organization that Promotes Employment of Persons with Disabilities" award, according to the Ministry of Social Development and Human Security, continuously for the 3rd year at the International Day of Persons with Disabilities 2023. Reflecting Lotus's aim to support the direct and indirect creation of careers for people in the community and promote vulnerable groups in society, allocate work for disabled people through working at the head office and retail stores throughout the country. Including collaborating with government and private agencies to support careers and create income for people with disabilities.

Facility and Supporting for Diverstity and Inclusion

Design for wheel chair	Lactation Rooms for female employee	Prayer rooms for Religions
		
100% of store and head office have the parking lot, sloping and toilet for wheelchair and older person	**100%** of store and head office have the Lactation rooms	**100%** head office provides space and time for religious ceremonies

Occupational Health and Safety

The company's target for "Zero Lost time Injury within 2030". to achieve this, occupational health and safety management system is implemented in all operational facilities to promote safe working conditions, equipment and machines, prevention and risk control program, safety training alongside personal hygiene and occupational illness preventive measurement of each operational area. In 2023, beyond the regulation, the Company's recruit professional safety officer at store site for more effective safety audit and inspection at site.

SHE Governance

Safety, Health and Environment Structure	Persons
SHE committee	1,119
Safety officer - Management level	2,295
Safety officer - Supervisory level	2,908
Safety officer - Professional level	135

The Company follows ISO 45001, with the 15 procedures for preventing work-related injury and occupational illness as well as proactively managing SHE's performance and continuous improvement. In 2023, The Life Saving Rules are announced and implemented the whole organisation with most strictly degree of protection. Including new two performance indicators which are vehicle accident frequency rate and near miss report.

100% of working are audited the compliance of Life Saving Rules

100% Employees and contractors are trained and linked to disciplinary, remuneration and performance evaluation

Occupational Health and Safety Management System

The company, follows the guideline of ISO 45000 (Occupational Health and Safety Management System). The procedures are established and implemented to ensure the significant risks are effectively managed and continuously improved as the detail of activities as;

Process	Procedure	2023 Results:
Identify and evaluate risk	The safety risk assessment is integrated into the corporate risk assessment system, In 2023, the Life Saving Rule compliance audit and gap are identified as risk. The road accident and injury is the most significant and is risen to the risk committee and integrated to ERM's risk map. To leverage the preventive prevention plan.	• Announed Life Saving Rules and onsite SHE audit. • **100%** of sites and key activities are reviewed cover all area, change, new business unit, normal operation, abnormal operation, and crisis. • **79** risks are identified and assessed. • **17** gap risks from Life Saving Rule Compliance audit. • Root cause investigation of delivery driver fatality case is in-adequate the defensive driving skill. • The correction is create Defensive Driving training and enforce all driver to attend (see details on page 120)
Prioritize	Risk assessments are considered by severity x opportunity and categorize to as Critical, Important, Moderate and Low level. (The significant risk starts from moderate and up). All significant risk must be corrected and followed up within the quarterly risk committee meeting.	• By situation **48** Normal, **13** Abnormal, **18** Emergency • By level **0** Critical, **19** High, **38** Moderate, **22** Low • By potential impact **40** Worker injury, **19** Customer injury, **10** Fire
Improvement plan	Significant risk are corrected and also reviewed gap of compliance with laws and regulations for the annual SHE action plan. Since 2023, the safety action and performance are reviewed as criteria for remuneration and annual performance evaluation of employee and supplier.	• Annual SHE Action Plan and progress each dimension **100%** initiate PPE Application. **100%** safety training. **100%** Defensive Driving trianing. **13,764** Unsafe detection by AI camera.
Emergency response and preparedness	The annual emergency exercise, fire drill, and evacuation drill as a legal requirement. Also practice the Business Continuity Management plan for response plan of other crises such as floods, pandemic crises, etc.	• **100%** action for ER drill. • **100%** for crisis plan.

Process	Procedure	2023 Results:
Monitoring & Evaluation	Plan, Target, performance, suggestion, and improvement are monitored within the SHE committee and Risk steering committee as a quarterly basis.	• **100%** update performance to the SHE committee and Risk steering committee meeting.
Inspection & Internal audit	Store manager accountable for SHE Daily Inspection at stores and distribution centers to ensure the safety procedure is implied during the working task of employees and contractors including customer safety are inspected.	• **100%** Monthly SHE compliance audit. • **100%** Daily safety inspections. • **100%** Unsafe act during task by CCTV.
Incident Reporting & Investigation	The incident witness must notify their supervisor and manager, then the store manager will immediately report to top management. After the initial response and recovery back to a safe condition, the incident's root cause must be investigated within 24 hours and must be reported including corrective preventive action.	• **100%** case of incident are investigated. • **100%** closing action item.
SHE Training and Motivation Program	Continuously training and motivate safety culture to raise the safety awareness to worker through the general safety indoctrination, or job specific such as Forklift Training etc. The store manager will conduct daily Safety Talk also the Annual SHE Audit are conducted at stores and distribution centers to motivate the employee and contractor safety awareness.	• Safety training topic **100%** Employees trained as legal required topics. **100%** Contractor & vendor trained safety program.
Occupational Health & Safety criteria introduced in procurement and contractual requirements.	All supplier & vendor (both tier 1 and non tier 1) must be evaluated and passed the safety and health criteria including review historical safety statistic. Also the SHE criterias are included into the contractual requirement with statement that the company stop doing business whenever their safety standard or performance does not meets the Company's SHE requirement or regulation.	• **100%** Contractor & vendor are assessed and passed the occupational health & safety criteria. • **100%** High risk contractor & vendor are onsite safety audited. • **100%** supplier / vendor signed the contract of substandard safety punishment.

Safety Training and Motivation Programs

Defensive Driving Training and Onsite Safety Audit

Defensive Driving with 6 steps of preventive driving principles, consisting of pre- and post-departure inspections. Follow the life protection rules Driving techniques to prevent accidents, understand area of blind spots around the vehicle, keep safety distance, avoid distractions and safe parking. Emphasize employees and contractors to driving with knowledge and awareness leads to reduce risk of road accidents that may impact to driver, other vehicle and pedestrian and the public.

2023 Result:

- **100%** drivers are trained and passed the testing (**2,905** persons).

Forklift Safety Training

To ensure work safety and safety in customer service in the company's sales area. Require forklift drivers to complete a training course on how to drive a forklift safely and correctly. Both theory and practice, including requiring a spotter to block off work areas in the sales area during forklift use. In order to work properly and safely for employees and customers.

2023 Result:

- **100%** of forklift related workers are trained (**4,694** persons).

PPE Management Application

The Company has developed the PPE Management application that helps classify proper personal protective equipment by job risks and provide used life of each PPE. Employees can log in or scan a QR Code to request the PPE. Convenience and paperless for the PPE withdrawal, monitor stock and reduce risk at workplace.

2023 Result:

- **100%** implement to every workplace.

EDUCATION & INEQUALITY REDUCTION

Opportunities and Challenges

Thailand is ranked among the top countries in the world for income inequality. The disparity contributes directly to social imbalances from barriers to quality education and professional development capacities that, in turn, handicap income. The Company is thus determined to close the education-admission gap by upgrading access feasibility to quality academia and developing studentship for the underprivileged-the foundation of autonomous learning and overall social wellbeing.

Note: please see detail by business in Sustainability Performance page 356-364.

Target and Performance

2023 Target

154,000 people are supported through education, lifelong learning and upskilling.

2023 Performance

100%

Of Target

229,374 people received an education, lifelong learning, and upskilling.

- **228,974** people access to education, lifelong learning and upskilling.
- **400** students living near the wholesale store received a donation for education in the amount of **60,000,000** Baht.

Policy and Management Approach

01 Promote opportunities for lifelong learning and improve education

02 Promote social support activities to reduce inequality

03 Reduce unemployment

Promoting Lifelong Learning and Quality Education

Recognizing the significance of learning never-ending, the Company promotes opportunities for lifelong learning and improves education, promotes social support activities to reduce inequality, reduce unemployment build the skills needed to do business for supporting our customers, SMEs, and underprivileged groups with knowledge-sharing programs that grant access to Company expertise to strengthen their competitiveness and competencies to create their income-generating careers.

Makro Retailer Alliance (MRA)

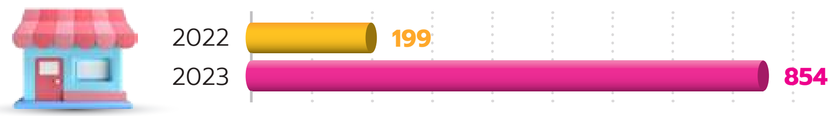
The Company has been running the Makro Retailer Alliance or MRA as a sustainable project for 16th consecutive years, leveraging the capability of small retailers to adapt to rapidly changing situations. To support entrepreneurship and retail shop management through the training program - “8 Steps to a Success”, enhancing knowledge and technology to improve competitiveness that impacts their business. The participants can access the knowledge center and other beneficial information via the Company’s official website and Facebook page. In addition, the Company raised the store development level by identifying and analysing problems and developing business models for pater stores under the Makro Retailer Alliance.

makro
ขอบคุณ 34 ปี โตมาด้วยกัน โตไปด้วยกัน

2023 Result:

- **54,001** members of Makro Retailer Alliance.
- **854** retailers participated, an increased **655** retail stores.

Number of participating retailers



The 13th Thai Sho Huay Open Market

In 2023, Makro organized the 13th Sho Huay Flea Market, gathering knowledge that will help the grocery stores become successful easily, conveniently, and quickly through the 3 strategies: being smart, creating profits, and successfully aiming to develop knowledge for grocery stores and retail stores so that they can generate stable income and profits emphasizing business leaders who stand by Thai grocery stores in every situation.

2023 Result:

- **36,483** participants, in thai Sho Huay.

THE MAKRO HORECA ACADEMY (MHA): Restaurants' One-Stop Business Companion

Under the central mission of the MHA project as a food business partner, creating growth, knowledge, and new entrepreneurs for the HORECA business group, the Company has created a collection of management knowledge and cooking skills that are offered for free via offline and online channels, covering all steps and aspects, be it the preparation of raw materials, recipes, or financial management, all the way to continuous marketing techniques and advertisements through online platforms, allowing anyone to learn from anywhere at any time. Courses include creating a famous restaurant and popular digital marketing techniques, e.g., TikTok style, as well as the ancient boat noodle course, among others. Activities with leading brands and partners are organized to provide MHA-member business operators with special members-only product prices, including food-business apparatuses based on points accumulated from purchase orders, which increases the opportunity to generate income.

2023 Result:

- Over **173,573** HORECA entrepreneurs that participated in the project saw an average sales growth of **2.70%** in 2022, year-on-year.
- Average **700,000** views online course.

Organizing Workshops for Entrepreneurs

The Company organizes workshops for entrepreneurs who are HORECA academy members. such as the Dream Partner Project to build careers for those who lack opportunities (with Ejan page), the Job Creation Project with food business course for people with disabilities who want to have an income-earning and career, The SMART Restaurant course provides knowledge about restaurant management services, Science and Art course with modern beverages By experts in the food business and online marketing joining hands with the Department of Business Development, Ministry of Commerce, EATucation course provides training and knowledge in ingredients management, Food Handler Sanitation Course collaborated with Panyapiwat Institute of Management (PIM) by lecturers certified by the Department of Health. To raise the entrepreneurialism management level to maximum efficiency and profitability.

2023 Result:

- Over **1,400** participants joined the training course.
- Reduce the cost of training courses on sanitation for food handlers by more than **30,000** Baht.
- The Job Creation Project support value of **415,000** Baht.

The Scholarship Programs for Employees

The company aims to develop youth to have the opportunity to continue study at the higher education level. and become quality managerial personnel in the Thai retail and wholesale business. In 2023 the Company, collaborating with Panyapiwat Institute of Management (PIM), provides over 400 scholarships to employees' children, customers, grocery heirs, and employees to study at the bachelor's degree level in various faculties, including the development of Modern Wholesale Food Business Management. This curriculum focuses on the study along with internships that earn income and study for free throughout the degree and receive hands-on training with the opportunity to become a supervisor with Makro for developing personnel to prepare for market growth that has a need for specialized skills for promoting opportunities in the career field and a stable future.

In addition, the Company provides an opportunity to Makro employees who have a Vocational Certificate and are interested in studying for a bachelor's degree, but there is no opportunity in terms of time and funds. Which can apply knowledge to the work that can be done, including after graduation employees also have more opportunities to grow at Makro through increased educational qualifications.

2023 Result:

- **400** employee children received a scholarship, the value of each **60,000,000** Baht.

LEADERSHIP & HUMAN CAPITAL DEVELOPMENT

Opportunities and Challenges

The most valuable asset to any organization is the human resources that drive the business forward. To the Company, they are the delta between reaching set goals and falling short. Taking care of the employees that bridge the gap between available talent and organizational goals in the competitive landscape is key to operational optimization and social value creation.

Note: The individual performance of Wholesale and Retail on page 356-364.

Target and Performance

2023 Target

100% All employees have trained and engaged in learning and initiatives.

2023 Performance

100%

Of Target

100% employee are trained and developed

- **763** courses of training courses organized.
- **100%** of employee has participated the development program.
- **1,385** employees participated in the leadership development program.
- **49,040** employees or **75.95%** participated in the sustainability training program.
- **67** hours per person per year as the average of employee training hours.
- **1,810.72** Baht per person per year as the average training cost.

Policy and Management Approach

The company prioritizes the human capital development of perspectives and mindsets that foster a professional corporate culture through 3 dimensions of the human resource management approach which are human capital development, leadership development, and talent attraction and retention to ensure effective competencies development and a happy workplace across the organization.

Human Capital Development

The company has committed a strategic working style shift to an agile and speedy business operational model. The new technology in a digital transformation to leverage business operations meets the needs of the fast-changing world today, The human capital development to upskill and create new career paths to the future. Therefore the 5 Human capital development strategies have been defined for the dynamic, agile and accurate working environments for employees across the organization. both classroom and online training (M-Learning) are designed to support.

5 Human Capital Development Strategies

Customer Centricity	Agility	Talent	Data Driven	Enabling People Function
6,635 trained employee	**41** trained employee	**710** trained employee	**8,567** trained employee	**27,545** trained employee

2023 Total Training course = **763**
100% Employee and temporary workers are trained

The company arranges the training curriculum has been designed to support the necessary competencies as the Compliance Skill, the functional skill, the Leadership skill, the Digital transformation skill, the soft skill for emotional intelligence and systematic thinking from internal and external instructors to develop employee's competencies, increase self-esteem and upskill the support business growth strategies.

Store Talent Development

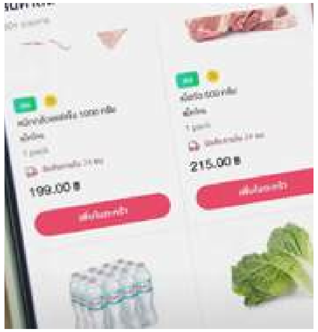
Makro Business Academy is arranging the training program to suit the employee's job level to gain our employee knowledge and skills and also promote understanding of attributes and qualities that make a good leader who is able to drive business growth so as to make an advancement in their career path. The program comprise 4 main courses: 1) STAR for assistant manager level and managers in related lines of work prepare for middle management, such as Store General Manager 2) Food Service Academy for assistant manager of Food Service and managers in related lines of work promotion to middle management, such as Food Service Store Manager 3) Supervisory Academy prgram for promoted manager and 4) Staff 2 program for promoted staff to supervisory level.

2023 Result:

- **57,887** participants accumulated received training, representing **100%**
- Offline sales contribute a **1,005,960,000** Baht to business impact per year.

Skill for Online Business Model

To support the expansive growth of the online business model, employees and executives retain necessary skills through Makro's online e-training classroom platforms, or Makro-learning (M-learning) centers, featuring various invaluable courses. The objective of this program is to understand the management processes and be able to work in the same value chain both in the Online and Offline business systems. The courses to support employee performance include: Design Thinking course for innovation skill improving, Data Visualization course for complexity data prevention skill, Creative Thinking course for improving the systematic problem solving with the flexible solution, and Effective Time Management course forimproving time management skill to driven the most effective performance etc.



2023 Result:

- **10,034** participants accumulated received training, representing **100%**
- Online business (O2O sales) contribute for **2,097,270,000** Baht of business impact per year.

Talent Attraction & Retention

The company focuses on creating a corporate innovation culture that fosters creative initiatives, continuous self-improvement, and reliable operational efficiency which led to a suitable and attractive working environment to retain talent.

People Analytics and Strategic Workforce Planning

Topics	Details	2023 Results:
Measuring employee performance	• People working - absent performance dashboard. • PMP (Performance Management Process) at least 2 times per year.	• **100%** of employees receive targeted performance evaluations.
workforce planning	• Analyze the organizational and manpower structure and prepare a human resource dashboard to closely and continuously monitor manpower requirements to support business growth. • Ensure annual succession management continuity. • Ensure tangible career progression with annual one-on-one supervisor-operator discussions.	• **100%** of employees who have participated in the succession development plan. • **36%** of the promotion rate comes from within the organization.
Identify current workforce skill gaps	• Determine the required work skills per required work scopes, prepare a recruitment plan under the Employee Development Program, and review required work scopes and skills annually.	• **100%** of all job positions are developed the skill as employee development program. • **100%** key positions has been completed the successor review. • **75%** of all job position has been reviewed incentive compensation compared to peer and other industries.
Recruiting & hiring	• Determine recruitment and professional development strategies with skills that meet business needs according to appropriate career stages and establish Individual Development Plans (IDP) to build the strengths required to circumnavigate obstacles that limit growth along the career path. • Analyze comparable industry compensation, as well as different industries, to determine the overall demand for human resources with relevant professional backgrounds.	• **100%** of all job positions have a career growth path. • **100%** of all job positions are paid higher than peer and other industries.
Identify flight risks to improve retention	• Evaluate human resource requirements and risks due to retirements and turnover and determine the appropriate measures to retain sufficient qualified personnel to meet business growth plans. • Establish a program to support employees to reduce work-related obstacles and limitations. • Exit interview analysis from every resigning employees to set up the manpower retention plan.	• **100%** of the risks of all job positions have been assessed. • **100%** action from Exit interview are reviewed and corrected.

Performance Evaluation

The performance management appraisal are conducted both individual and team-based performance. Starting from goal setting, monitoring, and reviewing annual performance in close collaboration with supervisors, promoting awareness of the existing strengths and weaknesses, thus the opportunities for professional growth to prepare effective, progressive professional developmental plans. In 2023, the agile conversation are apply in the agile working teams.

Performance appraisal

Performance appraisal	By employee	Performance Appraisal Frequency
Management by objective	4%	twice per year
Team-based performance	4%	twice per year
360 Degree Feedback	1%	twice per year
Agile Conversation	1%	Every 6 months

Performance Evaluation and Agile Conversation Training

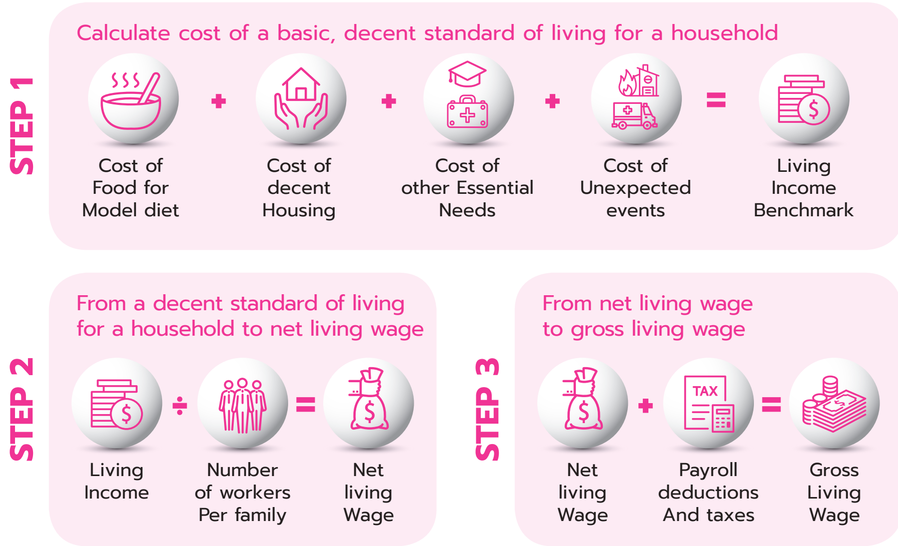
For the flexible objectives and quickly solves the barriers to the effective performance of agile team. The approach will focus on collaboration and regular conversations by bi-weekly and continuous feedback. The company able to manage employee performance and development throughout the year as opposed on annual or bi-annual basis.

2023 Result:

- **100%** agile working team are trained.
- **100%** agile team are participated the agile conversation.

Living wage

The Company commits to assess the living wage of all employees, contractors and supplier within 2025. In 2023, the living wage are reviewed to ensure that employees, contractors, and suppliers are paid the overall income level to support the cost of living. the living wage with Anker methodology as.



2023 Result:

- **100%** Staff are assessed.
- **100%** Contracted worker are assessed.
- **2%** Critical suppliers are assessed.
- **100%** Staff income are corrected to meet the Gross living wage.

Note: The Company does not have a franchise model.

Employee Supporting Program

The company provides facilities and programs such as annual health check-ups, by specializing occupational health-safety doctors and Stress counselling by psychologist, annual physical check up, alternative (Chinese) medical consultation, medical benefits to all employees and sport facility and health promotion programs.

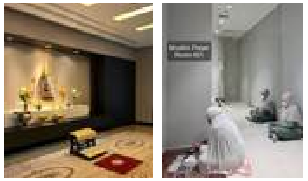

Alternative (Chinese) medical consultation


Stress counselling by psychologist


Breast cancer self-screening


Sport & health initiatives


Lactation Room


Religion prayer room

Example of Family Benefits

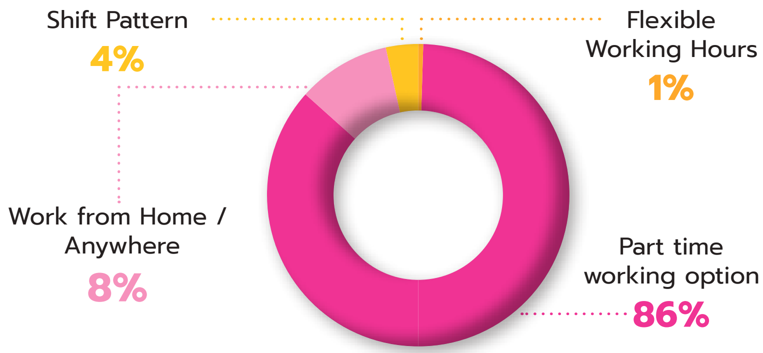

Paid parental leave for the primary caregiver **7** weeks


Paid parental leave for the non-primary caregiver **1** week


Paid family or care leave beyond parental leave (care for a child, spouse, partner, dependent, parent, sibling, or other designated relation with a physical or mental health condition) **1** week

Hybrid & Flexible Working Hours

The company is committed to creating a flexible working environment that is conducive to work efficiency and adaptability to fluctuating requirements and thus commenced hybrid working to facilitate a variety of working environments that encourage outcome-based achievements and appropriate time-management among employees without the unnecessary office location or working-hour restrictions, a strategic adjustment under the digital transformation.



2023 Employee Engagement Survey for Well-being

The employee satisfaction with the welfare program resulted in a score as high as **82%**. from **100%** employee response the survey as detail score in dimension as;

86.47% Job satisfaction (external motivation, e.g. I am satisfied with my job)

81.93% Purpose (internal motivation, e.g., my work has a clear sense of purpose)

79.19% Happiness (e.g., I feel happy at work most of the time)

75.85% Stress (e.g., I feel stressed at work most of the time)

CYBER SECURITY & DATA PROTECTION

Opportunities and Challenges

Presently, business operations need to apply information technology to maximize operational efficiency, effectiveness, and more creativity. On the other hand, increasing the risk of emerging risks of cyber-attacks or threats. The Company is enhancing and developing the cybersecurity and data privacy policy to protect data and trustworthiness for customers and stakeholders throughout the value chain.

Target and Performance

2023 Target

100% implement cyber security and data privacy as Personal Data Protection Act requirements.

2023 Performance

100%

Of Target

100% Complied with Charoen Pokphand Group and external party Action list for cybersecurity and data privacy.

- Total number of information security breach case = **0** case
- Total number of clients, customers and employees affected by the cybersecurity and data privacy breaches = **0** person
- Total number of clients, customers and employees affected by the data privacy breaches = **0** case
- **100%** of employees have been trained in cybersecurity awareness and phishing E-mail.
- **100%** of data routes have been conducted the cybersecurity risk assessment.
- **100%** of web and mobile application have been conducted the security testing service.

Policy & Management Approach

The Company prioritizes cybersecurity and data privacy, started assessing risks to prepare a plan to deal with various cyber threats, and announcing policies for all Company personnel to be thoroughly informed, serving as a guideline for raising cyber awareness and attaining ISO27001, international information security standards and Charoen Pokphand Group.

Cybersecurity Policy Structure

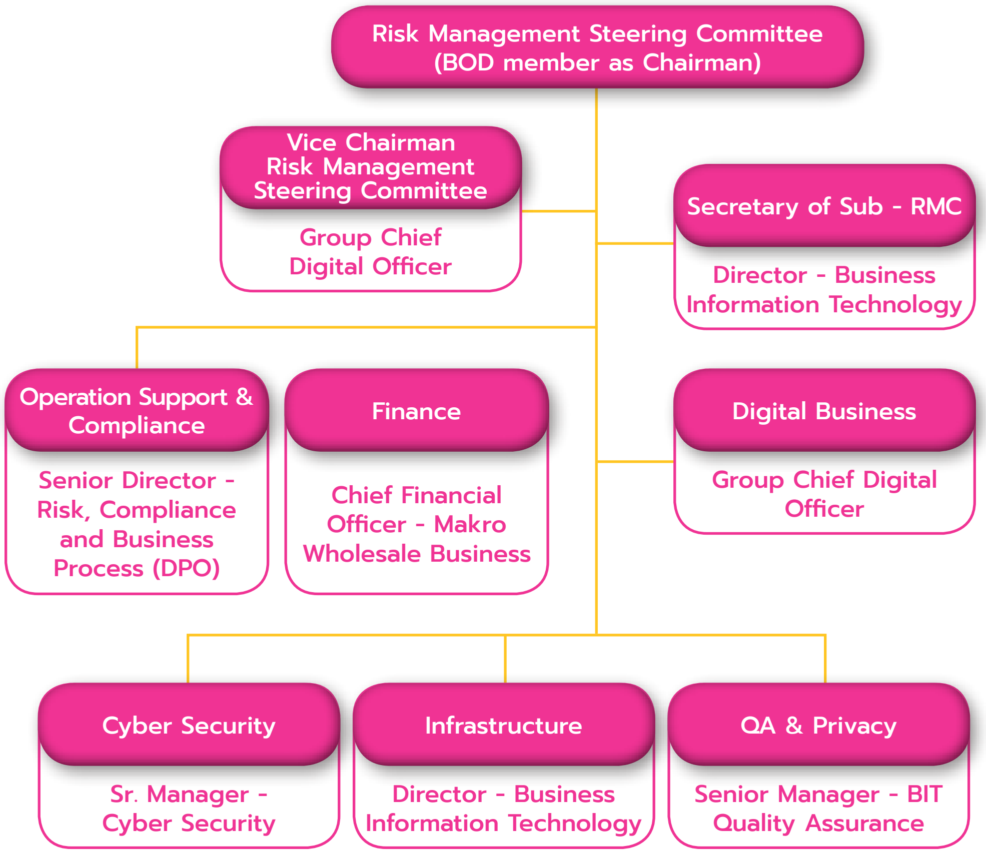
In 2023, the company has updated its cyber security policy, and cover more cybersecurity practices.

Result 2023:

Employee has trained and communicated the cybersecurity policies

Cybersecurity Management

The cybersecurity is part of the Risk committee which the director BOD member is the chairman of Risk committee on the engaged on the cybersecurity strategy process and the Executive Management team with relevant background in IT (Chief Information Technology Officer CIO), oversees the company's cybersecurity strategy.



Cybersecurity Risk Management

Presently, cyber threats and attacks are more complex and impact cybersecurity risk. The company thus conducts 5-dimensional risk assessments cover a wide range of data routes that could be used to access company data, from head office, mobile phone applications, websites, as well as store and business partners.

Risk Assessment Guidelines	Risk Assessment Scope
Connecting to public networks	Company's servers
Phishing and ransomware	Employees
Identity theft	System administrators and employees
Supply chain attack	Information technology third parties
Information leakage	Employees

Cybersecurity Awareness Training and Discipline

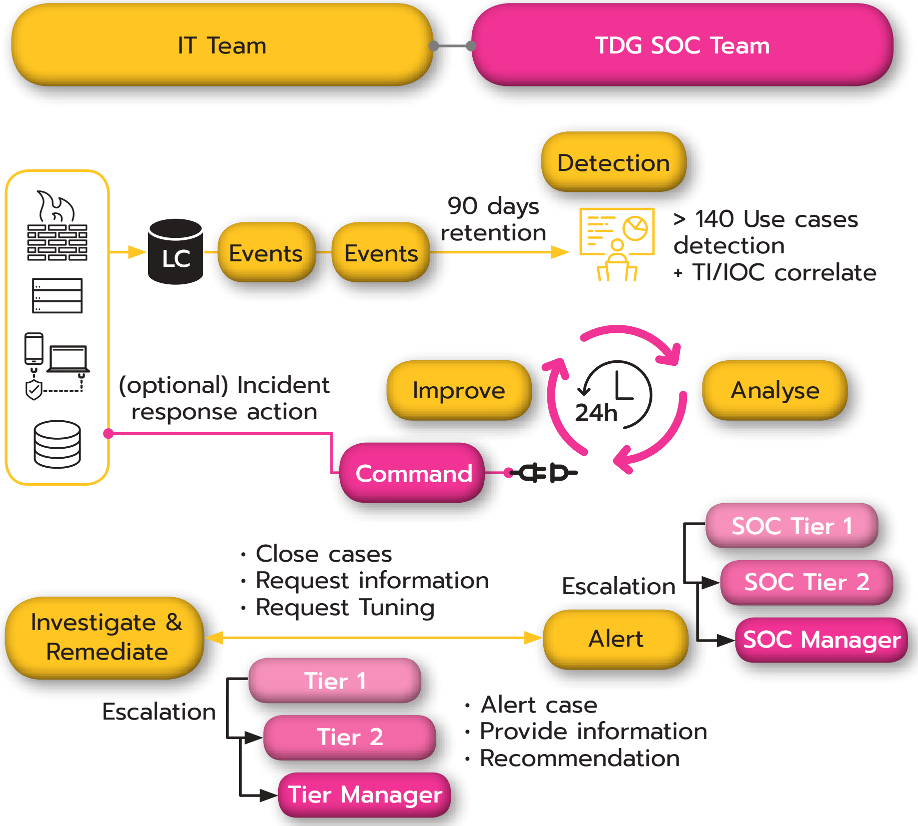
Awareness being the key to ensuring information system security against cyber threats and data leak prevention, approach is reinforced to raise corporate awareness; communication to introduce and create awareness, alerts to activate response awareness, and testing to assess cyber security awareness.

In 2023, The cybersecurity's everyone's responsibility with being the one criteria of Annual Performance Evaluation and the year end bonus for employee Both staff and manager levels must be reviewed the performance of discipline that related to cyber security and data protection policy.

Policy accessibility	• **100%** employees, can access relevant policy through the organization's internal communications website.
Communication	• **100%** employee are trained and communicated the Policies, information, and practices through training, internal communication email, and bulletin.
Response Instruction	• **100%** alerts that alarm relevant parties to internet leakage, security breaches, or susceptible emails.
Testing	• **100%** Identity theft phishing simulation to test employee awareness.
Disciplinary	• **100%** employee must be reviewed the performance of discipline that related to cyber security and data protection policy and acknowledged prior computer login as below picture.

The Security Operation Center (SOC)

The Company acknowledges the risks and has set up a 24-hour cyber security team to manage the Security Operation Center (SOC) with the objective of monitoring and responding to various threats in a timely manner under specified SLA and Charoen Pokphand Group information security standards.



Cybersecurity Awareness Training

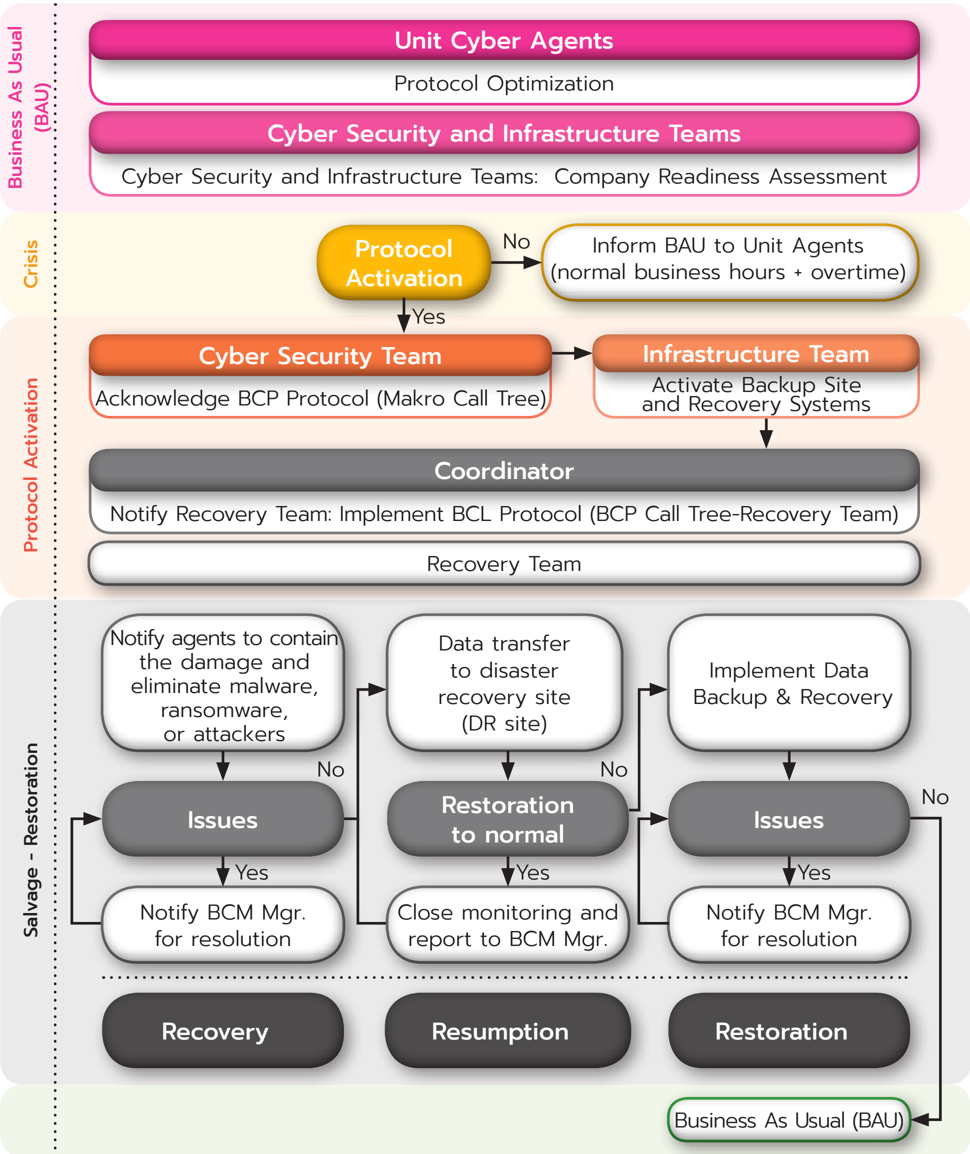
training of the cybersecurity policy, awareness of suspicious and proper responding instruction to all employees as annually basis. The training course provides techniques to notice the 4 key scam patterns which are 1) emotive content, 2) invalid links, 3) invalid sender email addresses, and 4) invalid email attachments. Including the instruction to response whenever they notice suspicious email or incident.

2023 Result:

- **2,953** trained employees (**100%**)
- **2,110** employees participated in email scam tests.
- **73%** has properly responded and **4%** reporting suspicious email.

Cybersecurity Business Continuity Plan

Following the framework of the ISO22301 to prepare for various crises that may occur and impact key business operations and the Company's risk management protocols. In 2023, the BCP drills are conducted twice.



Verification and Vulnerability Analysis by External Party

In 2023, the company has conducted the external audit & Vulnerability Analysis by external party as NIST and external auditor to verity effectiveness of cybersecurity management system, infrastructure, and process.

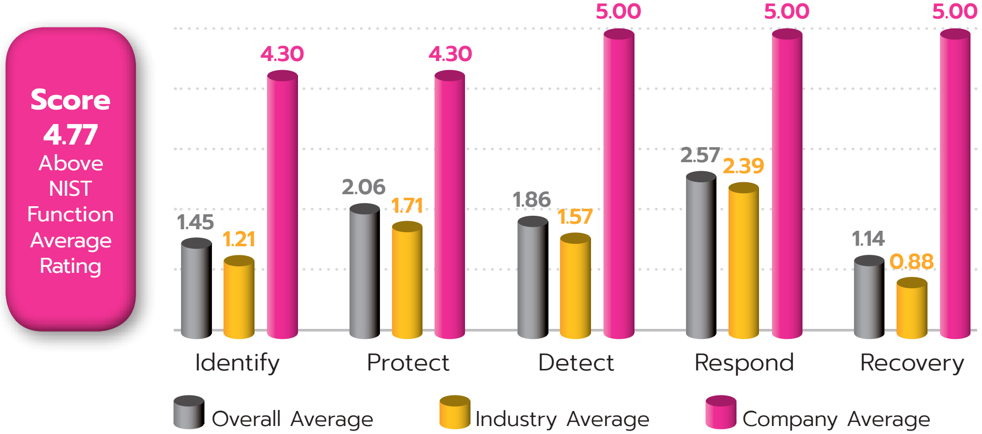
Infra-structure & management systems have been audited

Vulnerability analysis by third party

Simulated hacker attacks by third party

Annual NIST Function Rating in 2023

The company also participated the 2023 Cyber Security Assessment Program for Listed Companies under the Office of the Securities and Exchange Commission (SEC) and the NIST Cyber Security Framework that ranks organizational cyber security by readiness level. The program regularly verified the NIST Function's in 5 dimensions of Controlling system which are Identify, Protect, Detect, Respond and Recovery for whole organization. The 2023 result shows the Company's score of 4.77 out of 5 levels which is highest rated comprising 194 of the companies that participated.



"Infrastructure Security Testing" (Hecker Attacks)

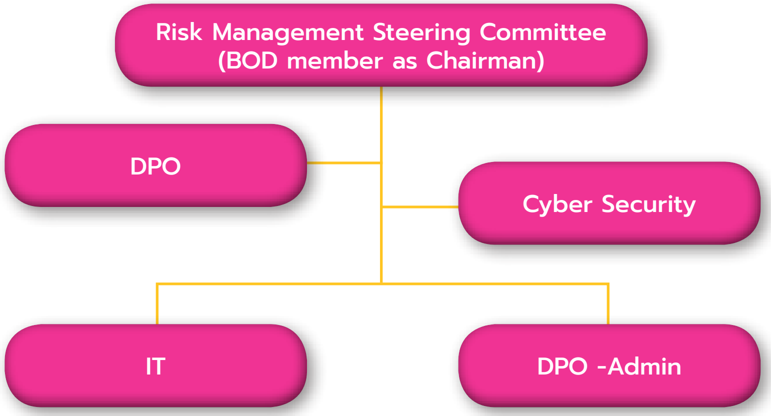
The Company hires the external party to simulate external hacker attacks (Red Teaming) to test the effectiveness of protection and evaluate the vulnerabilities in the system for improvement such as ASPX Debug Mode, Azure Domain Tenant, and Git-config Publicly Accessible.

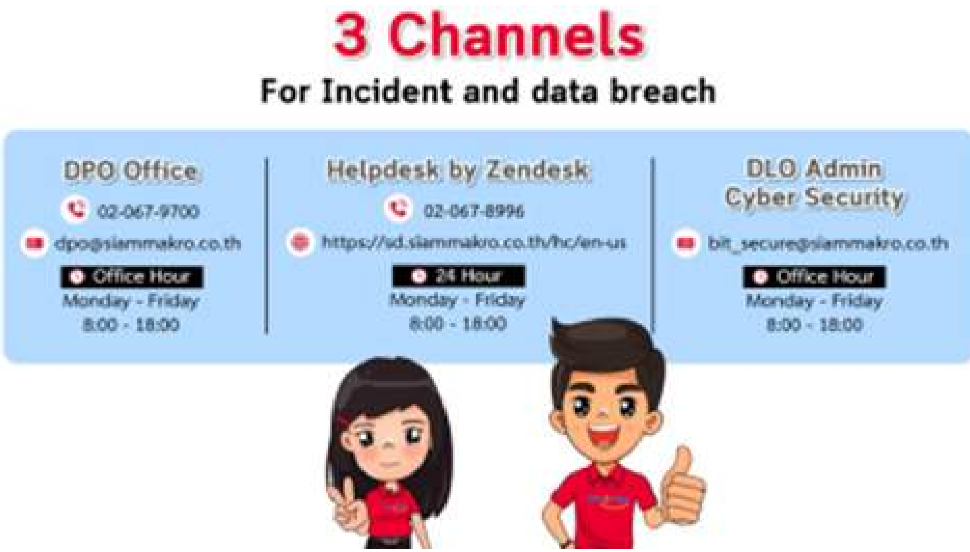
2023 Result:

- **100%** passed the security system test on all topics.
- No incidents of damage from cyber-attacks.

Data Privacy Governance

The Data Protection Officer (DPO) and department are designated responsible for privacy issues responsibilities to supervise the collection, usage, and disclosure of personal data, as well as conduct annual risk assessments, summarize the results, and report to the Risk Management Committee. The officer is also responsible for advising the committee and communicating with the entire organization on best practices and relevant disciplinary action, along with remedial measures for those affected.





Privacy Policy

The company Information Security Policy was announced to manage information security, confidentiality, availability, accuracy, and completeness of information compliance which applies to all entire operation throughout the business value chain, be it information of customers, supplier, contractor, and employee.

Data Privacy Policies & Procedures
Applies to all entire Operation, Supplier and Contractor

- Data protection management
- Data Protection Officer announcement
- Training
- Data Protection Risk Assessment
- Privacy Policy Customer
- Privacy Policy Supplier
- Privacy Policy Investor
- Privacy Policy Employee
- Consent preference
- Remedial action for breach case
- Cookie Policy
- Privacy policy for CCTV

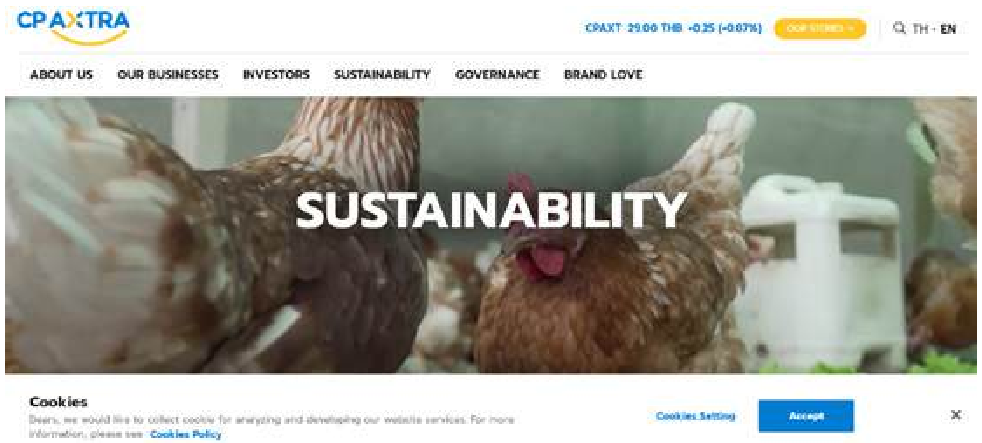
the Company also implements measures to prevent breach case from unauthorized parties from access to personal information. Including prioritizes Personal Identifiable Information (PII) Security under Personal Data Protection Act (PDPA) and has announced a Data Protection Policies, as well as the installation of data management tools, namely the classification and labelling for data confidentiality and data loss prevention to automatically mitigate data leakage.

Scope and Implementation	2023 Result:
Embedded in group-wide risk / compliance management	• **80%** of data privacy risk has reviewed and identified the mitigate plan.
Disciplinary actions in case of breach	• **100%** employee must be reviewed as discipline that related privacy policy breach case during the annual performance and end year bonus evaluation. • **100%** employees, supplier and contractor are communicated partners, and contractors incidents of personal data leakage.
Third-party audits of the privacy policy compliance.	• On the process.
internal audits of the privacy policy compliance.	• **100%** were audited under annual internal audit compliance.

Customer Privacy Information

To protect customer's personal information from being leaked to outsiders or handled without proper authorization, and reduce the risk of data leakage and maintain data integrity and efficiency via a systemic approach and proper authorization which the information and instruction are issued. The External Privacy covers the following topics.

- Methods of collection and collected personal information
- Purposes of collection, use or disclosure of personal information
- Disclosure of personal information
- Sending or transfer of personal information to overseas
- Retention period of personal information
- Customer's rights
- Updating personal information
- Security measures of personal information
- Marketing Information
- Cookies program and technical information
- Redirecting to other parties' websites
- Changes to the Privacy Policy
- Contact channel



2023 Result:

- **82%** employees trained Data Loss Prevention and Privacy Policies.
- **Zero** Customer, employee, supplier and contractor are impacted by data leakage or privacy breach case.

HEALTH

LIVING WELL

The Company contributes economic value to society through economic growth for business partners, promoting access to nutrition, and delivering products with high quality and food safety. Innovation, continuous development of products and services also stakeholder engagement. The Company meets expectations and connects customers, operators, and business partners on the path of sustainability to create long-term value contributions for communities.

Health and Well-Being

- Health & Nutrition Strategy & Standard
- Traceability
- Promoting Health & Nutrition Products

Social Impact and Economic Contribution

- Supporting farmers and SME products
- Social Investment
- Job creation to the Society

Food Security and Access to Nutrition

- Food donation to Community
- Supply Model for Food Security

Innovation

- Innovative organization
- Innovation Project & Awards 2023

Stakeholder Engagement

- Stakeholder Engagement
- Customer Relationship Management

HEALTH & WELL-BEING

Opportunities and Challenges

Quality and safety products are the fundamental schemes of developing products that focus on health and wellness for consumers of all ages. As a leader in the retail and wholesale industry, the Company recognizes the importance of developing internal processes and enhancing the business partners for safer also promote better health and well-being products. This requires traceability systems to demonstrate transparency of the source of raw materials and meet the needs of increasingly health-conscious consumers and better health conditions among the population.

Remark: The individual performance of Wholesale and Retail on page 399-402.

Target and Performance

2023 Target

45% of sales from B2B and B2C products and services help promote health and well-being.

2023 Performance

100%

Of Target

47% of sales from B2B and B2C products and services help promote health and well-being.

- **2%** of sales from food products have reduced fat, trans fat, sodium, and sugar.
- **5%** of sales from food products that increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals, or functional food additives.
- **30%** of sales from food products are safe for consumers of all ages, from children to elders.
- **8%** of sales from products and services that promote health and well-being.
- **2%** of sales from healthier food products by reformulation / renovation.

Policy & Management Approach

The Company commits to increasing the percentage of sales from B2B and B2C products and services to help promote health and well-being. to be 70% within 2030 with the collaboration of the whole supply chain. Altogether the fundamental procedure of quality assurance and food safety from upstream to downstream. The Company also educates the consumer knowledge through the QR Code i-Trace application to trace back to production sources, nutrition facts, and healthy recipe.

Quality and Food Safety Throughout the Supply Chain.

The Company developed Makro's Initiative Accreditation (MIA) as the guidelines for producing agricultural products by standards and implemented to farmers and suppliers. They can do self-assessments which enhances production knowledge and delivers standardized products to consumers. The MIA system was further developed to be used in the evaluation of the Company's distribution centers and distribution centers to prepare for standard certification application. For product traceability, the Company adopted a system that facilitates tracing the origin or raw materials and product nutrition information, namely the Makro i-Trace,

Makro Initiative Accreditation (MIA)

01 Up-stream: Food safety from farm

- Sourcing from farms that complied with Good Agriculture Practices (GAP) standard.
- Qualified by MQP (Makro Quality Pro) and Selected brand
- Over **350** farmers and suppliers have qualified for the standards "MQP" and "Selected".

02 Mid-stream: Control food safety along the process

Standard	Store	Distribution center
GMP, GHP and Codex - of the FDA & WHO.	138	2
HACCP	119	2
ISO 22000:2018	2	1
HALAL	10	1
Livestock - Ok	135	n/a

03 Downstream: Product traceability

- Makro i-Trace, which able to trace products in the fresh food category and bakery category, More than **14,000** items are implemented (**100%** of Under "aro" brand)
- Smart CoA software to provide proper CoA to customers.

Quality and Food Safety Program

"Safe Oranges Save Thai Smile 10th Consecutive year" Project

In collaboration with Kasetsart University, Maejo University, and the Ministry of Agriculture and Cooperatives, the project supports citrus growers in managing crops that comply with GAP standards, ensuring all oranges are of good quality and free from pesticide residues. The Safe Oranges project also includes a traceability application where customers can scan the Makro i-Trace QR Code on the package or display location.

2023 Result:

- Over **70** farmers participated.
- Totaling support agriculture of **1,826.60** tons per year.
- Sale amount **132** million Baht.

Traceability and Health & Nutrition fact

Continuously cooperates with Mahidol University to develop nutrition facts, laboratory research nutrition in food, and Thai Food Composition Databases integrated into The Company's "i-Trace", the QR code for traceability information on labels, to ensure all products are traceable and comply with food safety requirements including trustworthy products for customer and consumer. Furthermore, healthy food trends are influenced while nutrition facts are informative for consumers to design their own meals such as protein, fat, carbohydrate, fiber, water, mineral, vitamin, cholesterol, fatty acid, etc. In 2023, the innovation of i-Trace is healthy recipes on the last page.

2023 Result:

- **14,000** product items has Nutrition facts on i-Trace.
- **100%** own brand product and fresh food are implemented.

Promote Health to Public

The Company's commitment that 70% of the total sales volume of products and services help promote health and wellness. To promote nutritional and healthy food to society with 3 dimension.

Increasing the Healthier product in store

Education health and nutrition to consumer

Health-service to Society

20 Private Label products are certified Healthier Choice (reduce sweet, sour, salty or fat) such as juice, whole wheat bread and ice cream etc.
Sales amount to **2,085,531,781** Baht.

69 items of plant-based and protein products
Purchasing amount **98,747,875** Baht

Promote Healthier Choice Product in Supply Chain

To encourage supplier's products that are certified "Healthier choice". In 2023, The Company selected and recognized the supplier's healthier products through the "Supply Chain Sustainability Excellence Award" in the category of "Health and Well-Being" at 16th Makro's HoReCa Event at Muang Thong Thani 16-19 November 2023.

2023 Result:

- **20** items are recognized (**9** new items).
- The sale amount of Healthier Choice products over increased **339,638,486** Bath compared to last year.

"True Healthy Corner" the Free Medical Consulting Service at Wholesale store

The Company has collaborated with True Digital to launch the drugstore True Health Corner to provide a new healthcare experience for all customer groups through easy medical service access. Customers can access several health services through MorDee; Health smart platforms that connect online and offline health care services, online preliminary health checks, consultation with doctor and order the prescriptions in one click.

2023 Result:

- **2** stores have True Healthy service.
- **21** of wholesale and retail stores have healthcare services.
- Total sales amount **6,242,824,683** Baht.

Health Screening and Exercise Service to Society

To promote people the better health by good diet. exercise and illness screening - as well as access to services and knowledge on health through Retail store campaigns that provide to the public.

- 5th consecutive year of Pink October campaign, the free breast cancer screening with Mobile Mammograms for women in society. Since the beginning of the project, there have been more than 976 women have been screened.
- 6th consecutive year for the. Free preliminary screening service for diabetes to the public. There is a sugar level monitoring service, an initial physical examination service, and a giveaway for healthy coconuts from farmers. The objective is to support good health for Thai people and promote public access to preliminary health services. more than 1,968 people have been screened and found 359 potential cases.
- Lotus's Aerobic Dance Fit & Fun at 10 retail store in Bangkok area also available on TikTok platform. The free of charge exercise professional exercise trainer with variety i.e Cardio, free dance for the society.

2023 Result:

- Donated **200,000** Baht from selling women's clothing and lingerie in October to the National Cancer Institute for Institute to purchase tools and medical equipment to help underprivileged patients.
- **946** people has benefited from these campaigns.

SOCIAL IMPACT & ECONOMIC CONTRIBUTION

Opportunities and Challenges

Social and communities are fundamental to sustainable development. The Company is committed to strengthening and promoting peaceful and inclusive societies for sustainability development through 3 strategies: employment through every part of the business, creating careers for vulnerable groups such as people with disabilities and prisoners, and creating additional income for farmers and SMEs, including small entrepreneurs by contributing to our powerful supply chain and value to support the economics-social with the interconnection from producer to the consumer also of reliable support to farmers, small business entrepreneurs, and vulnerable groups. Including driven to supply chain to recover and strengthen the economy from the crisis.

Note: The individual performance of Wholesale (Makro) and Retail (Lotus's) on page 399-402.

Target and Performance

2023 Target

154,000 people have jobs supported to generate income.

2023 Performance

100% Of Target

262,696 people have jobs and generate income.

- Direct jobs or income support
  - › **83,503** employed or purchased thier product.
  - › **19,659** SME and famers are supported.
- Indirect jobs support in value chain
  - › **84,168** SME's workers on farmer's member group.
  - › **75,366** venders's workers.

Policy & Management Approach

The Company's committed to operating business and contributing positive and sustainable value to society As the epidemic has continued to affect the world since 2021, the Company proceeds to generate the economic value that benefits society by supporting the communities such as farmers, food business entrepreneurs and medical personnel, to mitigate adverse effects and speeding up the overall economic recovery in the process.

"Makro Alongside Thai farmers" Project to Support Farmers and their Product

The Company supports agricultural products and products from local farmers and SMEs within the respective vicinity under the "Makro alongside Thai farmers" project which has been implemented continuously to develop supplier potential in terms of production standards, income sustainability, product quality and food safety.

Examples of Activities to Support Farmers


Purchased meat and alternative protein over **571.16** tons, totaling support of **119** million Baht.


Purchased poultry, eggs and milk over **1,344.60** tons, totaling support of **98** million Baht.


Purchased seasonal fruits over **11,165.29** tons, totaling support of **652** million Baht.


Purchased vegetables and local vegetables over **26,794.95** tons, totaling support of **1,418** million Baht.


Purchased aqua & seafood over **6,858.19** tons, totaling support of **650** million Baht.


Support local product **25,891** items **18,800** million Baht

Example of Commercial Activity Donation

"Longan of Choice Give Back Joy to Locality" 4th year

The company realized the traditional Longan plantation then seeks to strengthen the income of longan growers as well as improve farm product safety and quality to meet the standard and return benefit from sales to the community with local farmer cooperative in Pasang, Lamphun province to implement GAP guideline for better food safety and quality products also traceability and meet the customer's preference. Furthermore, the research for installation of the machine for packing workshop to extend shelf life and retention time of products. This project is part of Makro's Job creation project whose purpose is to improve the life quality, a sustainable economy in society to strengthen the community through local jobs including the donation of money from product selling to buy medical equipment and hand over to public health unit in the community as return the happiness to the community.

2023 Result:

- **650** farmers generate income.
- **712** tons whole year purchasing or **42,945,710** Baht (increased **7%**)

Job Creation to the Society

"Support Productivity and Local Products from Farmers"

In order to help Thai farmers solve the issue of oversupply and falling prices in the market, the Company has implemented a proactive fruit management policy. This involves the direct purchase of seasonal fruits from farmers, as well as support for distribution channels across all stores nationwide. Additionally, the Company helps with the purchase of vegetables, fruits, and local products from farmers or community enterprise groups in the local area. This approach aims to raise the level of the community economy and create additional value for all stakeholders involved.

2023 Results:

- **45,000** tons of seasonal fruit are purchased, increasing by **20%** compared to 2022.
- Over **43,000** farmers participated.
- **2,937** million Bath sales of local products.

Example of Social Investment

Create the Jobs for the Disabilities

From 2022, The cooperation project with the Department of Empowering of Persons with Disabilities to upskill and purchase handicraft products from disability upskilling centers in many provinces. This year, the Company increased the purchase of more than 3,000 handcraft products includes providing a market for their product that can earn income and create jobs for vulnerable people, provides marketing support and develops the products as customers' buying behavior. The success of the project is empowering disabled people to sustainable income earning for themselves and their families and finally leverage their self-esteem. Furthermore, The Company joins with Makro HoReCa Academy to organize a training course on how to do food business with a small investment to four centers for developing the potential and careers of people with disabilities to provide opportunities to people with disabilities all over Thailand have a career and sustainable income to improving the quality of life of vulnerable groups through "The Job Creation" project.

2023 Results:

- **1,807,610** Baht purchasing amount.
- The sale amount increased **1,320,155** Baht.
- Job creation for **200** disable people.

Create the Jobs for the Retired Soldiers

The company has collaborated with the Royal Thai Army and Navy to provide training to conscripted soldiers, enabling them to gain knowledge and understanding of various job roles. The company has created over 2,000 job positions across several stores province, from which the soldiers can choose to work. Additionally, the company provides independent career training to help the soldiers create future income and increase their work options. This initiative is in line with the "Job Creation" policy, which aims to develop and promote various skills continuously, offering stable income and employment opportunities to conscripted soldiers.

2023 Results:

- over **2,000** job positions.
- **61** people have been hired.

"PLATFROM OF OPPORTUNITY" Project

SME business matching events are under the "PLATFORM OF OPPORTUNITY" project, is the activity to open the opportunity for farmers and SMEs to become the company's suppliers. The local farmer and SME can register their product to the platform, then the platform will proceed with the initial screening and matching the buyer to the product and set up the business discussion. The variable product can be registered such as agricultural products, processing food, other consuming product, etc. Altogether knowledge sharing and provide advisory to farmer and SMEs to improve product quality and productivity for both local market and exportation.

2023 Results:

- **222** farmer and SMEs entrepreneur registered.
- **36** product has been selected.

Social Support in Other Crisis

Thailand also faced severe crises resulting in damage to households and properties in disaster zones. As several stores were located in the affected zones, it collaborated with the local agencies to expedite emergency bags to the disaster victims in a timely manner.

Support the Forest Firefighter Team

A forest fire rages in Khao Laem, Nakhon Nayok province, northeast of Bangkok, on March 2023. Fire is often associated with negative impacts on the environment such as plant animals living in that area. The company helps provides drinking water for staff in fire fighting mission. In addition, Drinking water also distribute to Chulachomklao Royal Military Academy, Obkhan Forest Fire Control Station at Obkhan National Park area Chiang Mai Province.

2023 Results:

- **60,000** packs of food and water are donated to support people during natural disasters.
- Support value **393,760.77** Baht.

Lotus's Donate Used Coldstore Jacket to Chiang Mai Residents

Lotus donated the 70 Coldstore jacket that used in cold rooms from the Lotus Distribution Center, Lam Luk Ka, to communities in remote areas. in Chiang Mai province Including delivering it to the Hilltribe group, Ban Phi Pan Nuea village. with the Charoen Pokphand Foundation being the delivery daily stuff to help people in remote areas who are affected by cold weather. For better health and quality of life.

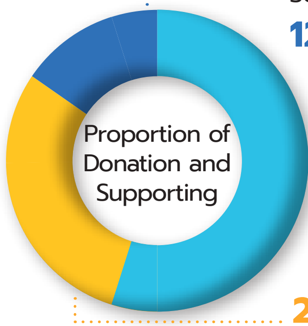
2023 Results:

- **70** sets of coldstore jacket are delivered.

Donation and Supporting

Employee Volunteer Hours
74,081 Hours

Donating Stuff
2,763,055 Baht



15% Social Investment **12** million Baht

56% Commercial Activities **44** million Baht

29% Charity Donations **23** million Baht

FOOD SECURITY & ACCESS TO NUTRITION

Opportunities and Challenges

Food security is a concerning issue for many organizations, domestic and abroad. According to the Food and Agriculture Organization of the United Nations (FAO), more than 25.9% of the world's population is facing food insecurity. The situation has become increasingly worrisome since the COVID-19 crisis. Food security is one of Makro's core strategies, the Company recognizes the importance of this issue and is committed to taking on social responsibility as the leading food supply chain.

Note: The individual performance of Wholesale and Retail on page 399-402.

Target and Performance

2023 Target

80,000 children and people get access to safe and nutritious food.

2023 Performance

100%

Of Target

161,801 people get access to safe and nutritious food.

- **107,800** people get access to safe and nutritious food.
- **54,001** members of Community Kitchen.

Policy & Management Approach

In addition to managing the supply chain to nourish adequate food to meet customers' needs, the Company also expands food-accessible opportunities for people affected by the COVID-19 crisis, local communities, and vulnerable groups, by delivering food, increasing access to safe food, and sharing food production knowledge through many projects.

Food donation to Community

"Donate Food and Water during Natural Disaster & Crisis"

Supports the community in every country in which The Company's operates. In 2023, the natural disasters from climate change led to wildfires, flooding, and lower temperatures in rural areas. The company support the impacted people, fire departments, and rescue teams by delivering the set of drinking water, food, and delivering to impact people and rescue teams. in May 2023, Myanmar store managers and staff donate food and daily needs to suffering people from Cyclone Mocha.

2023 Results:

- **25,123** impacted households are supported food and clean water.

"Food Surplus Donation - Food Waste Reduction Program"

To promote good health for Thai people to access safe food and clean water. 350 branches of Retail stores deliver the food surplus to the Bangkok metropolitan's workers and SOS Thailand Foundation. Furthermore, donate the 370 sets of food, drinking water, and dry food for the community and for the people in the community to access food and clean water.

2023 Results:

- **8,255** people receiving food and water donation.

The Food Security for Climate Resilience

"Fresh Food Community Kitchen"

To expand people's accessibility to fresh food from local grocery stores. The Company has continuously developed low-carbon refrigerators, frozen fresh food with proper sizing to prevent food waste also affordable, and variable protein sources including plant-based meat for the community.

2022 Results

- **30,619** groceries participated in the program.
- Accumulated as **54,001** groceries.

"Create Food Security Through the Circular Economy" Project

Makro launches a pilot project "Create Food Security Through the Circular Economy" to increase the ability to access nutritious food sources free from toxins. In 2023, Makro was building mushroom cultivation houses to 5 schools near the wholesale distribution center and distribution center (Ayutthaya, Charalsanitwong, Changwattana, Nakornpathom and Wang Noi distribution center) to supporting the strategy food security and expand opportunities for young children to have more access to nutrition, food safety, and hygienic. It also helps save the budget on purchasing ingredient for the student, and the rest can be sold to surrounding communities to bring capital back into circulation for the next crops and also provides an opportunity to practice the organic farming.

2023 Results:

- **70,000** Baht as social investment.
- **700** Students and teachers access lunch.

INNOVATION

Opportunities and Challenges

To ensure the readiness for dramatic changes in circumstances and customer expectations, an innovation culture has been systematically fostered throughout the whole organization. This is accomplished through the cooperation of internal and external parties, in identifying creative and new operational approaches that respond to emerging risks of the wholesale-retail industry altogether improving customer satisfaction.

Target and performance

2023 Target

3 patents or petty patents will be registered in 2025.

2023 Performance

100%

Of Target

5 of patent or petty patent are pending patent numbers.

- **1,261** of employees are innovators.
- **8** innovation projects contributed cost-saving **2,577** million Baht.

Policy & Management Approach

The company's Innovation Committee and Innovation Leader team drive and foster an innovative mindset through conducive infrastructure, outreaching communication and interconnected networks, and also through programs like activities and contests that continuously promote understanding, knowledge and accessibility to innovative platforms.

Indicator (units)	2020	2021	2022		2023	
			Makro	Lotus's	Makro	Lotus's
Innovators (person)	560	1,118	1,189	294	1,150	111
Innovations participate CP All and CPG Innovation Contest (No. of Project)	20	11	13	8	6	5
Award-winning innovations from CP All and CPG Contest (No. of Project)	10	6	11	6	6	2
Business impact (Million Baht)	315.04	3,975	3,882	1,507	1,369	1,208

Winning the President Awards 2023

"You Order, We Deliver on Time, Full Amount." Project

To solve the problem of limited space, delivery delays, and missing orders. Makro invented innovations to improve the work system and inventory system particularly to support online orders, improving the picking cart to vertical to reduce working time, and applying artificial intelligence (AI) to manage the warehouse system. driving business growth, and reducing the risk of cut-off payments to the treasury system. Furthermore, Makro has been able to deliver orders on time and completely, ensuring a positive purchasing experience for both offline and online customers.

2023 Results:

- Delivery on time and completely increased by **90%**, compared to 2022 years.
- Online sales increased by **95%** or **9,470,000,000** Bath.

Approval Process Excelled Awards 2023

"Support Business With the Smart Product Quality Certificate Document Management System SMART CoA" Project

To enhance trust in safety and product quality standards, Makro has developed an online system for certifying product quality for corporate business customers. To guarantee the quality and safety of products with the Smart CoA (Smart Certificate of Analysis) system by creating, collecting, and verifying data through a cloud-based platform, which helps to minimize data errors. This system also allows for easy traceability of products, giving customers the confidence that the food distributed in wholesale distribution centers is safe and hygienic.

2023 Results:

- Reduce the steps and save required to create and approve from **11** steps to **4** steps per requirement.
- Reduce time work by **2,083** hours per year or **440,417** Bath per year.
- Reduce paper usage total value **92,190** Bath per year.
- Support businesses based on the value of products requesting certification of **14** million Bath per year.

STAKEHOLDER ENGAGEMENT

Opportunities and Challenges

As the feedback from stakeholders is a crucial factor in driving a sustainable business according to stakeholders are exactly impacted both positive and negative from the business operation. The Company thus places importance on engaging long-term relationships with its stakeholders to appropriately respond to the expectations and global circumstances.

Note: The individual performance of Wholesale and Retail on page 399-400.

Target and Performance

2023 Target

Stakeholder engagement score greater than **80%**

2023 Performance

100%

Of Target

88% score from Stakeholder's ESG engagement survey

- External stakeholder engagement score is **88%**
- Employee engagement score is **86.25%**
- Customer satisfaction score is **87.85%**

Policy & Management Approach

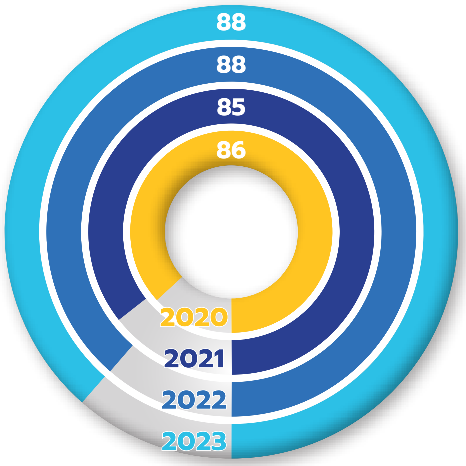
The company realizes that the distinct perspectives from different stakeholder groups are vital to mitigating business risks and the impacts of the operation, improving operational efficiency and creating shared values for all parties involved. The AA 10000 Stakeholder Engagement Standard is applied to form effective engagements with 10 stakeholder groups along with appropriate participation channels for each group. The channels are reviewed annually both quantitative and qualitative input including ensure that stakeholder voices are the input for the Company's materiality review and risk assessment.

Annual Stakeholder\s ESG Engagement Survey

in May 2023, the annual stakeholder engagement survey from 179 people as

Stakeholder	%
Employee	57%
Customer	28%
Supplier & Contractor	3%
SME & Farmer	3%
Community	2%
Government	2%
Media	2%
Shareholder & investor	2%
NGO	2%

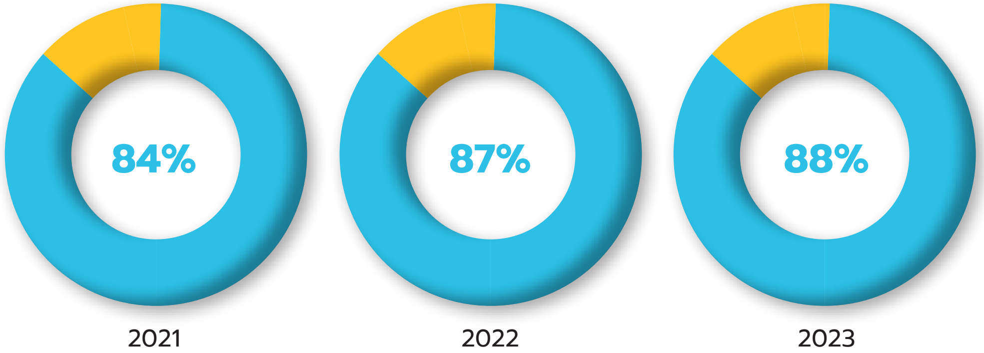
Customer satisfaction score (%)



Note: % Data coverage 2020-2023 = 82.4% in every year

Stakeholder Engagement Score

Target: Engagement score greater than **80%**

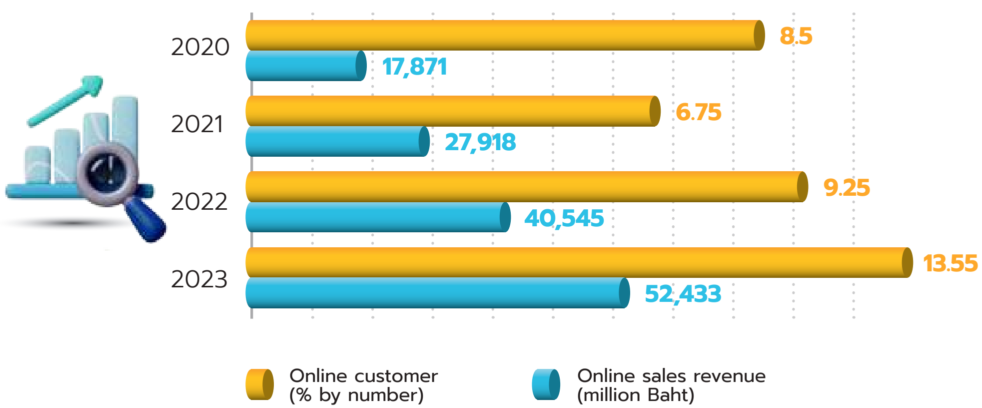


Note: the qualitative data from the engagement survey as input of the material topic page 399-402.

Online customer and revenue

The company recognizes the importance of the online and cashless society including covid-19 pandemic changed consumer behaviour and their expectation for more convenience and faster service. This challenge represents the opportunity for the company, to develop omnichannel sales and services under the online to the offline platform which are dramatical growth in both the number of customers and sales revenue.

2023 Target > **10%**



HOME
LIVING TOGETHER

The Company values the environmental-friendly business operation, efficient resource utilization and minimizing environmental impact from the supply chain on ecosystems and biodiversity to ensure the natural resource is sufficiency for our future generation.

Climate Resilience	• Climate Strategy & Action • Carbon Action Network with Supplier
Circular Economy	• Waste Reduction • Zero Food Waste to Landfill • Sustainable Packaging
Water Stewardship	• Water Stress Risk Management • Supplier's Water Risk Management
Ecosystems and Biodiversity Protection	• Biodiversity Commitment • Biodiversity risk management • Biodiversity Mitigation Action
Responsible Supply Chain Management	• Supplier Code of Conduct • ESG Development Program for Supplier • Sustainable Agriculture Practice

SUSTAINABLE DEVELOPMENT GOALS

CLIMATE RESILIENCE

Opportunities and Challenges

The environmental crisis is becoming more intense due to Climate Change. The solution is, seemingly, an insurmountable task for every sector's cooperating. The Company has been a team player in reducing the targets of Achieving Carbon Neutrality in 2030 and Net Zero in 2050. This includes ensuring readiness to face the Climate Change impacts and supporting the development of projects and innovations on the sustainability path to an energy-efficient and low-carbon society. Believing Sustainable business growth must go with the accountability for environmental protection and responsible natural resource utilization where everyone has a role to play from a communal perspective.

Note: The individual performance of Wholesale (Makro) ans Retail (Lotus's) on page 377-398.

Target and Performances

2023 Target

Reduce greenhouse gas (Scope 1 & 2) **8%**
and reduce fossil energy consumption **5%**

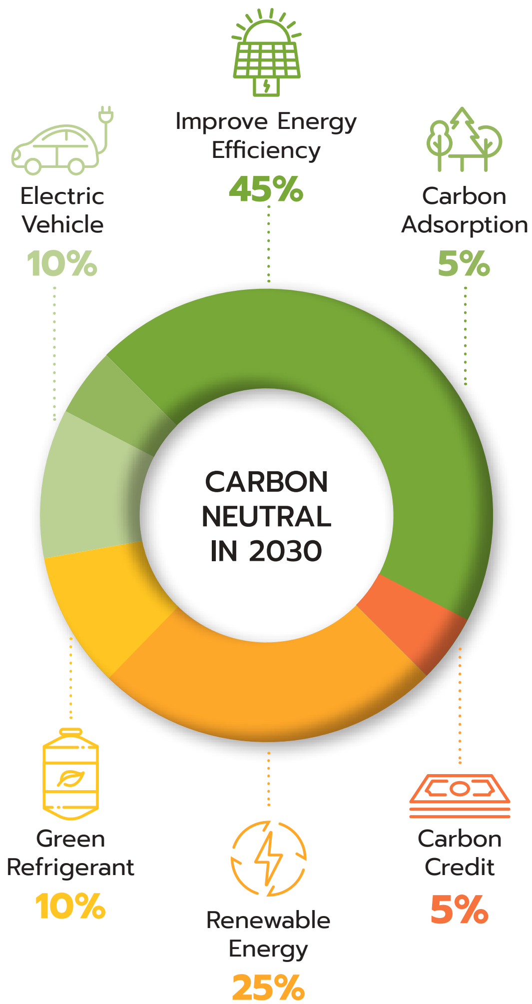
2023 Performances

- Reduce greenhouse gas emission scope 1 and 2 as **4,355.69** tons of CO2 equivalent (**1%**)
- Renewable energy consumption as **175,749.59** megawatt-hour (**13%**) improve **83%** compared last year.

Policy and Management Approach

The company commits the environmental protection policy which is public disclose on the website https://www.cpaxtra.com/storage/document/sustainability/environmental-policy-en.pdf Further aims to be carbon neutral in 2030, coping with the impact of climate change as well as the reduction of direct and indirect greenhouse gas emissions. The resilient strategy is increasing renewable energy and maximizing energy efficiency also compliance with laws and regulations involved with energy conservation of buildings and the ISO 50001:2018 energy management system Retail business is certified ISO 14000 environmental management system.

Carbon Neutralization Strategy

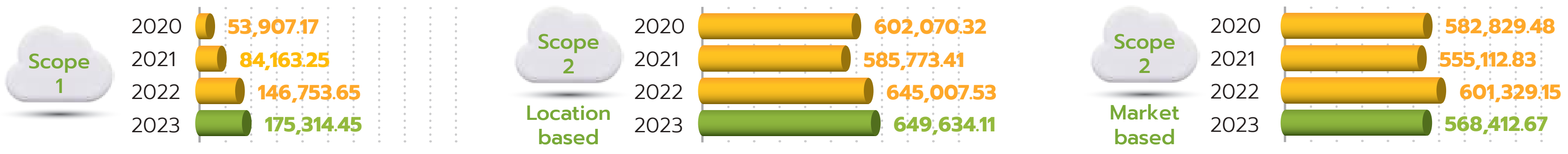


Achieving Carbon Neutrality by 2030 and reaching Net Zero emissions by 2050.

Climate Strategies	Projects & Action	2023 Results:
Improve Energy Efficiency	• High-efficiency chillers. • Replace lighting with LED. • High-efficiency air conditioners at retail stores. • Energy-saving building at the head office'	• Reduce **1,163** tons of CO2 eq.
Renewable Energy	• Solar rooftop at stores and distribution centers. • Solar thermal for water heater system. • Solar tube in the head office building.	• **13%** of total electricity consumption. • Reduce **81,211.44** tons of CO2 eq.
Green Refrigerant	• Use low-carbon refrigerants. • Low EF refrigerant i.e R290 and R-448A.	• Reduce **41,549.06** tons of CO2 eq.
Electric Vehicle	• Converted fuel to the electric forklift. • BEV and Hydrogen EV for the delivery pickup truck.	• Reduce **80,632.93** tons of CO2 equivalent.
Carbon Adsorption	• Promote perennial planting on Company premises and unused areas.	• **7,272** cumulative tree planting at **95** wholesale distribution centers.

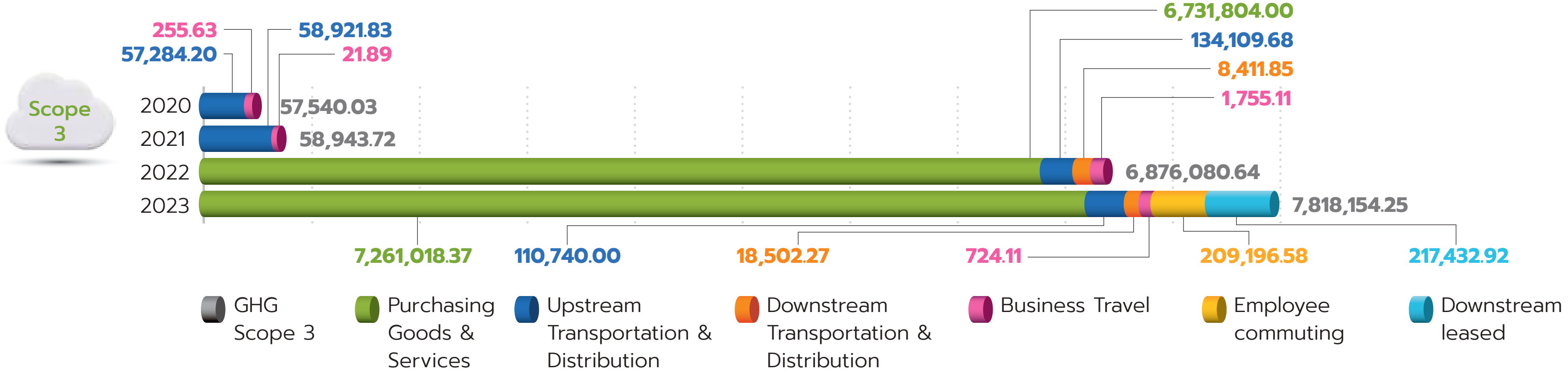
GHG Emission Scope 1 and 2

(unit: Ton of CO2 eq.)



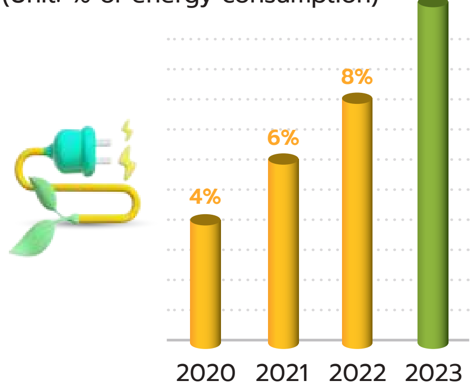
GHG Scope 3

(Unit: Ton CO2 eq)



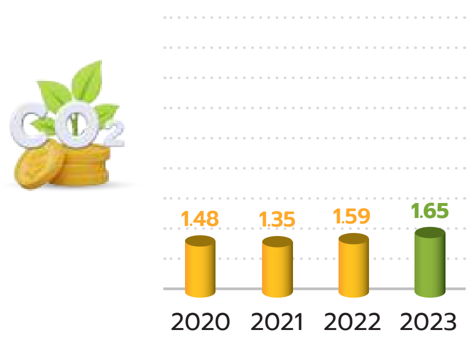
Renewable energy

(Unit: % of energy consumption)



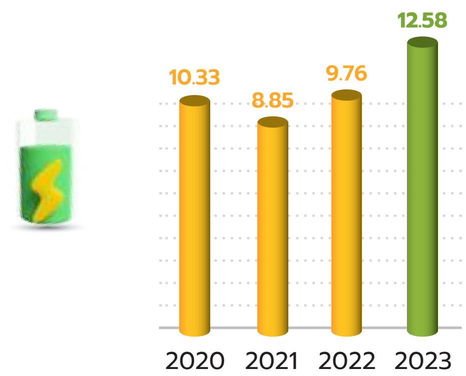
GHG intensity (Scope 1 & 2) per revenue

(Unit: Tons of CO2 per million Baht)



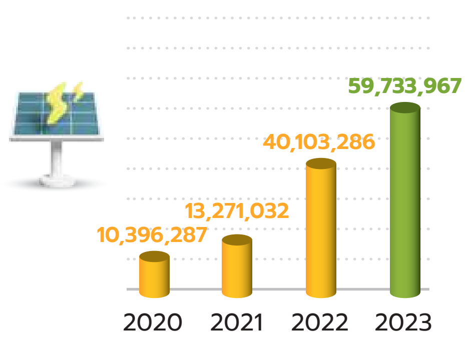
Energy Intensity per revenue

(Unit: Gigajoules per million Baht)



Cost Saving from the Energy Efficiency Improvement

(Unit: Baht)



Energy Management

The energy committee is announced to be responsible for improving energy efficiency targets, monitoring, approval project and budget, and quarterly follow-up on the project's progression as

Topic	Implementation and Projects	2023 Results:
Target & Progress Monitoring	• Improving the energy efficiency **45%** in own operation within 2030	• Total Energy saving • Total Energy efficiency increased by **29%** • Total energy Saving **13,274,214.95** kilowatt-hours per year • Total Cost saving for energy **59,733,967.28** Baht
Action to reduce the amount of energy use	• High-efficiency chillers project • LED Replacement and installation project • Change the Fixed-speed air conditioners to VRF (Variable Refrigerant Flow)	• Energy Saving = **2,328,057** kilowatt-hours per year
Use of Clean or Renewable Energy	• Rooftop solar at stores and distribution centers • Solar Thermal for Water Heating • Solar tube for lighting at head office • Converted to an electric forklift in own operation • BEV and HEV for online delivery service (by vendor)	• Renewable Energy = **428,166,361.30** kilowatt-hours per year
Innovation for energy saving	• Innovation projects for energy saving that initiated by employee • Install tube and screen to reuse cooled water • Shorten water looping piping system to reduce pump's power consumption.	• Invest = **49,500** Baht • Energy Saving = **6,309** kilowatt-hours per year • Saving energy cost **26,500** Baht
Training and motivation	• Energy and GHG policy • Energy conservation training program for mechanic • Energy-saving awareness • Annual energy-saving event every year	• **100%** responsible employees are trained and communicated • **100%** participate energy saving program

Example of Climate and Energy Reduction Projects.

"Solar Rooftop"

the results of our commitment to conducting business in an environmentally friendly, The solar rooftop are installed 87 stores from 111 stores and distribution centers (or 78%). In addition, the Bangplee and Nakhon-branch of wholesale business achieved the “Global Sustainable Energy and Environment in 2023” (GSEE) from Provincial Electricity Authority of Thailand.

2023 Results:

- Reduce energy consumption **175,749,592.70** kilowatt-hours per year.
- Cost saving **790,873,167.13** Baht.
- Reduce emission **81,221.44** tons of CO2 equivalent.

Replace Refrigerant with "Water-Loop Cooling System."

The refrigerant is significant energy consumption and carbon emission at stores. Replacing the refrigerant with a water looping system can improve e energy efficiency by the smaller size of the compressor and reduce GHG emissions from refrigerant filling during maintenance. The pilot project installation is at the two stores (Lat Kra Bang and Pink Lao branches) and expanding plans for the other branches.

2023 Results:

- Reduce energy consumption **481,800** kilowatt-hours per year.
- Cost saving **1,927,200** Baht.
- Reduce emission **598** tons of CO2 equivalent.

"Electrical Vehicle Utilization" Project

Electrical tractor head and electrical truck were operated between distribution center and stores of Makro and Lotus. Furthermore, all of Makro's stores utilize EV forklifts which decrease greenhouse gases emission and increase cost savings.

2023 Results:

- **30** EV vechicles for delivery.
- Reduce energy consumption **1,204,962.37** Baht per year.
- Reduce emission **77,421.80** tons of CO2 eq.

Promote Low Carbon Network in Supply Chain

As target to reducing indirect carbon emission 15% along the supply chain from the own operation including customer, contractor, business partners along the supply chain and motive supplier to reduce carbon emission through production, transportation, storage, distribution, and delivery of products through the activities of "Supply Chain Sustainability Excellence Award" in the category of "Climate Action Network" in the 16th Makro HORECA 2023. The company recognizes the products which are certified by Thailand Greenhouse Gases Management Organization (TGO) and conduct continuously promotes the kinds of lower carbon products. Moreover, the sales amounts of lower carbon products are monitored and added score for supplier's ESG assessment

2023 Results:

- Sale amount of Low Carbon products **20%** compared to last year.
- Reduce emission **9,512** tons of CO2 eq.
- Certified **29** items are promoted.
- **11** suppliers are recognized (Increased **2** suppliers)

CIRCULAR ECONOMY

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.

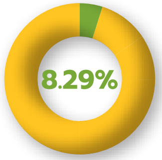
Note: The individual performance of Wholesale (Makro) and Retail (Lotus) on page 377-398.

Target and Performance

2023 Target

Reduce food waste to landfill at least **30%**

2023 Performance



Of Target

- Reduce food waste to landfill **8.29%**
  - Food surplus **219.74** tons
  - Animal feed **1,923.04** tons
  - Composting **925.12** tons

- Waste intensity per revenue **0.07** tons per million Baht

- Reuse and recycle **157,906.61** tons (**77.78%**) increased **29%**

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 Program

Target: Zero food waste to landfill within 2023

Action for waste reduction in 3 major categories:
- Shrinkage prevention
- Food waste & waste utilization
- Sustainable Packaging

100% employee has trained the waste reduction policy and instruction.

100% areas or function where waste is generated are identified, collect data, analysis, action plan and quarterly monitoring the performance.

Allocation of R&D resources to minimize waste
- Digital shrinkage management system
- Black Soldier Fly Feeding (Research with universities)

Initiatives to work towards zero waste across operations:
- 5Rs to reduce the total waste to landfill
- Waste to landfill diversion rate is certified by 3rd party
- Quarterly monitor performance

Waste Reduction Strategy

Target: Zero waste to landfill within 2030

5Rs Strategy	Actions	2023 Results:
Reduce	• Not provide free plastic shopping bags to customers. • Not selling deoxy plastic, products contain plastic microbeads and cap seals on beverage bottles.	• **100%** implement 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 box, and palettes at stores and distribution centers	• **123,084.46** tons are reuse
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 of less than 40-micron (recyclable)	• **296.25** tons. Replacement of recyclable PET can reduce non-recyclable polystyrene packaging • **7.16** tons of banana stems are used to substitute the plastic packaging. • **100%** utilized the recyclable material (wholesale store)
Recycle	• Plastic and material from own operation are collected, segregated and sent to recycling process.	• **532** tons of plastic waste from stores are sent to the recycling process.
Renewable	• Drop point at the store for collecting the plastic packaging from employees, customers, and communities. • Return the recycling process and the upcycling to new materials such as polo shirts, monk robes, bed and medical coverall suits etc.	• **3,949** tons of plastic packaging are recycled as product • **2.81** tons are upcycling to new material

Food Waste Management

To achieve the 2030 zero food waste to landfill targets. The Company strategy is thus implemented through 6 operational strategies as follows:

Activity	Zero Food Waste to Landfills within 2030	Result in 2023
Source Reduction	Reducing food waste within the operational process. (Planning, Managing, Inventory, Discount)	24,007.11 tons
Feed Hungry People	Pass the food surplus to agencies, and people who need it.	219.74 tons
Feed Animals	Reprocess into animal feed.	1,923.04 tons
Composting	Convert to fertilizer	925.12 tons
Landfill / Incineration	Dispose to landfill or incineration.	32,419.58 tons

"Segregation for Reduction"

In 2023, Both wholesale and retail store expand Segregation for Reduction project with 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 the public park 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.

2023 Result:

- Reduce food waste to landfill **3,067.91** tons (makro = **2,269.20** tons, Lotus's = **798.71** tons)

Example of Food Waste Reduction Projects

"2nd year of Food Waste Donation to the Zoo"

Makro & Lotus's continue the second 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, 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 support more than 17 Wild Animal Reservation and Protection Centres in 14 Provinces. In 2023, Both Makro and Lotus's received the award of from Department of National Parks, Wildlife and Plant Conservation.

2023 Results:

- **1,428.32** tons are donated to the zoo as animal feeding (makro = **1,356.07** tons, Lotus's = **72.25** tons)

"Food Surplus & Food Waste Donation" Project

This project aims to reduce food waste from retail store which can not 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 initiated from the pilot project. Furthermore, The safety edible unsold foods are continuously given to the cleaning staff of Bangkok Metropolitan Administration and students of Chiang Mai Rajabhat University, Mae Hong Son Campus to support living expenses.

2023 Results:

- **219.74** tons donate as food surplus to people.
- **925.12** Food waste donation from convert to compost for community (makro = **913.13** tons, Lotus's = **11.99** tons)

"Food Waste for Black Soldier Flies Feeding" Project

Makro & Lotus's stores in the Northeast the 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 study the food waste from store for black soldier flies feeding to find out the proper food waste formula, yield production and nutrition from BSF.

2023 Results:

- **539.51** tons food waste is reused for black soldier flies feeding (makro = **44.80** tons, Lotus's = **494.71** tons)

"EM Fermentation from Food Waste"

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, 128 makro stores continue convert food waste to EM fermentation. In 2023, makro also donate EM to Bangkok metropolitan administration for their cleaning and river in Bangkok areas.

2022 Results:

- **88.03** tons of food waste are convert to EM fermentation.

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 price and environmental friendly.

Sustainable Packaging Product

All of Makro's 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.

2022 Results:

- Biodegradable packaging is sold in **3,949** tons
- **1,981.08** tons of Plastic waste from makro's store is recycled to new products.

Drop Point and Waste Collecting to Reuse and Recycle

Activities	2023 Results:
	**20.10** tons of PET bottle (PCR) are collected and upcycling to be new employee uniform or monk robes (with Jak Daeng temple) **164.54** tons of waste are collected and sent to recycling process
	**436.24** 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.
	**2.81** tons of PET plastic (PCR) from makro's store are sent to Indorama Venture PCL PET recycling process
	Lotus's joins hands with True Corporation Plc. for the 2nd consecutive year, 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.

"Continue Banana Stem Packaging" project

Makro's store implemented biodegradable single-use packaging by applying banana stem for the "Local Organic Vegetable" festival. In 2030, the local organic vegetable is permanently available at every makro stores for whole year. Altogether the replacement non-recyclable plastic tray with recyclable PET material.

2023 Results:

- **1,022,997** pieces (equal to **7.16** tons) or **9%** of banana stem tray replace plastic tray.

"C2 X aro for Sustainability"

The company establishes a sustainable packaging policy. There are operational guidelines covering various issuessuch as creating engagement with stakeholders to manage packaging in a complete manner. Design and selection ofpackaging for aro (Own Brand) products to be environmentally friendly. According to the concept of the circular economy (Circular Economy)

This project has selected quality mineral water that is good for health, certified to GMP and ISO 22000 standards, and also designed the packaging to be environmentally friendly. By reducing the use of plastic in PET plastic packaging that is unnecessary. By researching and developing packaging to maintain its properties. But using a reduced amount of material.

Modify label format And do not use ink to print the date of manufacture on the bottles so that the bottles are 100% recyclable.

Change plastic packaging to PCR plastic to reduce the amount of waste created from new plastics. According to the conceptof material recycling (Recycled Material/Recycled Content)

This project are launching in wholesale distribution centers throughout the country. In the first quarter of 2024

WATER STEWARDSHIP

Opportunities and Challenges

As climate change is seeing intensified flooding and drought year on year, the Company recognizes the water stewardship and resource management efficiency throughout the water life cycle to sustain an economic-ecological co-development that adds economic value to communities without encroaching on natural resources.

Note: The individual performance of Wholesale (Makro) ans Retail (Lotus's) on page 377-398.

Target and Performance

2023 Target

Reduce water comumption unit by **2%** compared to 2020. (2023 Target = **20%** Reduction)

2023 Performance

- Water consumption **4,536,982.36** cubic meters.
- The proportion of recycled-reused water accounted for **48%** of water retrieved.
- **5,895,896.83** cubic meters withdrawal from water stress areas increased by **26%** compared last year.

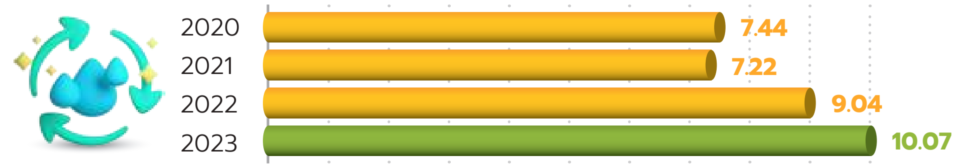
Policy and Management Approach

The Company prioritizes reducing water consumption in areas prone to water scarcity and optimizing wastewater for maximum economic-social value while raising water stewardship awareness in the process. The Company stewards water resources in 3 pronged approaches Water Risk Assessment, Creating Awareness, and Waste Water Management.

Stewardship Approach	2023 Result:
Water Stress Risk Assessment	• **100%** own operation and critical suppliers are annually monitored by applying the Aqueduct Water Risk Atlas global water risk mapping tool • Set up the water conservation program, including the annual performance for each site manager and monthly follow-up on the performance of the water consumption reduction plan
Creating Awareness to stakeholders	• Communicate through the company's media, including pictures and stickers, to raise water stewardship awareness to employees, customer, and public • Communicate and conduct training to Suppliers in the water stress area and seeking for water conservation program.
Waste Water Management	• **100%** Install water treatment systems at stores and zero breach cases of water pollution • Increasing utilization of the after-treatment wastewater by **72** stores

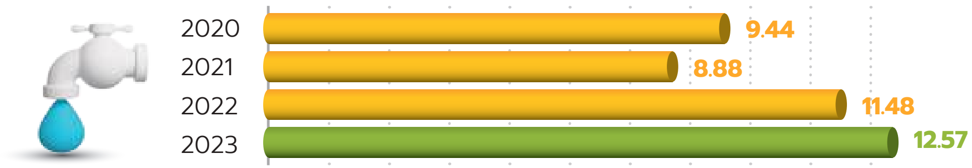
Water Consumption Intensity

(Unit: Cubic meter per million Baht)



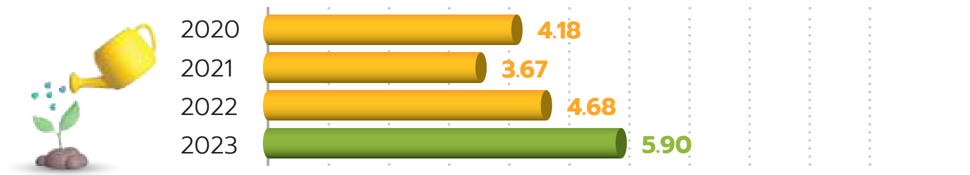
Water Consumption

(Unit: million cubic meters)



Water withdrawal from water stress area

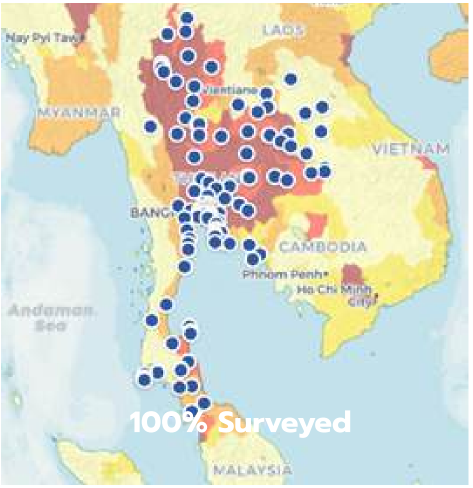
(Unit: million cubic meters)



Water Stress Risk Assessment

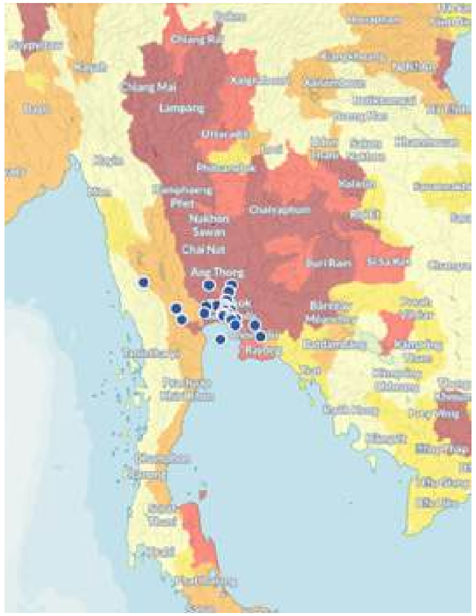
Annually monitoring by applying the aqueduct water risk mapping tool. In 2023, the Company discovered that 70% of own operation and 87% of critical tier 1 suppliers consume water from water stress areas. The Company has thus planned effective water management to increase water usage efficiency and transparency, closely monitoring risk assessments with local authorities, expanding the database to monitor water usage, and applying natural water resources for causes that create better value for risk areas.

2023 Result:



Water Stress

Low	Low-medium	Medium-high	High	Extremely high
(<10%)	(10-20%)	(20-40%)	(40-80%)	(>80%)



The Company

Critical tier 1 supplier

Surveyed   Water stress risk

% of sourced agricultural commodities originating from water-stressed areas	
Cattle products	87%
Maize	67%
Palm Oil	1 - 10%
Rice	93%
Soy	67%
Sugar	67%
Tobacco	91%
Cotton	1 - 10%
Cassava	1 - 10%

Supplier's Water Risk by Category	Measures
87% Quantity or quality	Project "For Better Life of High Land Farmer"
50% Regulation or change in pricing structure	Project "Ground Water Bank"
0 case of stakeholder's conflicts or breach case	Communicate with all suppliers to understand the community's rights related to water and air pollution issues.
33% Without water conservation program / policy	Reinforce all risk suppliers in the water stress area must have the water program or action.

"Save Water, for Future Water Conservation" Project

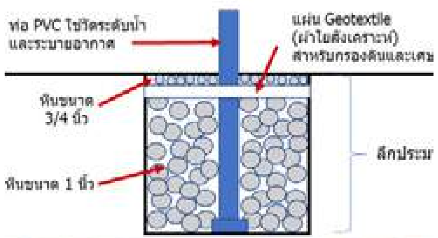
Continue the Save Water, Save Future project since 2018. To reduce water consumption. by returning the treated effluent to reuse in the green area, and cleaning the waste house or loading area. This project can reduce the amount of water used and recirculate water to improve resource efficiency and reduce operation costs.

2023 Result:

- **72** stores participated in the project.

2nd year of "Groundwater Bank in Water Stress Areas"

The Company adopted a groundwater bank within the water stress areas. The water sump with vertical piping is installed to collect flash rainfall well-treated waste water and flow to the water reservoir or increase water absorption into the soil. This concept reduces water scarcity impacts and from the pilot project at - Yasothon and expands to another water stress area in Maha Sarakham province. This knowledge are shared to farmer and the nearby community.



2023 Result:

- Over **32** cubic meters returned to nature through groundwater bank pipe.
- Over **155,520** Baht in cost savings per year.
- **20** farmers and community in water stress are trained.

"For Better Life of High Land Farmer" Project

The project aims to survey, educate, and promote farmers in the northern and northeast provinces which are chronic water stress areas. For improving the efficiency of agriculture production and preventing food loss. The Company collaborates with the Department of Agricultural Extension and universities to enhance the farmers' better farming for their better life i.e. use of the water-dropping system, stopping chemical pesticides, and transforming to organic farming. The Company also sharing for fruit and vegetable species that consume less water and high demand from consumers to prevent food loss. Altogether, purchasing their projects to sell in upcountry stores.

2023 Result:

- **281** farmers have participated program (Target **100%** in 2030)

ECOSYSTEM & BIODIVERSITY PROTECTION

Opportunity and Challenges

Biodiversity is essential in enabling ecosystem infrastructures to survive under intensifying climate changes. The Company enhanced to operate a business with sustaining and balancing the economic-ecological development is thus paramount for Climate Resilience and ensuring operational business preventing the impacts on the ecosystem, either directly or indirectly.

Target and Performance

2023 Target

100% of stores and distribution centers are assessed diversity risk and not in the natural or cultural heritage reservation area.

2023 Performance

100%

Of Target

- **100%** of stores and distribution centers are assessed biodiversity risk.
- **88%** suppliers are assessed biodiversity risk.
- **100%** of own operation and supplier's are not in the natural or heritage reservation area.
- Ocean Gems, the house brand product are certified **42** items.
- **0** Breach case that related to biodiversity and ecosystem among own operation and supply chain.

Policy and Management Approach

The ecosystem and biodiversity management approach is aimed at minimizing the negative impacts that our business operation has on nature and maximizing the positive impact. Our projects support agricultural product that follow sustainable methods, reforestation and afforestation efforts, wildlife protection, watershed rehabilitation, waste recycling programs, as well as other biodiversity conservation projects.

Biodiversity Framework

Biodiversity Risk Assessment	Conduct the biodiversity risk assessment with location specific and TNFD ,UNESCO World Heritage, and IUCN to assess own operation and adjacent area including the activities of upstream to downstream along the supply chain. To access biodiversity risk location with Integrated Biodiversity Assessment Tool (IBAT).
Mitigation Action	The action plans to avoid, reduce, regenerate, restore and transform to protect ecosystem and biodiversity from business operations or activities to promote ecosystem and biodiversity over the long run.
Communication & Training	Communication and education to all employee, temporary staff, contractors, tier-1 suppliers and business partners.
Enhance through Supply Chain	Assess biodiversity protection and restoration by working with supplier and partners for collaborative projects that promote ecosystem and biodiversity.
Disclosure of Biodiversity Performance	Publicly communicates the biodiversity performance and targets through the annual report and website.

2023 Performance

Target: **100%** own operation and critical supplier are assessed the biodiversity risk

Stores and distribution center (**172** branches) | Critical tier 1 supplier (**328** suppliers) | Tier 1 supplier (**1,908** suppliers)

Target: **100%** Employee and Awareness & Training

Employee & worker | Critical tier 1 supplier | Tier 1 supplier

Result from assessment

Own operation and supplier are not located in the conservation area | Violation, complaint, or related case in own operation and supply chain

Examples of Biodiversity Mitigation Actions

"Do not catch, do not buy, and do not sell - juvenile marine animals"

The company emphasizes sustainable sourcing, in collaboration with makro and Lotus, by announcing the policy of "Do not catch, do not buy, and do not sell juvenile marine animals" in every store. The objective is to promote the conservation of juvenile marine animals, which is fundamental of food chain in nature. The measures are communicated to all relevant partners, starting from the proper sourcing, defining & inspect the size and species, equipment, and fishing methods, ensuring no adverse impact on the environment. Additionally, the company is providing training and raising awareness among supplier, producers, traders, and fishing groups throughout its supply chain. Altogether, actively collaborating with government. This initiative aims to drive behavioural changes to the sustainable fishery.

"Sustainable Tuna-Sourcing" Project

The Company prioritizes sustainable sourcing for raw materials and products related to tuna. The selected tuna must not belong to endangered species or red list, as per the International Union for Conservation of Nature (IUCN) guidelines. The company verifies the sources, tuna species, and fishing methods, ensuring they have no adverse impact on the environment. Additionally, the company checks with its partners to ensure compliance with human rights, labor practices, and occupational health & safety regulations for workers. The commitment covers 100% of the products in this category under the company's trademark. The policy is publicly post on website: https://www.cpaxtra.com/en/sustainability/sustainability-policy-and-guidelines

"Food Waste - Feed Wildlife" Project

Continues into its second year, The wildlife is essential indicator of environmental diversity. The Department of National Parks, Wildlife, and Plant Conservation's limited budget for caring animal wildlife which are rescued illegal wildlife trafficking or endanger species. Recognizing the need for support, the company has signed MOU with the Department to provide food for wildlife feeding at conservation stations upcountry. this year 37 stores have participated the project (increase 10 branches from last year's).

2023 Results:

- **55** Wildlife and Plant Conservation station are supported.
- **1,923.04** tons of food waste are delivered for animal feeding at the station.

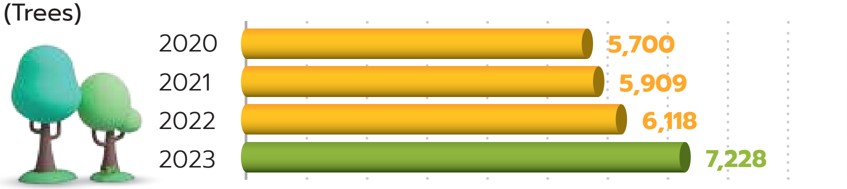
"Planting Trees at Makro's Store" Projects

makro is implementing a project to plant native trees based on urban reforestation principles. The planting with various species of perennial trees, such as teak, bamboo, mango, banana, and jackfruit, to enhance green area within the stores. The treated effluent is used for irrigation. The project aims conserved species of local tree, reduce greenhouse gases, improve soil heath and to create food source that benefit both employees, customers and nearby communities.

2023 Results:

Perennial plant at store

(Trees)



Next Gen New World & Planting Tree With Partners

Lotus, in collaboration with the Khao Yai National Park Conservation Foundation under the Next Gen New World project, organized youth training activities, including tree planting and forest fire stopping. The project has continuously planted over 61,000 trees in national parks many provinces. The employees participated planting 500 seedlings, at stores, distribution centres, and community. Furthermore, Lotus collaborates with partners in the campaign to generating funds through the sale of eco-friendly dishwashing liquid products. For every product sold, donated 1 Baht to support tree planting activities in Thailand.

2023 Result:

- **61,000** seedlings are planted.
- **1,209,234** Baht are donated to support tress planting activities.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Opportunities and Challenges

The company alike. as the linkage between producer to end-user, the Company aims to ensure customers access to safe, high-quality, and sufficient in a timely manner. The Company has strengthened the supply chain's risk management and collaborated with producers, distributors, suppliers and business partners to enhance the value chain management, ensuring adequate inventory meets consumption needs with responsible sourcing and traceability to upstream.

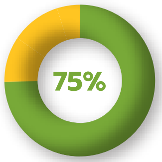
Note: The individual performance of Wholesale and Retail on page 399-402.

Target and Performance

2023 Target

100% Tier 1 supplier has been evaluated the Environment, Social, and Governance assessment in 2024

2023 Performance



Of Target

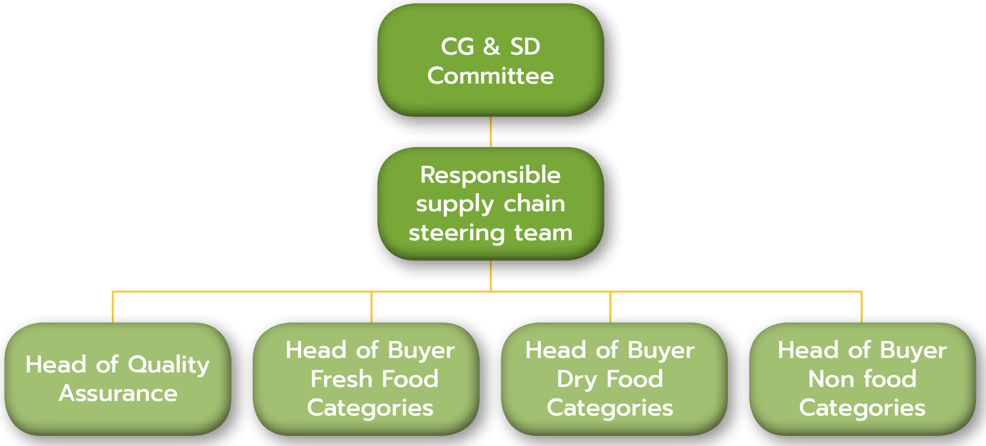
- **99%** Supplier has been trained in the Supplier Code of Conduct and ESG.
- **75%** significant supplier has been ESG assessment (Desktop and / or onsite).
- **100%** High risk score suppliers are onsite audited.
- **89%** High risk supplier are completed the correction.
- **100%** New supplier has been assessed with ESG criteria.

Policy and Management Approach

The Company commits to leveraging the ESG along the supply chain with all significant of tier 1 and non tier 1 suppliers. With focused Supply chain ESG program that assess potential ESG risks, and consequently, plan remedial measures to assure sustainability performance along the supply chain. The Company integrated Supplier's ESG program as one of 2030 Sustainability strategy and closely monitoring program performance. Including clearly communicate and engage the ESG target to all suppliers. The new supplier must comply with ESG assessment before starting the business with The Company.

Supplier ESG Program

Governance & Target setting	Communication & Training	Supplier Screening	Supplier ESG Assessment	Correction & Development
Oversight and support in compliance with law and regulation along the supply chain.	Build awareness of the responsible supply chain goal and actions to employees and suppliers	Identify potential ESG risk in the supply chain	Evaluate supplier's ESG risk and their control to enhance their ESG strategy and performance.	Build the capacity and ESG performance in the supply chain



The CG & SD Committee (BOD level) is the accountable decision-making body for supply chain implementation plan approval The Responsible supply chain steering team members are heads of the QA, buyers, and operations departments. Their role is to ensure the Purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Supplier Code of Conduct and to avoid potential conflicts with ESG requirements. All suppliers are informed of the exclusion from contracting if they cannot achieve minimum ESG requirements within the set timeframe (score >33% before starting or > 55% within 2.5 years to continuing the business). Suppliers with better ESG performance are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding.

Supplier's Code of Conduct

The Supplier's Code of Conduct manual and training VDO with subtitle are publicly on The Company's website and applied to all suppliers across all countries. All the suppliers must be trained and sign an acknowledgment by their top management or assignee to accept these ESG criteria as the business contract terms and conditions.

2023 Result:

- **99%** Tier 1 suppliers and Non-tier 1 suppliers signed acknowledgment and trained.
- **100%** Buyer, QA, and Operation are trained in their roles in the supplier ESG program.

Supplier Screening

The significant supplier is a supplier that is identified as a potential sustainability risk supplier. The screening of the significant suppliers by reviewing potential or actual suppliers' risks of the negative ESG impacts and business relevance risks or a combination of both. The risk covers factors of country, sector, and commodity-specific risks.

Business relevance	Environment	Social aspect	Governance & Compliance
• High procurement value • Key component, material • Non-substitutable components	• Resource efficiency • Greenhouse gas • Energy • Water & wastewater • Waste • Biodiversity • No deforestation • etc	• Human rights i.e forced labor, child labor etc. • Labor practice • Occupational Health & Safety • Discrimination • Harassment & Sexual harassment • Community's rights • etc	• Quality & Product Safety for consumer • Country's law & Regulation • Corruption • Bribery • Conflicts of interest • Intellectual property • Specific certificate or requirement of products • etc

2023 Result of Supplier Screening	Makro	Lotus's	CP Axtra
Total number of Tier-1 suppliers	2,163	3,294	5,457
Total number of significant suppliers in Tier-1	401	775	1,176
% of total spend on significant suppliers in Tier-1	92	89	90.5
Total number of significant suppliers in non Tier-1	10	0	10
Total number of significant suppliers (Tier-1 and non Tier-1)	411	775	1,187

Supplier ESG Assessment & Development Process

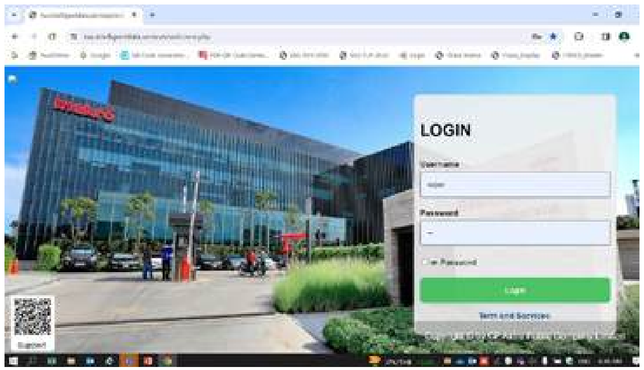
Desk assessment
Supplier's desk assessments with systematic verification of evidence on the company's digital platform and transparent scoring.

Onsite assessment
Supplier on-site assessments carried out by the company's audit team. And onsite assessment by an independent accredited auditing body (3^{rd} party assessment).

Standards of industry
Assessments follow SMETA and ISO 17025 and ISO 20400

Correction & Development
- **100%** Training on company's supplier ESG program, process, and requirements.
- **100%** Supplier access to ESG benchmarks against peers.
- **100%** Collaborate with supplier support on implementation of corrective / improvement actions.
- **60** suppliers has got the In-depth technical support programs and **2,634** are in the capacity building programs.

Picture of ESG Desk Assessment Platform and Supplier Access to ESG Benchmarks Against Peers



Target: **100%** Supplier are Online ESG assessment within 2025 **100%** Potential / actual high-risk suppliers are onsite audited within 2025	2023 Result:		
	Makro	**Lotus's**	**CP Axtra**
Total number of suppliers assessed via (desk + onsite) assessments (tier 1 and non tier 1)	1,908	2,159	4,067
New suppliers are assessed	78 (100%)	n/a	78 (100%)
Significant suppliers are assessed	361 (87.83%)	529 (68.26%)	890 (74.98%)
Number of suppliers assessed with substantial actual / potential negative impacts	57	205	262
% of suppliers with substantial actual / potential negative impacts with agreed corrective action / improvement plan	100	100	100
Number of suppliers with substantial actual / potential negative impacts that were terminated	3	0	3
Corrective action plan support			
Total number of suppliers supported in corrective action plan implementation	57	205	262
% of suppliers assessed with substantial actual / potential negative impacts supported in corrective action plan implementation	100	100	100
Capacity building programs			
Total number of suppliers in capacity building programs	1,492 (68.98%)	1,142 (34.67%)	2,634 (48.27%)
Significant suppliers in capacity-building programs	118 (29.43%)	327 (42.19%)	445 (37.49%)

Example of ESG Development Programs with Suppliers

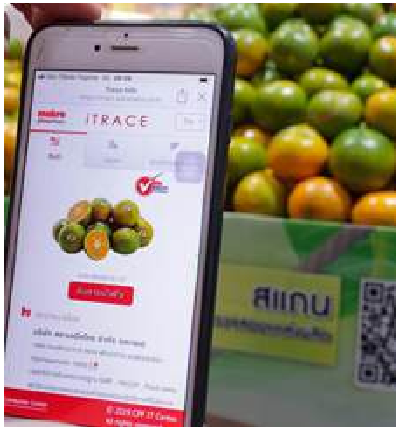
Makro applies the 5Rs principles to reduce plastic waste at the source. This project is improving wholesale inventory software to supports the purpose and encouraging partner companies to stop using the shrink film as secondary packaging of vegetable oil products in the carton. Makro has set a target to 100% stop using shrink film for all vegetable oil products within 2024, also have plans to expand this program to other products. Furthermore, The Company also encourages significant suppliers to reducing greenhouse gas emissions. The results of 2023, 42% of ESG significant suppliers has goal and program of gashouse gas and/or energy reduction and The Company's set the target 100% of the ESG significant suppliers by the year 2025.

2023 Result:

- **108.26** tons per year of plastic consumption are reduced.
- **100%** Suppiler of the group have has attended the project.

10th Consecutive year "Safe Oranges Save Thai Smile" Project

In collaboration with Kasetsart University, Maejo University, and the Ministry of Agriculture and Cooperatives, the project supports citrus growers in managing crops that comply with GAP standards, ensuring all farmers stop using chemical pesticides. The Safe Oranges project also inspected the residue pesticide by a certified laboratory including a traceability application where customers can scan the Makro i-Trace QR Code on the package or display location.



2023 Result:

- Over **70** farmers participated.
- Totaling support agriculture of **1,826.60** tons per year.

Certification of Agricultural Crops

Agriculture crop	Certification or accreditation	% Purchased of certificated product	% Exposure
Plam oil	RSPO	40%	3%
Soy	RTRS, Pro Terra, CRS	78%	< 1%
Sugar	BON Sucro	3.65%	< 1%
Cacao	Fair trade, UTZ	0.63%	< 1%
Coffee	IRTAC, SRP, Global G.A.P, BRC	0.74%	< 1%
Cereals	GAP	16%	2%
Cotton	Fair Trade-certified cotton BCI, GOTS, OCS, GRS, RCS	<1%	< 1%

Note: % Purchased of certificated product per total purchasing agricultural crops.
% Exposure = Purchased argricultural crops per total purchasing.

Certification of Animal Product

Animal product	Certification or accreditation	% Purchased of certificated product	% Exposure
Aquaculture	ASC, BRC, GAP	54%	1.75%
Cattle	GAP, AAWCS, BRC, GMP	22.45%	< 1%
Dairy	GAP, AAWCS, Fairtrade	11.59%	6.81%
Swine	GAP, AAWCS, BRC, GMP	37.31%	5.75%
Poultry (include eggs)	GAP, AAWCS, BRC, GMP	30.51%	4.71%
Wild fishery	MSC, GAP, BRC, GMP	19%	1.75%

Note: % Purchased of certificated product per total purchasing animal products.
% Exposure = Purchased animal products per total purchasing.

Own Brand ASC & MSC Certified and Organic Product

"ocean gems" own brand product has 42 items which are certified by Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) in the 6 product categories which are fish, crab, shellfish, shrimp, squid, and roe.

55% Selling volume of private label products are ASC MSC certified

Promoting the Animal Welfare and organic products

The company's commitment and engagement to animal product suppliers must be audited and qualified with QA and product safety criteria before trading and reassessment every 3 years to ensure the producer's production is safe for consumers.

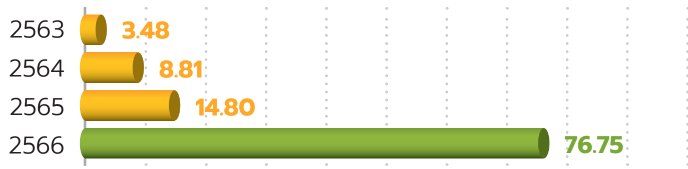
Minimize Antibiotics	Not to use GMO or Cloned animal	Not to apply growth-promoting substances	Sampling Inspection every batch
100%	100%	100%	100%

22.89% Share of organic products per total fresh food products.

Cage Free Egg Product

Collaborates with supply chain and government agencies to improve cage-free egg production, develop egg farmers, educate customers and consumers, as well as commit to sales at all stores by 2025.

Purchasing Amount (million Baht)



4 Management Discussion and Analysis (MD&A)

4.1 Operation results and financial analysis

4.1.1 Business overview

In 2023, the economic situation in Thailand as well as other Company-based Asia-Pacific countries, either operationally or investment-wise, or both, has gradually recovered. However, the tourism and service sectors continued to recover, positively influencing consumption and the labor market. Nonetheless, the recovery of the tourism sector was pressured by the uncertain global economy and high travel expenses attributed to energy prices. Simultaneously, exports encountered headwinds from the global economy, particularly the slowdown in the Chinese economy. Meanwhile, operating costs increased in line with utility expenses. The escalation of interest rates and strict credit loans directly influenced investment and economic activities. Furthermore, there was a lack of government measures in Thailand to stimulate spending and domestic consumption. In addition, the household debt and the default risk remained high. These factors could impact the economic recovery. In 2023, Thailand's economy is expected to slightly grow at 2.4%, while the core inflation is expected to be 1.3% (Forecasted by Bank of Thailand as of 29 November 2023)

For the countries that the Company operated, the overall economy has gradually improved due to consumer cautious spending. In addition, there were several negative factors from the fluctuation of the exchange rate and rising interest rates. As a result, there was an increase in the cost of goods and operations.

Notwithstanding the aforementioned factors, the wholesale business performance continued to improve due to an increase in sales from existing stores as well as the opening of new stores, and online, out-of-store along with delivery products to customers ("Omni Channel"). Under the strategy to cater to customers' demand in all sectors, the Company provides a variety of products and quality services at value price and continues to strengthen the Omni Channel. During the year, Makro-Thailand developed large stores in the areas, where there were new competitors. We expanded the sale area of fresh food by introducing more international products, such as Japanese food, European food, and milk related products, as well as developing new formats and modernizing the consumer products to maintain our customers. Moreover, the Company introduced the hybrid model by synergizing Makro stores and Lotus's mall to optimize the value of our assets. For the retail business, the revenue from sales increased from last year, driven by fresh food strategy and focusing on convenient ready-to-cook at affordable prices, as well as enhancing Omni Channel sales through My Lotus's app and sales team. Furthermore, the Company increased revenue from rental and rendering retail services through the renovation of existing stores across the country and expanded its mall presence (Mall extension). Additionally, the retail business revitalized and re-supplied of an expanding number of tenants, such as restaurants, to modernize the shopping centers with new progressive lifestyle products. Meanwhile, the stores renovation has been developed to match customer preference in each area to build the community center for the smart living of all ages.

4.1.2 Operating results

(1) Operating results of the Company

(1.1) Operating results: the Company and its subsidiaries

(unit: Baht million)

Consolidated financial performance	2021	2022	2023
Sales	258,630	447,182	466,234
Wholesale business (1)	*221,344*	*242,437*	*259,811*
Retail business (2)	*37,286*	*204,745*	*206,423*
Revenue from rendering of services (3)	4,136	5,422	5,935
Revenue from rental and rendering retail services	2,631	13,477	14,303
Other income (4)	970	3,050	3,477
Total revenues	266,367	469,131	489,949
Gross profit from sales	30,292	63,577	64,341
Gross profit margin from sales (%)	*11.7*	*14.2*	*13.8*
EBITDA (5)	23,109	35,084	35,065
EBITDA (excludes non-recurring items) (5,6,7)	16,770	35,084	35,065
Finance costs	1,557	7,122	6,319
Net profit attributable to equity holders of the company	13,687	7,697	8,640
Gain on step acquisition (6)	*6,714*	*n/a*	*n/a*
Net profit attributable to equity holders of the company (excludes gain on step acquisition) (8)	6,973	7,697	8,640
Wholesale business (1)	*6,576*	*7,074*	*5,975*
Retail business (2)	*397*	*623*	*2,665*
Net profit for the year	13,298	7,682	8,599
Earnings per share (Baht per share)	2.38	0.73	0.82

Note: (1) Consisting of Makro-Thailand, Makro-International, and Food Service APME
(2) Consisting of retail businesses under "Lotus's" and mall business in Thailand and Malaysia (Lotus's Thailand and Lotus's Malaysia)
(3) Revenue from rendering of services consisted of revenue from advertising services on media, revenue from marketing activities from suppliers, revenue from product consignment services, etc
(4) Other income included revenue from promotion activities, gain from disposal and write-off of assets, gain from foreign currency exchange rates from derivatives, interest income, and other income, etc
(5) Earnings before interest, tax, depreciation, and amortization
(6) Accounting profit recognized from the difference between the fair value and the carrying amount of interests from business combination under common control
(7) Share loss from the Associated Company - Retail business (CPRD), under the equity method in proportion of 40%, that used to recognize in the financial statement of CPALL in 2021 and must be restated in the consolidate financial statement of the Company according to financial reporting standards for business combinations under common control in an amount of Baht 375 million
(8) For 2023, with the exception of an early amortization of the upfront fee and operating loss from forward exchange contracts related to loan prepayments in an amount of Baht 99 million (net income tax) and losses on disposal of store assets from wholesale business in China in an amount of Baht 38 million, the net profit will rise by 14.0% from last year

(1.2) 2023 performance of the Company and its subsidiaries

Revenue

In 2023, the Company and its subsidiaries reported total revenues of Baht 489,949 million, an increase of Baht 20,818 million or 4.4% year-on-year ("YoY"). While revenue from sales of goods was Baht 466,234 million, which rose by Baht 19,052 million or 4.3% over the last year. Supportively, the revenue from wholesale business increased of 7.2% over the prior year, owing to an increase in sales of in-store, and online, out-store along with delivery products to customers ("Omni Channel") of Makro-Thailand, as well as an expansion of Makro-International and Foodservice APME businesses. With a similar trend, the revenue from the retail business grew 0.8% YoY.

In addition, the Company and its subsidiaries had revenues from rendering of services and other income of Baht 9,412 million, an increase of Baht 940 million or 11.1% compared to last year. This was mainly due to the wholesale business, which had an increase in revenues from rendering of services and other income of Baht 530 million or 10.2% YoY, from sales promotion activities, as well as other income from an accounting gain from foreign exchange forward contracts related to loan prepayment from financial institutions of the retail business.

Revenue from rental and rendering retail services

In 2023, the Company and its subsidiaries had revenue from rental and rendering retail services of Baht 14,303 million, a rise of Baht 826 million or 6.1% YoY. This was mainly attributable to the retail business, which increased revenue of Baht 752 million or 5.8% compared to last year.

The Company and its subsidiaries reported a gross profit from rental and rendering retail services of Baht 7,922 million, an increase of Baht 427 million or 5.7% over the previous year. Therefore, the gross profit margin of rental and rendering retail services registered at 55.4%.

Gross profit from sales

In 2023, the Company and its subsidiaries had a gross profit margin from sales revenue of 13.8%, which decreased from the last year when the margin was 14.2%, primarily due to a dip in the retail business gross profit margin to 18.0% from 18.6% in the last year. While the wholesale business reported a minimal decline in its gross profit margin from last year.

Distribution costs and administrative expenses

In 2023, the Company and its subsidiaries recorded distribution costs and administrative expenses of Baht 64,968 million, which increased by Baht 2,126 million, or 3.4% YoY. This was primarily due to an increase in distribution costs and administrative expenses from the wholesale business, as a result of higher operating expenses from opening new stores, expenses associated with a growth in Omni Channel sales from changing consumer behavior, higher electricity expenses from FT adjustments, as well as incurred costs prior to the commencement of operations of the new distribution center. Whereas the retail business recorded lower distribution costs and administrative expenses from the efficient development of its IT system.

In addition, the proportion distribution costs and administrative expenses to total revenues stood at 13.3%, for wholesale of 9.2% and retail businesses of 18.1%.

Earnings before interest, tax, depreciation, and amortization ("EBITDA")

In 2023, the Company and its subsidiaries posted an EBITDA of Baht 35,065 million, flattish from last year, representing 7.2% of total revenues.

Finance costs

In 2023, the Company and its recorded finance costs of Baht 6,319 million, a decrease of Baht 803 million or 11.3% from last year. This was a decrease primarily due to loan prepayment of the retail business.

Net profit

In 2023, the Company and its subsidiaries had a net profit attributable to equity holders of the company of Baht 8,640 million, an increase of Baht 943 million or 12.3% YoY, attributable from lower borrowing costs as a result of debt restructuring from the issuance of debentures. With the exception of an early amortization of the upfront fee and operating loss from forward exchange contracts related to loan prepayments in an amount of Baht 99 million (net income tax) and losses on disposal of store assets from wholesale business in China in an amount of Baht 38 million, the core profit in 2023 will be reported at Baht 8,777 million, or an increase of 14.0% over the last year.

(2) Operating results by business division

(2.1) The wholesale business performance

Wholesale business	2021	2022	2023
	(unit: Baht million)		
Sales	221,344	242,437	259,811
Other revenues [1]	4,914	5,642	6,246
Total revenues	226,258	248,079	266,057
Gross profit from sales	22,920	25,569	27,130
Gross profit margin from sales (%)	*10.4*	*10.5*	*10.4*
EBITDA [2]	12,553	13,452	12,988
Net profit	6,576	7,074	5,975
Number of stores (stores)	149	162	168
Thailand	*142*	*152*	*160* [3]
Overseas [4]	*7*	*10*	*8*
Sales space (sq.m.)	825,076	859,496	898,909
Thailand	*791,130*	*816,227*	*858,616*
Overseas [4]	*33,946*	*43,269*	*40,293*

Note: (1) Comprises of revenue from rendering of services, revenue from rental and rendering retail services, and other income
(2) Earnings before interest, tax, depreciation, and amortization
(3) In 2023, Makro-Thailand opened and closed 10 stores and 2 small stores, respectively
(4) Excluding a restaurant/food shop under Foodservice APME and closed 2 stores in China

Revenue

In 2023, the wholesale business reported total revenues of Baht 266,057 million, which increased by Baht 17,978 million, or 7.2% YoY. Supportively, the revenue from sales of goods was Baht 259,811 million, rose by Baht 17,374 million or 7.2% YoY, as a result of in-store sales growth from Makro-Thailand, new store opening, and Omni Channel sales, as well as an expansion of Makro-International and Foodservice APME businesses. Additionally, Makro-Thailand's same store sales growth ("SSSG") was at 5.3%. However, without an impact of the fresh food price deviation, SSSG of Makro-Thailand will mark at 6.2%.

In this year, the wholesale business registered revenue from the rendering of services of Baht 4,806 million and other income of Baht 923 million, totaling Baht 5,729 million, which increased by Baht 530 million, or 10.2% YoY, mainly due to an increase in revenue from promotion activities of Makro-Thailand.

Revenue from rental and rendering retail services

In 2023, the wholesale business had revenue from rental and rendering retail services of Baht 517 million, an increase of Baht 74 million or 16.8% YoY, primarily from Makro-Thailand. Therefore, the gross profit from rental and rendering retail services was Baht 399 million, with a margin of 77.1%.

Gross profit from sales

In 2023, the wholesale business had a gross profit of 10.4%, an edge down compared to the prior year, when the margin was 10.5%. This was primarily due to a decrease in Foodservice APME gross profit. While the gross profit margin of Makro-Thailand increased to 10.3% from 10.2%, thanks to better fresh food margins resulting from efficiency improvements.

Distribution costs and administrative expenses

In 2023, the wholesale business had distribution costs and administrative expenses totaling Baht 24,535 million, representing 9.2% of total revenues, an increase of Baht 3,016 million or 14.0% YoY, principally because:

- Distribution costs increased by Baht 2,786 million, or 18.3% YoY, mainly from operating costs related to new store expansions during the year, higher costs associated with a growth in Omni Channel sales, and higher electricity expenses from FT adjustments.
- Administrative expenses increased by Baht 230 million, or 3.6% over the last year, owing to higher business development expenses, costs related to employees, and incurred costs prior to the commencement of operations of the new distribution center.

Earnings before interest, tax, depreciation, and amortization ("EBITDA")

In 2023, the wholesale business posted EBITDA of Baht 12,988 million, a decrease of Baht 464 million or 3.4% compared to the previous year. This represented 4.9% of total revenues.

Net profit

In 2023, the wholesale business had a total net profit of Baht 5,975 million, down by 15.5% over the last year, mainly due to an increase in the interest from investment restructuring of the retail business, the operating costs related to new stores, expenses related to an investment in a system to support Omni Channel sales, a hike in electricity costs, as well as incurred costs prior to the commencement of operations of the new distribution center. Additionally, Makro-International experienced a loss this year due to the store expansion in the late last year and loss from the disposal of store assets in China.

(2.2) The retail business performance

Retail Business	2021 [1]	2022	2023
	(unit: Baht million)		
Sales	37,286	204,745	206,423
Revenue from rental and rendering retail services	2,284	13,034	13,786
Total revenues	40,109	221,052	223,892
Gross profit from sales	7,372	38,008	37,211
Gross profit margin from sales (%)	19.8	18.6	18.0
EBITDA [2]	4,217	21,632	22,077
Net profit	397	623	2,665
Number of stores (stores)	2,680	2,643	2,522 [3]
Lotus's Thailand	*2,618*	*2,578*	*2,454*
Lotus's Malaysia	*62*	*65*	*68*
Sales space (sq.m.)	1,813,696	1,822,303	1,803,838
Lotus's Thailand	*1,519,227*	*1,531,317*	*1,504,790*
Lotus's Malaysia	*294,469*	*290,986*	*299,048*
Permanent net leasable area (sq.m.)	1,017,786	1,061,683	1,099,299
Lotus's Thailand	*717,224*	*745,249*	*774,116*
Occupancy rate (%)	*90.0*	*90.0*	*93.5*
Lotus's Malaysia	*300,562*	*316,434*	*325,183*
Occupancy rate (%)	*92.1*	*93.2*	*93.5*

Note: [1] Retail business's operating results start from October 25, 2021
[2] Earnings before interest, taxes, depreciation, and amortization
[3] In 2023, Retail business opened and closed 53 stores and 174 stores, respectively

Revenue

In 2023, the retail business had total revenues of Baht 223,892 million, edged up 1.3% YoY. While the revenue from sales of goods was Baht 206,423 million, increased by 0.8% YoY, having the retail business's SSSG of 1.3%. Supportively, the revenue from sales of goods and SSSG of Lotus's Thailand was reported at 2.0% and 2.1% over the prior year, respectively. Meanwhile, the revenue from sales of goods and SSSG of Lotus's Malaysia's in Malaysian Ringgit marked at a decline of 0.6% and 2.5% over the prior year, respectively.

By strategically catering to customer demands and focusing on affordability, fresh food, and convenient ready-to-cook options, the retail business' revenue from sales of goods improved by 5.0% in the fourth quarter of 2023 ("4Q/2023"). Positively, sales of Lotus's Thailand and Lotus's Malaysia (Malaysian Ringgit) increased by 5.3% and 7.9% YoY, respectively. Besides, Lotus's Thailand enhanced its service quality and better shopper experience via Lotus's app and offered multi-services that suit customers' shopping missions. As a result, online sales exponentially grew by more than 40% YoY.

Revenue from rental and rendering retail services

In 2023, the retail business had revenue from rental and rendering retail services of Baht 13,786 million, an increase of 5.8% YoY, primarily from an increase in rental rates and spaces as a result of the strategic shift in sales space to mall areas (Mall extension). Additionally, the occupancy rates of Lotus's Thailand and Lotus's Malaysia stood at 93.5%, which improved from the last year.

The retail business had a gross profit from rental and rendering retail services of Baht 7,523 million, which slightly increased by 5.3% over the last year, having a margin of 54.6% flattish from last year.

Gross profit from sales

In 2023, the retail business had a gross profit of 18.0%, a decrease from 18.6% in 2022, owing to sales mix adjustment strategy and marketing activities and promotions. However, a gross profit margin in 4Q/2023 improved to 18.2% from 17.8% in the previous quarter.

Distribution costs and administrative expenses

In 2023, the retail business had distribution costs and administrative expenses totaling Baht 40,433 million, representing 18.1% of total revenues, which decreased by Baht 890 million or 2.2% YoY, principally because:

- Distribution costs decreased by Baht 788 million, or 2.4% YoY, owing to efficient store management, reducing store operating hours in some locations.
- Administrative expenses decreased by Baht 102 million, or 1.2% over the last year, owing to the administrative expenses related to the development of IT system.

Earnings before interest, tax, depreciation, and amortization ("EBITDA")

In 2023, the retail business posted EBITDA of Baht 22,077 million, an increase of Baht 445 million, or 2.1% compared to last year. This represented 9.9% of total revenues.

Net profit

In 2023, the retail business reported a net profit of Baht 2,665 million, an increase of Baht 2,042 million from Baht 623 million in 2022, attributable from lower borrowing costs as a result of debt restructuring, efficient cost management, and the better performance in 4Q/2023.

(3) Financial position analysis of the Company

As of 31 December 2023, the Company had total assets Baht 540,371 million, comprising current assets of Baht 76,739 million and non-current assets of Baht 463,632 million.

(3.1) Current assets

Cash and cash equivalent

As of 31 December 2023, the Company had cash and cash equivalents of Baht 31,707 million, decreased by Baht 8,396 million compared to the last year, mainly from disbursed in a subsidiary's loan prepayment and interests to financial institutions of the retail business, investments related to store expansion, and a new distribution center.

Trade accounts receivable

As of 31 December 2023, the Company had trade accounts receivable of Baht 2,303 million, decreased by Baht 128 million compared to the previous year. This was primarily due to efficient receivables management.

Other current receivables

As of 31 December 2023, the Company had other current receivables of Baht 1,742 million, decreased by Baht 76 million from last year, mainly from a decrease in other current receivables from the retail business.

Inventories

As of 31 December 2023, the Company had inventories of Baht 35,884 million, decreased by Baht 1,936 million from the previous year. This was decreased from the effective inventory management.

Purchase discount receivables

As of 31 December 2023, the Company had purchase discount receivables of Baht 4,111 million, dropped by Baht 182 million compared to the last year. This was owing to a decrease in retail business due to changing the payment conditions.

(3.2) Non-current assets

Other non-current receivables

As of 31 December 2023, the Company had other non-current receivables of Baht 58 million, increased by Baht 8 million from the last year primarily from an increase in other non-current receivables from the retail business.

Investment Properties

As of 31 December 2023, the Company had investment properties of Baht 44,314 million, increased by Baht 404 million, mainly from an incline in investment properties from the retail business. This was due to the renewal store's lease agreement and mall extension strategy.

Property, plant, and equipment

As of 31 December 2023, the Company had property, plant, and equipment of Baht 115,574 million, decreased by Baht 2,541 million from the previous year, mainly from the retail business. This was primarily due to the depreciation expenses and reclassification to investment properties.

Right-of-use assets

As of 31 December 2023, the Company had right-of-use assets of Baht 39,751 million, increased Baht 2,584 million from last year. This was owing to renewal and signing lease agreement to expand Lotus's and Makro stores in Thailand.

Other intangible assets other than goodwill

As of 31 December 2023, the Company had other intangible assets other than goodwill of Baht 10,983 million, increased by Baht 462 million compared to the last year, mainly from the investment in the IT system for the Omni Channel.

(3.3) Current liabilities

Short-term borrowings from financial institutions

As of 31 December 2023, the Company had short-term borrowings from financial institutions of Baht 2,382 million, increased by Baht 745 million from the previous year. This was mainly due to an increase in working capital in the wholesale business.

Trade accounts payable to other parties

As of 31 December 2023, the Company had trade accounts payable to other parties of Baht 60,193 million, increased by Baht 4,326 million compared to last year, mainly from wholesale business. This was primarily due to higher purchasing order along with an increase in number of the stores, including new stores and reopening the store during the end of last year.

Trade accounts payable to related parties

As of 31 December 2023, the Company had trade accounts payable to related parties of Baht 6,943 million, increased by Baht 992 million from the last year, primarily due to higher purchasing order in the wholesale business along with an increase in number of the stores, including new stores and reopening the store during the end of last year.

Other current payables to other parties

As of 31 December 2023, the Company had other current payables to other parties of Baht 10,164 million, increased by Baht 94 million from the previous year. This was mainly due to an increase in wholesale business from the repayment liabilities related to the new stores expansion and new distribution center.

(3.4) Non-current liabilities

Debentures

As of 31 December 2023, the Company had debentures (including current portion) of Baht 69,919 million, increased by Baht 46,453 million from the issuance of debentures of the Company and Ek-Chai Distribution System Co., Ltd. ("ECDS") to repay long-term loans from financial institutions of the retail business.

Long-term borrowings from financial institutions

As of 31 December 2023, the Company had long-term borrowings from financial institutions (including current portion) totaling Baht 23,884 million, declined by Baht 62,675 million compared to the previous year, mainly from the retail business. This was primarily due to the prepayment of the remaining loans by using proceeds from the issuance of debentures.

Other non-current payables

As of 31 December 2023, the Company had other non-current payables of Baht 447 million, decreased by Baht 15 million from the last year, due to the other non-current payables from the wholesale business.

Lease liabilities

As of 31 December 2023, the Company had lease liabilities (including current portion) of Baht 51,740 million, increased by Baht 2,861 million from the last year. This was primarily owing to renewal and signing lease agreement to expand Lotus's and Makro stores in Thailand.

(3.5) Total shareholders' equity

As of 31 December 2023, the Company had total shareholders' equity of Baht 293,472 million, increased by Baht 2,541 million from last year. This was due mainly to net profit.

(3.6) Liquidity and funding sources

The financial position and liquidity of the Company has been and continues to be influenced by the following factors:

- The Company's ability to generate cash flow from operations;
- The level of outstanding debt of the Company;
- Interest on debt that the Company has to pay, affecting finance costs;
- Market interest rates that affect the Company's ability to pay debts;
- The Company's ability to borrow money from financial institutions;
- The Company's ability to access public market for financing; and
- The Company's capital expenditure.

The Company's cash flow needs arise from the following activities, primarily:

- To finance operating activities;
- To fund capital expenditures;
- To finance acquisition of assets;
- To invest in subsidiaries;
- Dividend payments;
- Debt payments; and
- Tax payments

The Company's sources of liquidity historically consisted, and will consist mainly of the following:

- Cash from the Company's operating activities; and
- Borrowings by issuing debt instruments

The Company's ability to generate operating cash flows depends on its future performance and, in part, on its competitiveness in the backdrop of overall economic conditions, financial markets, regulations, and other factors, among which are beyond the control of the Company as shown in Section 2. Risk Management.

The Company believes that it has sufficient cash flow to operate the business over the next 12 months.

(3.7) Cash flows

The following table summarizes the Company's cash flows for the specified periods

(unit: Baht million)	Years ended 31 December		
	2021	2022	2023
Net cash flows from operating activities	16,769	22,014	34,863
Net cash flows from (used in) investing activities	14,965	(17,164)	(14,239)
Net cash flows from (used in) financing activities	26,461	(32,955)	(28,552)

Operating activities

Net cash flow from operating activities amounted to Baht 34,863 million for the year ended 31 December 2023, based primarily on earnings for the year totaling Baht 8,599 million, with adjustments to reconcile profit and cash receipts of Baht 25,901 million, namely depreciation of property, plant, and equipment of Baht 9,989 million, depreciation of right-of-use assets of Baht 3,982 million, finance costs of Baht 6,319 million, and income tax expense of Baht 2,535 million. While there were changes in operating assets and liabilities of Baht 7,257 million, including changes in trade accounts payable of Baht of 5,654 million, inventories of Baht 1,689 million, and other current payables of Baht 879 million. As a result, the Company generated Baht 41,757 million in net cash flow from operating activities, which was partially used to cover income tax of Baht 3,345 million and interest expenses of Baht 3,847 million.

Investing activities

Net cash flow used in investment activities amounted to Baht 14,239 million for the year ended 31 December 2023, namely in cash paid for acquisition of property, plant and equipment of Baht 10,669 million, acquisition of other intangible assets other than goodwill of Baht 2,310 million, acquisition of right-of-use assets Baht 899 million, and acquisition of investment properties of Baht 875 million.

Financing activities

Net cash flows used in financing activities amounted to Baht 28,552 million for the year ended 31 December 2023, mainly due to the repayment long-term borrowings from financial institutions and repayment of derivatives of Baht 64,745 million, payment of lease liabilities of Baht 5,431 million, and dividend payments to Company shareholders of Baht 5,396 million. While it had cash received from issue of debentures of Baht 46,432 million and borrowings from financial institution of Baht 573 million.

(3.8) Financial Ratios of the Company

Liquidity ratio

Current ratio for the year ended 31 December 2022 and 2023 were 1.0 times and 0.6 times, respectively. However, in 2023, the current ratio decreased from an increase of current portion of debentures of the retail business that the Company has already planned for the repayment. Quick ratio for the year ended 31 December 2022 and 2023 were 0.5 times and 0.3 times, accordingly. A decrease in quick ratio, for the year ended 31 December 2023, was mainly from cash and cash equivalents offset repayment of loans and interests from financial institutions of the retail business, store expansion, and new distribution center.

The negative cash cycles for the year ended 31 December 2022 and 2023 were 21.0 days and 21.5 days, respectively. The cycles were negative as the average payment periods were greater than the sum of the average inventory turnover ratio and the average collection periods. Notwithstanding, the wholesale business and the retail business had payment periods to pay their suppliers for procurements of 7 to 60 days and 15 to 90 days, respectively.

Profitability ratio

The gross profit margins for the year ended 31 December 2022 and 2023 were 14.2% and 13.8%, respectively, primarily due to the retail business, which it has a gross profit margin of 18.0%, decreased from 18.6% in the previous year. This was mainly due to sales mix adjustment strategy and marketing activities and promotions. While the wholesale business reported a minimal decline in its gross profit margin from last year. Meanwhile, the operating margin were 3.7% and 3.6% for the year ended 31 December 2022 and 2023, accordingly, owing the operating costs related to new stores, expenses related to Omni Channel, a hike in electricity costs, as well as incurred costs prior to the commencement of operations of the new distribution center. From the above ratios, the net profit margins were 1.6% and 1.8% for the year ended 31 December 2022 and 2023, respectively. In 2023, the net profit margin was higher than the previous year, due to a decrease in interest from investment restructuring.

The return on equity were 2.7% and 3.0% for the year ended 31 December 2022 and 2023, respectively, where the higher rate in 2023 was due to an increase in the net profit.

Efficiency ratio

Return on assets were 1.4% and 1.6% for the year ended 31 December 2022 and 2023, respectively. While return on fixed assets were 15.1% and 15.9% of 31 December 2022 and 2023, respectively. In 2023, return on assets and return on fixed assets were higher than the previous year, due to an increase in the net profit.

Financial policy ratio

For the year ended 31 December 2022 and 2023, the interest-bearing debt to equity ratios were 0.6 and 0.5 times, respectively.

Leverage ratio

For the year ended 31 December 2022 and 2023, the interest coverage ratio was 8.6 times and 9.1 times, respectively. While, in 2023, the interest coverage ratio was higher than 2022, primarily due to a decrease in interest expenses from the investment restructuring.

For the year ended 31 December 2022 and 2023, the obligation coverage ratio (cash basis) was at 7.3 times and 1.2 times, respectively. In 2023, the obligation coverage ratio was lower than 2022, primarily from an increase in current portion of debentures from the retail business.

For the year ended 31 December 2022 and 2023, Interest-bearing debt to earnings before interest, income tax, depreciation and amortization was 4.6 times and 4.2 times respectively. This was mainly due to a decrease in interest-bearing debt.

(3.9) Liabilities of the Company

The following table shows all interest-bearing debt other than lease liabilities as of 31 December.

	As of 31 December		
(Baht million)	2021	2022	2023
Short-term borrowings from financial institutions	29,198	1,637	2,382
Debentures	-	23,466	69,919
Long-term borrowings from financial institutions	107,121	86,559	23,884
Total interest-bearing debt other than lease liabilities	**136,319**	**111,662**	**96,185**

The following table shows all interest-bearing debt based on foreign currencies as of 31 December 2023.

(Baht million)	As of 31 December 2023
Thai Baht	78,965
Malaysian Ringgit	16,879
Others	341
Total interest-bearing debt other than lease liabilities	**96,185**

The following table shows the maturity of interest-bearing debt other than lease liabilities as of 31 December 2023.

(Baht million)	As of 31 December 2023
Within 1 year	26,071
Over 1 year but less than 5 years	57,463
Over 5 years	12,881
Total interest-bearing debt other than lease liabilities	**96,415**

The following table shows the maturity of lease liabilities of the Company, taking into account the contractual interest rates and contractual cash flows based on pre-discounted contract repayments as of 31 December 2023.

(Baht million)	As of 31 December 2023
Within 1 year	6,235
Over 1 year but less than 5 years	17,816
Over 5 years	54,768
Total	**78,819**
Minus deferred interest	(27,079)
Total lease liabilities other than lease liabilities	**51,740**

(3.10) Capital expenditures

The Company's capital expenditures, consisting of the acquisition of investment properties, property, plant and equipment, right of-use-assets, and other intangible assets other than goodwill, amounted to Baht 17,604 million and Baht 14,753 million as of 31 December 2022 and 2023, respectively.

The Company expects that cash and cash equivalents from business operations or financing activities, or both, will fund capital expenditure needs in the future. The Company's ability to finance and repay debts on time depends on a number of uncertainties, including future performance, financial position, cash flow, economic conditions in Thailand and other countries where the Company operates, as well as the readiness of banks to grant the Company credit. In 2023, the Company had total investment of Baht 21,823 million.

(3.11) Contractual obligations and other commitments

As of 31 December 2023, the Company's contractual obligations and other significant commitments comprised of service agreements, purchase agreements, consulting agreements, contracts between companies, operating leases, construction contracts, bank guarantees, and derivatives, among others.

The Company's ability to obtain appropriate financing to meet contractual and payment obligations may be limited by its financial position and operating results, including the liquidity of domestic and international financial markets.

Off-balance sheet commitments: As of 31 December 2023, the Company was a significant party in neither a contractual obligation nor an off-balance sheet relationship.

Contingent liabilities: As of 31 December 2023, the Company had no recorded significant contingent liability in its financial statements.

4.2 Forward Looking

In 2024, both domestic and international economic situations will continuously recover, though unevenly across countries. Additionally, there will be an upward trend in the countries where the Company operates, mainly supported by the recovery in exports and the growth in domestic demand both consumption and private investment. Notably, the tourism sector is also expected to see sustained expansion. However, this recovery may face significant risks and constraints, including high household and business debt, potential drought impacts, economic slowdown in key trading partners, geopolitical uncertainties, and fluctuations in the global economic and financial system.

In order to cope with uncertain situations that may occur and affect the company's operation, the Company has analyzed the factors that may cause the Company's obstacle to achieve the target and has to find the solutions to prevent the following risks.

1. Risk from competition in the industry: Wholesale business, retail business and rental space management business, that the Company operated, have intense competition in the business in terms of customers, employees, location, and products and services with various competitors in Thailand as well as other countries where the Company has operated business. Therefore, the competition will significantly increase, which may require the additional investment to adapt the operation with changing the market situation and present the product value to attract the customers. While the Company may not be able to generate revenues and profit from the aforesaid investments or the Company may need to change its strategy or business plan, which may have a material negative effect on the Company or make the Company loses the market share in the future. Nevertheless, the Company has significantly devoted resources to developing the online channels for both wholesale and retail businesses. Additionally, it has included the improvement in the IT system that enables the Company to analyze and utilize the databases to present products and services to meet customer needs and changing consumption trends.
2. The fluctuation of the interest rate: US economy has gradually improved from the recovery of the world economy and Fed has continuously raised the interest rate. Meanwhile, the Bank of Thailand resolved to maintain the interest rate at 2.50% in November 2023, as the overall Thai economy is likely to continue to recover. Therefore, the Company may have to incur significant additional debt in the future to use as business's operating expenses. While the uncertainty of interest rate may affect the Company's borrowing costs in the future. However, the Company and its subsidiaries had repayment debts and borrowings Thai Baht to repay all US Dollar loan in 2023. As a result, as of 31 December 2023, there have floating interest rate to fixed interest rate of approximately 18% to 82%.

In 2024, the Company and its subsidiaries' total revenue is expected to achieve continuous revenue growth, in part from dedicated through the Omni Channel strategy, with the goal of reaching 15% of total sales by this year. Out-of-store sales through applications are expected to exponentially grow due to offering a comprehensive range of products, developing services, and expanding services nationwide. By leveraging the strength of the wholesale and retail business through over 2,600 stores nationwide, these stores will serve as distribution centers for multi-fulfillments to enhance the potential of existing stores and support the expansion in various dimensions, including Hyper-Personalization through AI data analytics, to understand and meet customer demands. In addition, we focus on B2B sales team strategy, with over 1,400 B2B sale teams that understand and are accessible to serve our professional customers.

Additionally, the Company and its subsidiaries prioritize on synergy to accelerate growth in fresh food and processed food, particularly in the development of ready-to-cook and ready-to-eat, in order to differentiate and provide a variety of products at value prices. Besides, we aim to enlarge the sales proportion of the Company's private label. Furthermore, the Company and its subsidiaries have strategic plans to revitalize and expand the store experiences in both domestic and international markets, with a goal of creating a smart community hub. This includes collaborating with local and national brand restaurants and expanding Lotus's Eatery in both Lotus's and Makro to better cater the needs and preferences of local customers and communities. This will contribute to enhance the competitive potential and optimize the existing assets.

In addition, The Company is committed to driving business toward sustainability (ESG) to become a world-class sustainable organization that aligns with the CP Group sustainability goal. Utilizing the Company's capabilities will generate positive changes in the economy and society while minimizing negative environmental consequences. Furthermore, it has managed risks in response to evolving economic conditions and consumer behavior, while also demonstrating effective cost management.

- Economics: The Company prioritizes internal operational efficiency, legal and regulatory provisions, adhering to business ethics, professional conduct, respect for human rights, and human capital development, as well as the proactive plan to minimize the impact of cyber threats
- Social: The Company has significantly concerned the quality life of the community and has focused on creating value for society by considering the economic value within the value chain in the business operation. Moreover, it has focused on knowledge sharing with the communities to increase occupancy and alleviate social inequality. Also, it has supported access to nutrition, and delivering products with high-quality and food safety by using the innovation to develop the products and services, as well as enhance stakeholder engagement and business partners on the path of sustainability to create long-term value contribution for communities.
- Environmental: The Company values the environmental-friendly business operation, efficient resource utilization and minimizing environmental impact from the supply chain on ecosystems and biodiversity to ensure the natural resource is sufficiency for our future generations.

The Company and its subsidiaries aim to achieve sustainable revenue and returns for all stakeholders by implementing proactive strategies, prioritizing sustainable practices, mitigating comprehensive risks in all dimensions, and effectively managing costs.

4.3 Financial Statement and Significant Financial Ratio

Summary of Consolidated Financial Statement of the Company for the year ended 31 December 2021, 2022 and 2023

4.3.1 Statement of Financial Position

Consolidated Statement of Financial Position	As of 31 December					
	2021		2022		2023	
	Baht million	Percent	Baht million	Percent	Baht million	Percent
Assets						
Current assets						
Cash and cash equivalents	68,529	12.0	40,103	7.3	31,707	5.9
Current investments	-	-	-	-	14	0.0
Trade accounts receivable	2,302	0.4	2,431	0.4	2,303	0.4
Other current receivables	1,985	0.4	1,818	0.3	1,742	0.3
Inventories	31,967	5.6	37,820	6.9	35,884	6.6
Purchase discount receivables	3,776	0.7	4,293	0.8	4,111	0.8
Accrued income	782	0.1	848	0.2	936	0.2
Derivative assets	607	0.1	-	-	-	-
Other current assets	52	0.0	42	0.0	42	0.0
Total current assets	**110,000**	**19.3**	**87,355**	**15.9**	**76,739**	**14.2**
Non-current assets						
Investments in associates	9,140	1.6	9,053	1.7	9,081	1.6
Investments in joint ventures	4,875	0.9	5,334	1.0	5,702	1.1
Investments in related companies	295	0.1	573	0.1	470	0.1
Other non-current receivables	45	0.0	50	0.0	58	0.0
Investment properties	45,268	7.9	43,910	8.0	44,314	8.2
Property, plant and equipment	118,443	20.8	118,115	21.5	115,574	21.4
Right-of-use assets	36,831	6.5	37,167	6.8	39,751	7.4

Consolidated Statement of Financial Position	As of 31 December					
	2021		2022		2023	
	Baht million	Percent	Baht million	Percent	Baht million	Percent
Goodwill	234,736	41.2	234,736	42.8	234,736	43.4
Other intangible assets other than goodwill	8,060	1.4	10,521	1.9	10,983	2.0
Deferred tax assets	530	0.1	566	0.1	1,034	0.2
Other non-current assets	1,267	0.2	1,263	0.2	1,929	0.4
Total non-current assets	**459,490**	**80.7**	**461,288**	**84.1**	**463,632**	**85.8**
Total assets	**569,490**	**100.0**	**548,643**	**100.0**	**540,371**	**100.0**
Liabilities and equity						
Current liabilities						
Short-term borrowings from financial institutions	29,198	5.1	1,637	0.3	2,382	0.5
Trade accounts payable to other parties	54,845	9.7	55,867	10.2	60,193	11.1
Trade accounts payable to related parties	5,390	0.9	5,951	1.1	6,943	1.3
Other current payables to other parties	13,226	2.3	10,070	1.8	10,164	1.9
Other current payables to related parties	1,011	0.2	1,799	0.3	1,709	0.3
Corporate income tax payable	1,126	0.2	954	0.2	971	0.2
Accrued expenses	7,351	1.3	7,478	1.4	6,568	1.2
Current portion of debentures	-	-	-	-	17,641	3.3
Current portion of long-term borrowings from financial institutions	2,001	0.4	-	-	5,982	1.1
Current portion of lease liabilities	3,070	0.5	3,159	0.6	4,249	0.8
Derivative liabilities	703	0.1	2,683	0.5	58	0.0
Other current liabilities	475	0.1	1,165	0.2	1,290	0.2
Total current liabilities	**118,396**	**20.8**	**90,763**	**16.6**	**118,150**	**21.9**
Non-current liabilities						
Debentures	-	-	23,466	4.3	52,278	9.7
Long-term borrowings from financial institutions	105,120	18.5	86,559	15.8	17,902	3.3
Other non-current payables	499	0.0	462	0.1	447	0.1

Consolidated Statement of Financial Position	As of 31 December					
	2021		2022		2023	
	Baht million	Percent	Baht million	Percent	Baht million	Percent
Lease liabilities	44,904	7.9	45,720	8.3	47,491	8.8
Rental deposit from tenants	2,475	0.4	1,825	0.3	1,536	0.3
Provisions for employee benefits	2,570	0.5	2,550	0.5	2,667	0.5
Other non-current provisions	2,395	0.4	2,341	0.4	2,426	0.4
Deferred tax liabilities	4,447	0.8	3,803	0.7	3,971	0.7
Non-current derivative liabilities	173	0.0	209	0.0	-	-
Other non-current liabilities	13	0.0	14	0.0	31	0.0
Total non-current liabilities	**162,596**	**28.5**	**166,949**	**30.4**	**128,749**	**23.8**
Total liabilities	**280,992**	**49.3**	**257,712**	**47.0**	**246,899**	**45.7**
Equity						
Share capital						
Authorized share capital	5,586	1.0	5,586	1.0	5,586	1.0
Issued and paid-up share capital	5,290	0.9	5,290	1.0	5,290	1.0
Additional paid-in capital						
Premium on ordinary shares	263,882	46.3	263,882	48.1	263,882	48.8
Deficit from changes in ownership interests in subsidiary	(20)	(0.0)	(20)	(0.0)	(20)	(0.0)
Deficit from acquisition of interests under common control	(6,714)	(1.1)	(6,714)	(1.2)	(6,714)	(1.2)
Retained earnings						
Appropriated – Legal reserve	240	0.0	558	0.1	558	0.1
Unappropriated	25,459	4.5	27,627	5.0	30,852	5.7
Other components of equity	(140)	(0.0)	(275)	(0.1)	(930)	(0.2)
Equity attributable to equity holders of the Company	**287,997**	**50.6**	**290,348**	**52.9**	**292,918**	**54.2**
Non-controlling interests	501	0.1	583	0.1	554	0.1
Total equity	**288,498**	**50.7**	**290,931**	**53.0**	**293,472**	**54.3**
Total liabilities and equity	**569,490**	**100.0**	**548,643**	**100.0**	**540,371**	**100.0**

4.3.2 Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income	For the year ended 31 December					
	2021		2022		2023	
	Baht million	Percent	Baht million	Percent	Baht million	Percent
Income						
Revenue from sale of goods	258,630	97.1	447,182	95.3	466,234	95.2
Revenue from rendering of services	4,136	1.6	5,422	1.1	5,935	1.2
Revenue from rental and rendering retail services	2,631	1.0	13,477	2.9	14,303	2.9
Other income	970	0.3	3,050	0.7	3,477	0.7
Total income	**266,367**	**100.0**	**469,131**	**100.0**	**489,949**	**100.0**
Expenses						
Cost of sale of goods	228,338	85.7	383,605	81.8	401,893	82.0
Cost of rental and rendering of services	1,046	0.4	5,982	1.3	6,381	1.3
Distribution costs	19,149	7.2	48,364	10.3	50,362	10.3
Administrative expenses	7,340	2.8	14,478	3.1	14,606	3.0
Total expenses	**255,873**	**96.1**	**452,429**	**96.5**	**473,242**	**96.6**
Profit from operating activities	**10,494**	**3.9**	**16,702**	**3.5**	**16,707**	**3.4**
Gain on step acquisition	**6,714**	**2.5**	**-**	**-**	**-**	**-**
Share of profit (loss) of associates and joint ventures accounted for using equity method	(226)	(0.0)	831	0.2	746	0.2
Profit before finance costs and income tax expense	**16,982**	**6.4**	**17,533**	**3.7**	**17,453**	**3.6**
Finance costs	1,557	0.6	7,122	1.5	6,319	1.3
Profit before income tax expense	**15,425**	**5.8**	**10,411**	**2.2**	**11,134**	**2.3**
Income tax expense	2,127	0.8	2,729	0.6	2,535	0.5
Profit for the year	**13,298**	**5.0**	**7,682**	**1.6**	**8,599**	**1.8**
Profit (loss) attributable to:						
Equity holders of the Company	**13,687**		**7,697**		**8,640**	
Former shareholders before business restructuring	(375)		-		-	
Non-controlling interests	(14)		(15)		(41)	
Profit for the year	**13,298**		**7,682**		**8,599**	

Consolidated Statement of Comprehensive Income	For the year ended 31 December		
	2021	2022	2023
	Baht million		
Other comprehensive income			
Item that will be reclassified subsequently to profit or loss			
Exchange differences on translating financial statements	205	(479)	(464)
(Loss) gain on cash flow hedges	(66)	1,459	(1,393)
Income tax relating to (loss) gain on cash flow hedges	13	(58)	45
Cash flow hedges reserve reclassified to profit or loss	(68)	(1,169)	1,237
Share of gain of other comprehensive income of associate accounted for using equity method	364	-	-
Items that will not be reclassified subsequently to profit or loss			
(Loss) gain on investment in equity instrument designated at FVOCI	-	152	(107)
Income tax relating to (loss) gain on investment in equity instrument designated at FVOCI	-	(30)	21
(Loss) gain on remeasurements of defined benefit plans	82	99	(30)
Income tax relating to (loss) gain on remeasurements of defined benefit plans	(21)	(20)	11
Share of gain of other comprehensive income of joint venture accounted for using equity method	-	-	4
Other comprehensive income for the year - net of income tax	**509**	**(46)**	**(676)**
Total comprehensive income for the year	**13,807**	**7,636**	**7,923**
Total comprehensive income attributable to:			
Equity holders of the Company	13,791	7,641	7,966
Former shareholders before business restructuring	(11)	-	-
Non-controlling interests	27	(5)	(43)
Total comprehensive income for the year	**13,807**	**7,636**	**7,923**

4.3.3 Statement of Cash Flows

Statement of Cash Flows	For the year ended 31 December		
	2021	2022	2023
	Baht million		
Cash flows from operating activities			
Profit for the year	13,298	7,682	8,599
Adjustments to reconcile profit to cash receipts			
Depreciation of investment properties	749	2,084	1,890
Depreciation of property, plant and equipment	3,321	10,211	9,989
Depreciation of right-of-use assets	1,521	3,906	3,982
Amortisation of other intangible assets other than goodwill	537	1,349	1,752
Interest income	(51)	(210)	(293)
Finance costs	1,557	7,122	6,319
Income tax expense	2,127	2,729	2,535
Unrealised loss (gain) on exchange rate	76	(12)	12
Loss (reversal of loss) on decline in value of inventories	(269)	(406)	44
Impairment losses	129	72	130
Write-off bad debt	-	-	4
Share of (profit) loss of associate and joint ventures			
accounted for using equity method	226	(831)	(746)
Loss on disposals and write-off of investment properties	5	17	12
Loss on disposals and write-off of property, plant and			
equipment	108	55	298
Gain on write-off of lease liabilities, net of right-of-use assets	(24)	(135)	(235)
Loss on disposals and write-off of other intangible assets			
other than goodwill	1	4	5
Loss on lease modification, net of right-of-use assets	-	10	-

Statement of Cash Flows	For the year ended 31 December		
	2021	2022	2023
	Baht million		
Provisions for employee benefits	145	270	221
Gain on step acquisition	(6,714)	-	-
Other	(2)	(1)	(18)
Changes in operating assets and liabilities			
Trade accounts receivable	3	(102)	227
Other current receivables	563	55	69
Inventories	(2,736)	(5,474)	1,689
Purchase discount receivables	(1,688)	(547)	127
Accrued income	(32)	(63)	(96)
Derivative assets	(24)	607	-
Other current assets	(5)	10	3
Other non-current receivables	(8)	(20)	(49)
Other non-current assets	(174)	(18)	10
Trade accounts payable to other parties	7,316	1,199	4,654
Trade accounts payable to related parties	2,385	565	1,000
Other current payables to other parties	(2,400)	(842)	685
Other current payables to related parties	243	655	194
Accrued expenses	(411)	(159)	(452)
Derivative liabilities	(5)	19	(594)
Other current liabilities	(488)	207	(24)
Other non-current payables	3	(37)	(15)
Rental deposit from tenants	5	(157)	(94)
Provisions for employee benefits paid	(60)	(190)	(121)

Statement of Cash Flows	For the year ended 31 December 2021	2022	2023
	Baht million		
Net cash (outflow) inflow from provision for employee benefits from related parties	47	-	(14)
Repayment of other non-current provisions	(36)	(72)	(59)
Other non-current provisions	188	(24)	100
Other non-current liabilities	-	1	17
Net cash generated from operating	**19,426**	**29,529**	**41,757**
Interest received	45	206	298
Interest paid	(319)	(4,085)	(3,847)
Income tax paid	(2,383)	(3,636)	(3,345)
Net cash from operating activities	**16,769**	**22,014**	**34,863**
Cashflow from investing activites			
Dividend received	81	459	510
Cash (outflow) inflow on current investments	36	-	(14)
Acquisition of investment properties	(66)	(1,264)	(875)
Proceeds from sale of investment properties	-	1	-
Acquisition of property, plant and equipment	(2,377)	(12,567)	(10,669)
Proceeds from sale of property, plant and equipment	29	106	115
Acquisition of right-of-use assets	(501)	(189)	(899)
Proceeds from lease termination	-	-	64
Acquisition of other intangible assets other than goodwill	(1,082)	(3,584)	(2,310)
Cash outflow on investment in associates	-	-	(156)
Cash outflow on investment in related parties	(295)	(126)	(5)
Cash inflow on entire business transfer	19,140	-	-
Net cash (used in) from investing activities	**14,965**	**(17,164)**	**(14,239)**

Statement of Cash Flows	For the year ended 31 December 2021	2022	2023
	Baht million		
Cash flows from financing activities			
Increase (decrease) in short-term borrowings from financial institutions	(81)	(27,712)	568
Repayment of short-term borrowings from other parties	(6)	-	-
Proceeds from issue of debentures	-	23,463	46,432
Proceeds from long-term borrowings from financial institutions	5,000	2,000	5
Repayment of long-term borrowings from financial institutions	(5,001)	(23,941)	(61,100)
Payment of lease liabilities	(1,655)	(5,208)	(5,431)
Proceeds from settlement of derivatives	-	5,175	-
Repayment of derivatives	-	(1,529)	(3,645)
Proceeds from issue of ordinary shares	33,007	-	-
Dividends paid to equity holders of the Company	(4,800)	(5,290)	(5,396)
Acquisition of non-controlling interests	3	87	15
Payment of changes in ownership interests in subsidiary without a change in control	(6)	-	-
Net cash (used in) from financing activities	**26,461**	**(32,955)**	**(28,552)**
Net (decrease) increase in cash and cash equivalents, before exchange differences on translating financial statements	58,195	(28,105)	(7,928)
Exchange differences on translating financial statements	(150)	(321)	(468)
Net (decrease) increase in cash and cash equivalents	**58,045**	**(28,426)**	**(8,396)**
Cash and cash equivalents as at beginning period	10,484	68,529	40,103
Cash and cash equivalents as at ending period	**68,529**	**40,103**	**31,707**

4.3.4 Significant Financial Ratios

Significant Financial Ratios	For the year ended 31 December		
	2021*	2022	2023
Liquidity Ratios			
Current ratio (times) (1)	0.9	1.0	0.6
Quick ratio (times) (2)	0.6	0.5	0.3
Cash flow liquidity ratio (times) (3)	0.2	0.2	0.3
Accounts receivable turnover (times) (4)	140.1	165.5	179.2
Average collection period (days) (5)	2.6	2.2	2.0
Inventory turnover (times) (6)	9.5	10.6	10.5
Average inventory days (days) (7)	37.8	34.1	34.2
Accounts payable turnover (times) (8)	5.2	6.3	6.2
Average accounts payable days (days) (9)	69.5	57.3	57.8
Cash cycle (days) (10)	(29.2)	(21.0)	(21.5)
Profitability Ratios			
Gross profit margin (%) (11)	11.7	14.2	13.8
Operating margin (%) (12)	4.1	3.7	3.6
Other profit margin (%) (13)	0.4	0.7	0.7
Cash flow to income ratio (%) (14)	159.8	131.8	208.7
Net profit margin (%) (15, 30)	5.0	1.6	1.8
Return on equity (%) (16, 30)	8.8	2.7	3.0
Efficiency Ratios			
Return on total assets (%) (17, 30)	3.6	1.4	1.6
Return on fixed assets (%) (18, 30)	22.3	15.1	15.9
Total asset turnover (times) (19)	0.7	0.8	0.9

Significant Financial Ratios	For the year ended 31 December		
	2021*	2022	2023
Financial Policy Ratios			
Interest-bearing debt to equity (times) (20)	0.6	0.6	0.5
Net interest-bearing debt to equity (times) (21)	0.4	0.4	0.4
Net interest-bearing debt to equity (according to requirements) (times) (22)	0.2	0.2	0.2
Debt to equity (times) (23)	1.0	0.9	0.8
Interest coverage ratio (times) (24)	72.5	8.6	9.1
Obligation coverage ratio (times) (25)	0.7	7.3	1.2
Dividend payout ratio (%) (26, 30)	40.0	70.1	69.8
Interest-bearing debt to earnings before interest, income tax, depreciation and amortization (times) (31)	8.0	4.6	4.2
Interest-bearing debt due within one year to interest-bearing debt (%) (32)	18.6	3.0	20.5
The proportion of loan from financial institutions to interest-bearing debt (%) (33)	74.0	54.9	17.8
The proportion of debentures to interest-bearing debt (%) (34)	n/a	14.6	47.3
The proportion of other interest-bearing debt (e.g. debt from financial lease agreements, loans from related companies, etc.) to interest-bearing debt (35)	26.0	30.4	35.0

Note: * The beginning balance of statement of financial position excludes transactions from retail business, and statement of income includes operating results from October 25 to December 31, 2021

Notes:

Liquidity Ratios

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (cash and cash equivalents + current investments + trade accounts receivable) / total current liabilities

(3) Cash flow liquidity ratio = net cash from operating activities / average current liabilities

(4) Accounts receivable turnover = revenue from sale of goods / average trade accounts receivable (before allowance for expected credit loss)

(5) Average collection period = 360 / accounts receivable turnover

(6) Inventory turnover = cost of sale of goods / average inventories (27)

(7) Average inventory days = 360 / inventory turnover

(8) Accounts payable turnover = cost of sales of goods / average trade accounts payable to other parties and related parties

(9) Average accounts payable days = 360 / accounts payable turnover

(10) Cash cycle = average collection period + average inventory days - average accounts payable days

Profitability Ratios

(11) Gross profit margin = (revenue from sale of goods - cost of sale of goods) / revenue from sale of goods x 100

(12) Operating margin = profit from operating activities / revenue from sale of goods x 100

(13) Other profit margin = other income / total revenues x 100

(14) Cash flow to income ratio = net cash from operating activities / profit from operating activities x 100

(15) Net profit margin = profit (loss) for the year / total revenues x 100

(16) Return on equity = profit (loss) attributable to equity holders of Company / average equity attributable to equity holders of Company x 100

Efficiency Ratios

(17) Return on total assets = profit (loss) for the year/ average total assets x 100

(18) Return on fixed assets = (profit (loss) for the year + depreciation of property, plant and equipment) / average of property, plant and equipment x 100

(19) Total asset turnover = total revenues / average total assets

Financial Policy Ratios

(20) Interest-bearing debt to equity = total interest-bearing debt (28) / total equity

(21) Net interest-bearing debt to equity = total interest-bearing debt (28) – (cash and cash equivalents + current investments) / total equity

(22) Net interest-bearing debt to equity (according to requirements) = total interest-bearing debt (according to requirements) (29) – (cash and cash equivalents + current investments) / total equity

(23) Debt to equity = total liabilities / total equity

(24) Interest coverage ratio = earnings before interest, tax, depreciation, and amortisation / interest paid

(25) Obligation coverage ratio = earnings before interest, tax, depreciation, and amortisation / (short-term of interest-bearing debt + current portion of long-term interest-bearing debt)

(26) Dividend payout ratio = annual dividend payment / profit (loss) attributable to equity holders of Company

(27) Average inventories = finished goods before allowance for obsolete and slow-moving inventories

(28) Total interest-bearing debt = short-term borrowings from financial institutions + current portion of debentures + current portion of long-term borrowings from financial institutions + current portion of lease liabilities + debentures + long-term borrowings from financial institutions + lease liabilities

(29) Total interest-bearing debt (according to requirements) = short-term borrowings from financial institutions + current portion of debentures + current portion of long-term borrowings from financial institutions + current portion of lease liabilities + debentures + long-term borrowings from financial institutions (exclude lease liabilities)

(30) Net profit of year 2021 included gain on step acquisition of Baht 6,714 million

(31) Interest-bearing debt to earnings before interest, taxes, depreciation, and amortization = total interest-bearing debt (28) / earnings before interest, taxes, depreciation, and amortization

(32) Interest-bearing debt due within one year to interest-bearing debt = (Short-term interest-bearing debt + long-term interest-bearing debt due within one year) * 100 / total interest-bearing debt (28)

(33) The proportion of loan from financial institutions to interest-bearing debt = borrowings from financial institutions*100 / total interest-bearing debt (28)

(34) The proportion of debentures to interest-bearing debt = debentures*100 / total interest-bearing debt (28)

(35) The proportion of other interest-bearing debt to interest-bearing debt = lease liabilitie *100 / total interest-bearing debt (28)

5. General Information and Other Material Facts

5.1 General Information of Other References

Share Registrar : Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone 0 2009 9000, 0 2009 9999
Fax 0 2009 9991

Debenture Holders' Representative : Krung Thai Bank Public Company Limited
977/2 SM Tower, 3rd Floor, Phaholyothin Road,
Phyathai, Bangkok 10400
Telephone 0 2298 0830-1
Fax 0 2298 0884

External Auditors :
1) Mrs. Piyatida Tangdenchai
Certified Public Accountant Registration number 11766
2) Mr. Charoen Phosamritlert
Certified Public Accountant Registration number 4068
3) Mrs. Manchupa Singsuksawat
Certified Public Accountant Registration number 6112

KPMG Phoomchai Audit Company Limited
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Telephone 0 2677 2000
Fax 0 2677 2222

Legal Advisor : SCL Nishimura & Asahi Limited
34th Floor, Athenee Tower Building
63 Witthayu Road, Lumpini, Pathumwan, Bangkok 10330
Telephone 0 2126 9100
Fax 0 2126 9120

5.2 Restrictions on Foreign Shareholders

The shares of the Company are freely transferable without any restriction except such transfer may cause aliens to hold more than 49% of the total issued and paid-up shares of the Company. As of 22 August 2023, which is the latest date of the shareholders' list (Record Date). The proportion of the Company's ordinary shares held by foreign shareholders was 2.12 percent of the total issued and paid-up shares of the Company.

5.3 Legal Disputes

In the course of business operations, the Company or its subsidiaries may, from time to time, be involved in legal proceedings, governance processes, and administrative proceedings.

However, the Company or any of its subsidiaries is neither an adverse party in a significant case nor is it aware of any ongoing or developing case by or against the Company or any of its subsidiaries that may result in either significant loss to Company assets in the amount of over 5.0 percent of shareholders' equity per audited financial statements of fiscal year-end 2023, or any other significant impact of indeterminable value on its business or financial status or operating results, nor is it in a legal proceeding as a result of unusual business practice other than the following case.

As of 31 December 2022, Lotus's was involved in two regulatory proceedings pending litigation as the Trade Competition Commission ("TCC") and the Office of the Trade Competition Commission ("OTCC") had been sued for a business merger order that allowed Lotus's to acquire Lotus's Thailand. Previously, Lotus's had entered a contract with Tesco on 9 March 2020, to acquire Lotus's Thailand and Lotus's Malaysia, acquisitions of which could not have taken place at that time without the permission of the TCC under the Trade Competition Act, B.E. 2560. Later on in November of the same year, the TCC issued an order (the "TCC order") authorizing Lotus's to acquire Lotus's Thailand. Lotus's and Tesco subsequently completed the acquisition on 18 December 2020, per the TCC order.

In March 2021, the Consumer Foundation, together with other organizations and individuals, filed a lawsuit with the Central Administrative Court (the "Court") against the TCC (the "TCC lawsuit") and the OTCC on abuse of process grounds whereby the TCC had approved the order with improper and illicit discretion. The plaintiff thus requested a revocation of the order unless amendments are made to adjust the conditions. The amendments are as follows:

- Lotus's shall sell part of its business or assets to reduce the impact of its dominance in the market where its market share has to be adjusted to 50% or less.
- Lotus's expansion is prohibited for a period of 10 years after the merger.
- Extend the period in Condition 2 (as described below) from originally 5 years to 10 years and in Condition 4 (as described below) from originally 2 years to 5 years.
  - Condition 2: CPALL and Ek-Chai to increase the proportion of SME (small and medium enterprises) goods being sold by at least 10 percent from the previous year for a period of 5 years, where SME goods consist of agricultural products, community agricultural products, community products, small and micro-community enterprise (SMCE) products, or one tambon (sub-district) one product (OTOP) products, and other product lines under 7-Eleven and Tesco stores (since the Lotus's store rebranding) combined. In so doing, the SME criteria must be under the legal provisions of the Designation of Characteristics of Small and Medium Enterprises Promotion Act.
  - Condition 4: Ek-Chai is to honor the terms of the contract and agreement between the manufacturer and the original supplier of goods or raw material that have been in a contract or agreement for 2 years unless changes to the terms of the contract are approved by and in the favor of the original manufacturer and supplier.

Not directly prosecuted, Lotus's and Lotus's Thailand were summoned as the third party (the petitioner) in the lawsuit against TCC as the Court determined they could assist with information and facts required to lay the foundation for the case.

In the court hearing, the plaintiff also filed a request for a temporary suspension of the execution of the TCC order, which was dismissed by the Court in May 2021 as it was determined at that stage that the order had been duly issued under the Trade Competition Act. The ruling against the plaintiff was final and could not be appealed.

Against any revocation or amendment, the TCC, OTCC, Lotus's and Lotus's Thailand have testified along the same lines in their defense, that the TCC order was lawful and in compliance with legal procedures in all respects, and that the TCC had carefully, lawfully, and appropriately exercised discretion in examining the facts and issuing the order.

In addition to the TCC lawsuit, a local convenience store owner also filed a lawsuit against the order with requests on similar grounds. As such, in June 2021, the Court ordered to combine the case with the TCC lawsuit.

Moreover, on 8 September 2023, the Court ruled to dismiss the case against the TCC, citing the legality of the TCC order. The plaintiff retained the right to file an appeal within 30 days after the ruling. Subsequently, on 6 October 2023, the plaintiff lodged an appeal to the Supreme Administrative Court. As of now, the case against the TCC is under consideration by the Supreme Administrative Court. The ruling issued by the Supreme Administrative Court will be considered final.

The Company believes that the TCC order was legally determined, considering the TCC's authority under the law to approve Lotus's' acquisition of Lotus's Thailand. Lotus's had submitted a business acquisition application and required documents in full compliance with legal procedures. The Company is convinced that the TCC had carefully considered all the information and duly issued the order in accordance with the legal requirements. This conforms with the ruling of the Court which cited the legality of the TCC order and dismissed the case against the TCC. Accordingly, the Company asserts that it is unlikely for the Supreme Administrative Court to overturn the ruling of the Court and revoke the order of the TCC. However, there is no guarantee that the ruling of the Supreme Administrative Court would be in favor of Lotus's and Lotus' Thailand.

On the other hand, should the Supreme Administrative Court overturn the ruling and revoke the TCC order, the Company believes that there is no legal basis for the Supreme Administrative Court and the TCC to cancel or void the acquisition or impose administrative fines under the Trade Competition Act. This is because the acquisition was conducted in good faith under the legally binding TCC order at the time. If the Supreme Administrative Court overturns the ruling and revokes the TCC order, the TCC might instruct Lotus's to resubmit the acquisition application. In any case, the Company cannot speculate on whether or not the TCC would issue a new approval, or impose additional conditions, or whether Lotus's would be able to fully comply with such impositions. Nonetheless, Lotus's has the right to appeal within the period specified by the law if it disagrees with any unfavourable terms in the TCC order. Apart from the above, as of the date of this document, the Company and its executives are neither involved nor aware of any litigation or arbitration proceedings that may arise with significant adverse effect, in any way that has been reasonably considered by the management team.

5.4 Secondary Market

The Company is not currently listed on the stock exchange of any other countries.

5.5 Financial Institutions (Debt Instrument Only)

1. **Bangkok Bank Public Company Limited**
   333 Silom Road, Silom, Bang Rak, Bangkok 10500
   Tel 0 2645 5555

2. **Krungthai Bank Public Company Limited**
   35 Sukhumvit Road, Klong Toey Nua, Wattana, Bangkok 10110
   Tel 0 2111 1111

3. **Bank of Ayudhya Public Company Limited**
   1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
   Tel 0 2296 2000

4. **Kasikorn Bank Public Company Limited**
   400/22 Phahonyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400
   Tel 0 2888 8888

5. **CIMB Thai Bank Public Company Limited**
   44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330
   Tel 0 2626 7777

6. **Siam Commercial Bank Public Company Limited**
   9 Ratchadapisek Road, Jatujak, Jatujak, Bangkok 10900
   Tel 0 2777 7777

7. **UOB Bank Public Company Limited**
   690 Sukhumvit Road, Khlong Tan, Khlong Toei, Bangkok 10110
   Tel 0 2285 1555

8. **Kiatnakin Phatra Bank Public Company Limited**
   209 KKP Tower A Building, 9th Floor, 12A-18, 20 Sukhumvit 21 Road (Asoke) Khlong Toei Nuea, Watthana, Bangkok 10110
   Tel 0 2165 5555

Section 2

CORPORATE GOVERNANCE

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors places great importance on Corporate Governance and Code of Conduct that are founded on key Corporate Values; namely, integrity, transparency, social and environmental responsibility, as well as loyalty and accountability to customers and all stakeholders. Sustainable growth depends on business practices and operations that adhere to these principles, with which stringent anti-corruption policies and reinforcement also transpire. As such, established Corporate Governance Policy is reflected in writing in the Corporate Governance and Code of Conduct Manual, the Anti-Corruption Policy, and the Board of Directors and sub-committees Charters.

As assigned by the Board of Directors, the Corporate Governance and Sustainable Development Committee is responsible for reviewing, improving and developing good Corporate Governance and Code of Conduct policies and procedures that reflect the Company's business direction, strategy and near-term and long-term goals, and abide by SEC and SET legal provisions, including domestic and international assessment criteria. The committee is also responsible for governing, monitoring and supporting Company operations in accordance with established guidelines.

6.1.1 Policies and Guidelines for the Board of Directors

The Corporate Governance and Code of Conduct Manual, the Board of Directors' charter and the sub-committee charters (Appendix 5) provide key provisions established by the Board of Directors in relation to directors, including the Chairman, and independent directors, for instance, the components and qualifications, appointments, terms of office, resignation, duties and responsibilities, board meetings, performance appraisal, nomination, remuneration and development of directors, among others.

Recruitment

Director Selection Criteria and Process

Directors are selected and appointed in accordance with the board skills matrix, which is established by the Nomination and Remuneration Committee (the "NRC"). The matrix specifies a strategic mixture of qualifications; namely, knowledge, capabilities, work experience, and skills required of the board in meeting current and future challenges for the Company. In the process, the committee is responsible for ensuring that selection is non-discriminatory with respect to gender, race, religion, age and other personal characteristics. A board candidate must be able to undertake the range of duties and responsibilities required of a director in its entirety. Notwithstanding, candidates with prohibited characteristics concerning legal provisions are not considered for selection. When a board position becomes vacant, the NRC screens for potential candidates to consider and nominate for the position. Selected candidates are presented to the Board of Directors or the shareholders' meeting, or both, for consideration and approval for appointment to the vacancy. In addition to the Director Pool as source of recruitment, minority shareholders are encouraged by the NRC to nominate candidates for the board position, provided the provisions of the Articles of Association as well as legal provisions are observed. To facilitate and protect the rights of the minority shareholders in the process, the nominated candidates are voted individually at the general meeting of shareholders for the agenda of director election.

Qualifications of a Company Director

A director must:

1) Meet set qualification criteria and display no prohibited characteristics concerning legal provisions, including provisions governing public limited companies and securities and exchange.
2) Exhibit a wide range of knowledge, expertise and on-hand experience in the particular business or industry in which the Company operates.
3) Exhibit leadership and the capacity to oversee the operation and ensure the effectiveness of the business.
4) Hold a board position in no more than 5 public listed companies that are registered with the Stock Exchange of Thailand (SET), including the Company board. Such position holding in other public listed companies shall not affect the ability to serve the Company board.
5) Exhibit integrity and ethical judgement and capable of devoting the level attention and effort required to perform the duties and responsibilities that come with the position.

Additional Qualifications of an Independent Director

In addition to qualifications of a director, an independent director must also meet the following set of qualifications and legal requirements put forth by the Capital Market Supervisory Board.

1) Holding no more than 0.5% of voting shares of the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons, whereby shares held by related persons of the independent director are also included.
2) Neither being nor ever was a director with involvements in the management of Company; an employee; a consultant with a regular salary; a controlling person of the Company or its parent companies, subsidiaries, associates, same-level subsidiary companies, major shareholders or of Company controlling persons; with the exceptions of involvements that have been ended for no less than 2 years. However, such prohibited characteristics shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company.
3) Neither being related by birth nor by legal registration as an immediate family member – i.e. father, mother, spouse, sibling, and child, including spouse of child – of the executives, major shareholders, controlling persons, or nominated executive candidates or controlling persons of the Company or its subsidiaries.
4) Neither being nor ever was a person having business relationship with the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons in any manner that may hinder impartial judgement. Neither being nor ever was a significant shareholder or controlling person of any person having business relationship with the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons of the Company. An exception is for the case that such relationship has been ended for no less than 2 years.
   The term "business relationship" under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receiving of financial assistance including loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterpart being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of 1 year prior to the date on which the business relationship with the person commences.
5) Neither being nor ever was an auditor of the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons of the Company; and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company or its parent companies, subsidiaries, associated companies, major shareholders or controlling persons of the Company; unless the foregoing relationship has been ended for no less than 2 years.
6) Neither being nor ever was a professional service provider including a legal counsellor or financial advisor receiving service fee over Baht 2 million per year from the Company or its parent companies, subsidiaries, associates, major shareholders or controlling persons of the Company; and not being a significant shareholder, controlling person or partner of the aforementioned professional service provider; with the exception of services that have been ended for no less than 2 years.
7) Is not a director appointed as a representative of a Board member, major shareholders or a shareholder who is related to the major shareholders.
8) Not undertaking any business of the same nature that competes with the Company or its subsidiaries; neither being a significant partner in a partnership nor a director who involves in the management, an employee, a staff member, an advisor with regular salary; not holding shares exceeding 0.5% of the total number of shares with voting rights of other companies which undertake businesses of the same nature that competes with the Company or its subsidiaries.
9) Not having any other characteristics that hinder impartial judgement with regard to the Company's business operations.
10) An independent director shall serve the office no longer than 9 years.

Notwithstanding, the independent directors may be assigned by the Board of Directors to make a collective decision on its behalf in operational matters of the Company or its parent companies, subsidiaries, associates, same-level subsidiary companies, major shareholders or controlling persons of the Company.

Top Management Recruitment and Succession Plan

In addition to setting the qualification criteria, the NRC is in charge of screening and recruiting potential candidates to be considered and appointed as the top management. Unless a member of the Board of Directors is designated as the appraiser on the board's behalf, the NRC is also responsible for evaluating the performance of the top management on a regular basis, along with considering the appropriate remuneration, reviewing and report on the progress of the succession plan. To present the conclusive opinions to the Board of Directors for approval.

With development and succession plans in place, an assessment process is carried out to determine readiness of potential successors, such as undergoing a wide range of assessments to examine aptitude, leadership and psychological capacities, among other soft and hard skills. Assessment results are analysed and compiled into individual profiles where feedback is communicated to the management and the successor to be used as a basis for individual development plan. The subsequent developmental approach is a diversified model that commences the career road map with progressive stages and steps that construct the shortest path to realize the plan and attend to business needs in a timely manner. For instance, a successor can be arranged to join important Company projects, reassigned to a particular branch in a foreign country, or enrolled in a compulsory leadership development workshop of different levels, such as Charoen Pokphand Group's Leadership Development Program, among others.

Appointment of a Director

1) To be considered by the Board of Directors or shareholders, or both, depending on the circumstance, the appointment of a director must be in accordance with the Articles of Association and relevant legal requirements. The appointment process must be transparent and carried out in accordance with the appointment process put forth by the NRC. The presented information must also be sufficient, of which case the complete profile of the candidate must be produced.
2) In the event that directors retire from office, the election of new directors shall be proposed to the general meeting of shareholders, where the majority vote of the shareholders who attend the meeting and cast their votes shall constitute a resolution. In the event that cast votes result in a two-way tie, the chairman of the meeting can cast a tie-breaking vote as the decider.
3) In the event that a director position becomes vacant for any reason other than retiring from office, the vacancy is to be filled by a candidate selected and appointed by the Board of Directors the subsequent board of directors meeting unless the remaining term of office of the vacated position is less than 2 months. A placeholder shall serve out the remainder of the term. Such appointment requires no less than three-fourths of the remaining directors to constitute a resolution.
4) In the event a prohibited business or commercial relationship becomes known of a serving director, whereby compensation received as a result of the relationship exceeds the limit specified under clause 4 or 6, Additional Qualifications of an Independent Director, a waiver may be approved by the Board of Directors to have the director in question continue on as usual should the board be of the opinion that such relationship affects neither performing responsible duties nor expressing an objective opinion. Notwithstanding, to be considered for a waiver in such a case, the following information regarding the prohibited relationship must be fully disclosed at the general meeting of shareholders, in the agenda that considers the election of such director.
   a) The nature of business relationship or professional service that disqualifies the candidate or fails to meet specified criteria.
   b) The reason and necessity to maintain or appoint the person as an independent director.
   c) The Board of Directors' opinion regarding the appointment of the person as an independent director.
5) The Chairman and Vice Chairman are appointed by the Board of Directors.

Terms of Office

1) A director holds office for a term of three years and may be considered for re-election upon term expiration.
2) An independent director shall serve the office no longer than 9 years.

Termination of Directorship

1) Notwithstanding the remaining terms of office upon commencement of the annual general meeting, a third of directors are to retire by rotation. Directors with the longest tenures in comparison are the first to vacate office, and eligible for re-election. In the event the total number of active members is indivisible by three, the number that is the closest to a third is applied.
2) Aside from retiring by rotation, a director is vacated from the office in the event of death, disqualification, or becoming known for prohibited characteristics according to resolutions passed at the shareholders meeting and legal provisions, namely, the Securities and Exchange Act, the law governing public limited companies, or a court order for imprisonment, with the exception of offenses committed by negligence, petty offenses or where the offender is deemed incompetent, quasi-incompetent or is bankrupt.
3) To resign from directorship, a director is required to submit a formal resignation letter to the Chairman of the Board. The resignation becomes effective on the date the letter is filed with the Company. The resigning director may also notify the Public Company Limited Registrar.
4) The shareholders' meeting may pass a resolution to remove any director from office prior to retirement by rotation, by a vote of no less than three-fourths of the number of shareholders who are present at the meeting and entitled to vote, with the aggregate number of shares not less than half of the number of shares held by the shareholders who are present at the meeting and entitled to vote.

Board Composition

1) The Board of Directors is composed of 15 directors with 5 independent directors. Aside from meeting the qualification criteria based on SEC regulations, all board members must be capable of carrying out responsible duties and expressing objective opinions on a regular basis.

2) In order to oversee and administer pertinent business aspects throughout the organization in accordance with good corporate governance, sub-committees, top executives and the Company Secretary have roles and duties to support the Board of Directors in performing their duties.
3) The board composition is based on the board's skill matrix, or a strategic mixture of collective qualifications, a wide range of skills, knowledge, competency and experience that are beneficial to the Company such as industry, information technology, finance and accounting, business, management, international relations, strategy, crisis management, law and corporate governance, regardless of age, gender and other personal characteristics.

The Board of Directors is composed of at least one non-executive director who is equipped with competency and experience in the particular business or industry in which the Company operates. At present, there are eight non-executive directors with such competency and experience.

Board Skills Matrix

Directors	CPAXT Board Skills Matrix							
	Industrial Experience Dimension					Risk and Crisis Management Dimension		
	Engineering	Food Science	Business Administration	Economics	Innovation/ IT	Accounting/ Finance	Laws	Political Science
1. Mr. Suphachai Chearavanont			●		●			
2. Mr. Ralph Robert Tye			●			●		
3. Adj. Prof. Rawat Chamchalerm							●	
4. Mrs. Kannika Ngamsopee			●			●	●	
5. Mr. Jukr Boon-Long				●			●	●
6. Adj. Prof. Prasobsook Boondech							●	
7. Mr. Korsak Chairasmisak			●	●		●		
8. Mr. Tanin Buranamanit			●			●		
9. Dr. Prasert Jarupanich	●		●					
10. Mr. Pittaya Jearavisitkul			●	●				
11. Mr. Piyawat Titasattavorakul			●					
12. Mr. Narong Chearavanont			●		●			●
13. Mr. Adirek Sripratak		●	●	●		●		
14. Mr. Umroong Sanphasitvong			●			●		
15. Mrs. Saowaluck Thithapant			●			●	●	

Development

Development of Directors and Executives

1) Significant resources are allocated by the Board of Directors to promote and make available educational training programs and material to Company personnel under the Corporate Governance umbrella; namely, Company directors, audit committee members, executives, Company secretaries, among others. Such programs and material are provided by either expert in-house agencies or contracting third-party institutions with subject matter know-how.
2) An orientation is arranged for newly appointed directors and executives to include introducing the nature of business operations, information related to the Company's business, guidelines and corporate strategies for conducting the Company's business including the important documents pertaining to applicable rules and regulations, roles and responsibilities of directors or executives, and other information that is useful in performing their duties.
3) As consistent operational efficiency and development requires both comprehensive and practical understanding of complex operational environments among key decision makers, it is Company policy that directors and executives have access to a wide range of knowledge developmental programs. The leaders are encouraged to continually hone their skills and attend tactical seminars and training courses that are organized by subject matter experts; such as, the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, and other institutions providing all-inclusive and hands-on training vital to development.

Development and Training Attendance of Directors in 2023

Name	Details
1. Mr. Suphachai Chearavanont	• Sustainability trends and impacts
2. Mr. Ralph Robert Tye	• Ethical Leadership Program (ELP) Class 30/2023 • Director Leadership Certification Program (DLCP) Class 12/2023
3. Adj. Prof. Rawat Chamchalerm	• Public Administration, Institute of Administration Development, Ministry of Interior • Criminal Proceedings, Lawyers Council of Thailand
4. Mrs. Kannika Ngamsopee	• The Board's Role in Anti-Corruption for the Twenty-First Century • Hot Issue for Director: Climate Governance 3/2023
5. Mr. Jukr Boon-Long	• Role of the Chairman Program (RCP) Class 55/2023 • Financial Statement for Directors (FSD) Class 49/2023
6. Adj. Prof. Prasobsook Boondech	• Sustainability trends and impacts • The Board’s Role in Mergers and Acquisitions (BMA) Class 3/2023
7. Mr. Korsak Chairasmisak	• Sustainability trends and impacts • Director Accreditation Program Class 207/2023
8. Mr. Tanin Buranamanit	• Sustainability trends and impacts
9. Mr. Prasert Jarupanich	• Sustainability trends and impacts
10. Mr. Pittaya Jearavisitkul	• Sustainability trends and impacts • Director Accreditation Program Class 207/2023
11. Mr. Piyawat Titasattavorakul	• Sustainability trends and impacts • Director Accreditation Program Class 207/2023
12. Mr. Narong Chearavanont	• Sustainability trends and impacts
13. Mr. Adirek Sripratak	• Sustainability trends and impacts
14. Mr. Umroong Sanphasitvong	• Sustainability trends and impacts • Hot Issue for Director : Climate Governance Class 3/2023 • RFP: The Business Case and Ethics of AI: A Board’s Imperative
15. Mrs. Saowaluck Thithapant	• Adjusting, closing and disclosure requirements according to financial reporting standards • Tips for Effective Financial Statement Analysis • Value Added Tax • Preparation of Financial report and Analysis Statement with the summary of Changes in financial reporting standards • How to improve the efficiency of Finance and Accounting process • Standard Precautions for 2023 Financial Statement Disclosures and preparation for submitting 2024 financial statements • Case from Auditors, Accounting Errors To Watch Out

Assessment of the Board Performance

The Board of Directors requires an annual performance assessment of the Board of Directors and sub-committee in both of whole board or committee assessment and the individual self-assessment. The assessment form has an objective to use the results of assessment for developing the efficiency of performing duties of the Board and sub-committees.

Criteria and Process in Performance Assessment

The Company arranges for an annual performance assessment of the Board of Directors and sub-committees in both of whole board or committee assessment and the individual self-assessment. The assessment criteria are as follows:

- Topic for the performance assessment of the Board of Directors

Performance Assessment of the Board of Directors as a Whole Board	Performance Assessment of the Board of Directors as an Individual
1) The structure and qualifications of the Board of Directors	1) Board qualifications
2) Roles, duties, and responsibilities of the Board of Directors	2) Preparedness duties of directors
3) Board meetings	3) Participation in meetings
4) Dynamic of the Board performance	4) Roles, duties and responsibilities
5) Relationship with the management	5) Relationship with the Board and management
6) Board Development	

- Topic for the performance assessment of the sub-committees

Performance Assessment of the Performance Sub-Committees as a Whole Committee	Assessment of the Sub-Committees as an Individual
1) The structure and qualifications of the sub-committee	1) The structure and qualifications of the sub-committee
2) Sub-committee meetings	2) Sub-committee meetings
3) Roles, duties, and responsibilities of the sub-committee	3) Roles, duties, and responsibilities of the sub-committee
4) Sub-committee reporting	

Assessment criteria (as a percentage of the full score) are as follows:

Above	85%	=	excellent
Above	75%	=	very good
Above	65%	=	good
Above	50%	=	fair
Below	50%	=	need improvement

The process of performance assessment is that the Company Secretary is in charge of distributing the annual assessment form to all directors for evaluation at the end of each year and preparing a summary of the results of assessment report to report to the Board of Directors for acknowledgement and consideration. The results of the performance assessment are summarized as follows:

- The Board of Directors (whole board and individual) had an average score at the level of "Excellent".
- The Audit Committee (whole committee and individual) had an average score at the level of "Excellent".
- The Nomination and Remuneration Committee (whole committee and individual) had an average score at the level of "Excellent".
- The Corporate Governance and Sustainable Development Committee (whole committee and individual) had an average score at the level of "Excellent".
- The Executive Committee (whole committee and individual) had an average score at the level of "Excellent".

Performance Assessment of the Chief Executive Officer

The NRC, or a designated director, is assigned by the Board of Directors to assess the performance of the Chief Executive Officer on a yearly basis. The assessment criteria consist of 3 parts as follows:

Part 1 Assessment of key performance indicators
Part 2 Assessment of general management efficiency
Part 3 Assessment of budget and project management

Assessment results are presented to the Board of Directors or the board designee to determine the appropriate remuneration for the Chief Executive Officer.

Remuneration of the Chief Executive Officer

It is Company policy to determine the attractive remuneration level for the Chief Executive Officer that is competitive and comparable with the industry peers. In so doing, the scope, scale and performance of duties and responsibilities, as well as the collective Company performance under the leadership and return for shareholders, are all considered.

Board of Directors' Meeting

Board meetings are held at least once quarterly to review the Audit Committee Report and approve the financial statements on annual basis and quarterly basis, and to consider the Company's strategy and business plan, and any other matters as per its duties. The meeting dates are pre-scheduled at the end of the year before next year's meeting to allow directors sufficient time to manage appointments and be able to attend the meetings. In addition, the Chairman may convene additional meetings should an urgent matter arise to require the board's immediate attention.

- It is a Board policy to encourage independent directors and non-executive directors to meet at least once a year, or as often as possible, to share and discuss persisting matters and interests without the presence of the executives. Meeting minutes are presented to the Chief Executive Officer for acknowledgement.
- The Chairman of the Board considers and approves board meeting agendas, including those requested by directors. Board members, Chief Executive Officer and the Company Secretary can present agendas that need to be included before each board meeting.
- The Company Secretary submits the notice of the meeting, together with the meeting agenda and meeting documents, to the Board no less than 7 days in advance to allow sufficient time for the meeting material to be reviewed and studied before the important convention.
- There must be not less than half of the total number of directors attending the board meeting to constitute a quorum. In case the Chairman of the Board is not present or is unable to perform his duty, if there is a Vice Chairman, the Vice Chairman shall act as chairman of the meeting.
- The Director who has an interest in any matter shall leave the meeting and not be entitled to vote on such matter.
- The Company Secretary, or a designee, must be present at the board meeting and is responsible for recording the meeting minutes in writing, documenting, and submitting it to the board for approval before storing the documents for future reference.

Remuneration of Directors

The Nomination and Remuneration Committee is responsible for determining remuneration for directors. In doing so, many performance benchmarks are taken into consideration, for instance, performance outcome and consistency with corporate goals and long-term benefits, industry remunerations standards and comparison with other companies in the industry peers of similar size of business, suitability of assigned duties and responsibilities of directors, attractiveness to retain skillful directors to drive the Company to achieve short term and long-term goals. Notwithstanding, such remuneration shall be approved by the shareholders meeting.

The following remuneration rates were approved at the 2023 Annual General Meeting of Shareholders, held on 20 April 2023

Remuneration Components	Baht/Person/Month	Baht/Person/Year
1. Regular Remuneration		
• Chairman	155,000	1,860,000
• Chairman of the Audit Committee	140,000	1,680,000
• Independent Director and Member of the Audit Committee	115,000	1,380,000
• Director/ Independent Director	100,000	1,200,000
• Chairman of other Sub-committees (1)	15,000	180,000
• Member of other Sub-committees (1)	5,000	60,000
2. Annual Bonus (Entire Board)	Baht 26.98 million (2) (0.50 percent of dividend paid from 2022 profit)	
3. Other Benefits	None	

Note: (1) Sub-committees apart from the Audit Committee

(2) Representing 0.50 percent of the dividends paid to shareholders based on 2022 operating results, whereby the Chairman of the board determines the appropriate amount to be allocated to each Company's director.

In addition, the Company provides Directors and Officers Liabilities Insurance with a sum insured not to exceed USD 30 million or Baht 1,044 million (exchange rate at Baht 34.79 per USD 1).

6.1.2 Policies and Guidelines for Shareholders and Stakeholders

Company policies and guidelines regarding shareholders and stakeholders cover important issues in accordance with Corporate Governance principles as follows:

Section 1 Shareholder Rights and Equitable Treatment of Shareholders

The Company recognizes and places importance on protecting the rights of shareholders. To ensure that shareholders receive basic rights equally, such as the right to attend and vote at shareholder meetings, the right to propose agenda items and/or nominate persons to be elected as directors at shareholder meetings, the right to express opinions and ask questions in shareholders' meeting, the right to receive dividends, the right to elect and remove directors and the right to determine directors' remuneration, etc., and not violate, create obstacles, or deprive shareholders of their rights and encourage all groups of shareholders to attend shareholders' meeting as well as facilitating the full exercise of voting rights and expressing opinions of all shareholders and investors with equality, transparency, and fairness as prescribed by laws, corporate governance policy and business ethics including efficient and effective management for the maximum benefits of the Company's shareholders.

Annual General Meeting of Shareholders 2023

The Company held the 2023 Annual General Meeting of Shareholders on 20 April 2023, via electronic means (E-Meeting) with the venue to control the meeting system at Siam Makro's Convention Room, 4th Floor, CP Axtra Public Company Limited, Tara Pattanakarn Building, No. 1468 Phatthanakan Road, Phatthanakan Subdistrict, Suan Luang District, Bangkok.

Prior to the Meeting

(1) To provide shareholders an opportunity to exercise their rights to propose agenda items and nominate persons with suitable qualifications to be considered for election as a director of the Company in advance during the period of 1 November 2022 to 31 December 2022 prior to the 2023 Annual General Meeting of Shareholders. The Company announced the criteria and conditions on the Company's website at www.cpaxtra.com and notify shareholders through the Stock Exchange of Thailand's notification system.

(2) The 2023 Annual General Meeting of Shareholders invitation letter, in Thai and English, had been posted, first, on the Company's website no less than 30 days prior to the meeting date. The meeting invitation letter, along with a complete set of supporting documents specifying the objectives and opinions made by the Board of Directors, including the 2022 Annual Report, had been distributed to shareholders in a QR Code format at least 21 days prior to the meeting date. Both events had been planned well in advance to allow sufficient preparation time for shareholders to thoroughly review and study the material for the annual event.

(3) Proxy forms had been distributed, along with the meeting invitation letter, to allow shareholders who cannot attend the meeting in person to appoint a proxy to attend the meeting on their behalf including the information of independent directors had also been distributed to shareholders for consideration in granting a proxy to the independent directors to attend the meeting on their behalf and encourage shareholders to use a form of proxy that allows shareholders to determine the direction of voting and can exercise the right to vote to elect directors on individual directors.

(4) Question submission forms had been distributed in advance, along with the meeting notice, to allow shareholders to submit questions or express concerns for meeting agendas in advance.

(5) Institutional investors had been encouraged to attend the shareholders' meeting and had been contacted in advance to coordinate and prepare proxy forms before the meeting date in order to facilitate registration for the shareholders' meeting.

The 2023 Annual General Meeting of Shareholders

(1) Technology and a barcode system was adopted to facilitate registration, vote counting, and score display with real time and accurate processing.

(2) Shareholders are provided 2 hours prior to meeting commencement for attending the meeting. Late shareholders that arrived and registered after the meeting had started could still vote for agendas that were still being considered, not yet voted on or the votes had not been counted, yet. Late shareholders would be included in the quorum from the first attended agenda onward.

(3) Shareholders were granted a number of votes according to the number of held shares. One share was entitled to one vote and votes separately for each agenda including voting the director election agenda on individual basis. A vote auditor was assigned to inspect the vote counts in the meeting.

(4) There are 15 directors attended the meeting, along with Company auditors and legal advisors. The Company Secretary announced the number and proportions of shareholders attending the meeting, the number of assigned proxies, voting practices, and the vote count method from the beginning of the meeting. The chairman then commenced the meeting and arranged for the shareholders to vote according to the agenda specified in the meeting invitation letter. No additional agenda was added to the meeting other than those specified in the meeting invitation letter. The meeting was held in accordance with the Articles of Association, where shareholders had equal rights to inquire and voice opinions in appropriate agendas and receive straight and sufficient responses in return.

(5) To voice concerns and comments, the shareholders assessed the quality of the meeting by answering provided assessment forms. The feedback was used to improve efficiency and transparency of the meeting for the interest of the shareholders, first and foremostly.

After the Meeting

(1) The meeting resolutions, together with the vote counts of each agenda, were publicised in the evening of the same day through the Stock Exchange of Thailand's notification system and the Company's website.

(2) The meeting minutes was publicised in complete detail within 14 days after the meeting, including meeting resolutions, vote counts, and inquiries and questions made by shareholders in each agenda. The shareholders were notified through the Stock Exchange of Thailand's notification system and on the Company's website.

The Company has a policy of treating all shareholders equally without discrimination and in accordance with legal requirements, corporate governance policy and business ethics, the important guidelines are as follows:

(1) To keep key personnel informed and to guide best practices and professional conduct in key operational situations, pertinent policy and standard operating procedures (SOPs) are put forth and announced, regularly. SEC rules and regulations and the Company Code of Conduct both establish provisions that govern authorized and unauthorized access to classified information that lead to insider trading, and conflicts of interest incurred by connected parties with connected stakes, either between Company staff or with an affiliate or partner. Serious punishment and consequences await involvement of such nature for personal gains or the gain of a connected party. The Code of Conduct and related SOPs are listed in detail in the Corporate Governance and Code of Conduct Manual, where the e-version can be downloaded at any time on the Company's website. No violation of the nature took place with regards to Company directors and executives throughout fiscal year 2022.

(2) No financial assistance is made available to any person or juristic person other than a subsidiary.

(3) An Investor Relations Unit is in place to serve as a communication channel for all stakeholders; namely, significant and minority shareholders, institutional investors and analysts, to submit inquiries, suggestions, comments or requests or provide additional information. The unit can be reached directly via email at ir@cpaxtra.co.th or, by phone at 02 067 8285 (direct line).

(4) Company measures and procedures are in place to govern the approval of connected transactions in accordance with SEC and SET legal provisions pertaining to connected parties and connected transactions. Connected transactions that are authorized by the Board of Directors or the management are always conducted in a manner that is transparent, fair, at arm's length, and takes account of price levels and general trading conditions.

Section 2 Roles of Stakeholders and Business Development for Sustainability

(1) Corporate Governance and Code of Conduct

As patrons with vested interest in the performance of the business, the Company respects and values all individual and group stakeholders. Guidelines for Corporate Governance and Code of Conduct are in place, moreover, to maintain the interest of different groups with the most serviceable approach possible. Applicable administrative policies and guidelines under the Corporate Governance and Code of Conduct Manual can be summarized as follows:

Shareholders

Business operations are conducted with honesty, transparency and fairness to all shareholders in the Company's best interest to maintain a stable and sustainable growth with good returns for shareholders in the long run.

Customers

Customer satisfaction is of priority considerably above the normal to the Company. To retain hard earned contentment and trust, the Company is determined to identify new products and expand the variety of what is available whilst quality and safety standards are enhanced simultaneously.

Safety standards of food products, in particular, are of the utmost importance. Operations and services are continually developed and optimized as a key path to create a memorable shopping experience and sustain satisfying relationships with customers over the long run.

Agents from the Customer Relationship Development Unit make special visits to customers on a regular basis to build on the hard-earned relationships. Customer satisfaction surveys are also regularly conducted every year, where survey results are processed and applied to improve current services and better meet customer needs. The customer satisfaction score in 2023 was 94%.

Employees

- The Company places great importance on staff training and development to ensure of work efficiency and their abilities to grow in the chosen career path. Career development is a progressive preparation for management in rotational positions.
- A succession plan is in place to prepare successors to key organizational positions. Successors are assessed for readiness, where results are used to design individual developmental plans in preparation of the succession. This better prepares the Company for business expansion, organizational change, and replacement of future retirees. The plan is reviewed regularly, every year. In 2023, the Company conducted the selection of 118 successors preparing to be the successor to key positions. As such, the selection of the successor will be assessed for readiness included job shadowing to learn how to think and work to support the growth of the organization in the future.
- Safety and health in the workplace are amongst the top on the Company's list of priorities. To circumnavigate unnecessary occupational risks, accidents and injuries that come with hazardous work environments, including exposure to harmful substances; the "Occupational Health and Safety and Workplace Environmental Management Policy" and the Occupational Health and Safety and Workplace Environmental Management Committee as well as the occupational safety officers at supervisory level and executive level were established to ensure that industry safety standards are met. In addition, the Health and Safety Manual is put in place for employees to follow, with helpful advice, guidelines, and procedures, along with key rules and regulations included in the manual. Employees can join health and safety campaigns held by relevant governmental agencies that take place on an ongoing basis. In 2023, the Company set up Key Performance Indicators (KPIs) on Safety and health in the workplace among Manager level and operational level of all stores and Distribution Center (DC), increased Licenced Safety Officer (Jor Por) to enforce a safe work environment for everyone.
- An employee engagement survey is conducted regularly to learn about the factors that contribute to employee satisfaction and loyalty to the organization. Survey results are analysed and applied to potential areas of improvement. Employee engagement score for the year 2023 was 82% which is considering high response rate range.
- Human capital is the most important asset in any organization. To retain this asset, a policy is in place to provide competitive remuneration and welfare packages. Offers are based on many factors, both internal and external. Internal factors are for instance, expertise, educational and professional background, duties and responsibilities, as well as performance and professional contribution in accordance with set objectives, among others. External factors are also reviewed; for instance, industry standard and ongoing rates offered in comparable positions at comparable companies. Both aspects considered, a competitive rate is offered to retain and motivate employees to march towards future goals with the Company. Guidelines for annual salary adjustment take into consideration increased responsibilities, inflation, and changes in market conditions, among other factors. A provident fund is also included in the benefit package, along with other medical, life and accidental insurance policies, to serve as long term savings and a source of income after retiring.
- Salary increase is considered once a year, where annual performance assessment results serve as the basis for consideration. Key Performance Indicators (KPIs), nevertheless, are used as the principal basis to assess both current professional performance (short-term) and performance in accordance with corporate strategy in the long term.

By linking remuneration to short term and long-term Company performance, assessment is consistent with outcome-based principles as the overall organizational competitiveness correlates directly with human resource capacity. This is an industry standard followed by comparable leading organizations. The Company also offers a competitive variable bonus scheme where bonus amounts depend on Company performance (for staff in department level management and above) to motivate teamwork and team efforts to progress towards established organizational objectives.

Suppliers and Creditors

- Business partners or suppliers, creditors and co-signers are treated fairly and with respect, where all agreements are honored and followed. Company debts and loans are paid according to the conditions specified in the agreement. In the event where a condition cannot be met, the Company will promptly notify the creditor to find common grounds and mutual solutions.
- Procurement Policy is in place to provide guidelines for the approving authority and setting budget approval limits, and to ensure operations are carried out in a systematic fashion that is effective, transparent and in accordance with Corporate Governance.
- Special attention is allocated to the selection of suppliers. The qualification criteria and selection process are as follows:
  1) Have a solid financial history and the potential to grow with the Company over the long term.
  2) Produce or sell quality products that are in demand and can be inspected for quality.
  3) Support marketing and sales promotions and provide after-sale services to customers.
- The "Supplier Code of Conduct" is established to ensure that the suppliers conduct their business in a manner that is respectful of human rights and responsible for the respective society, community, as well as other traders in the supply chain. Sustainable Business Practices seminars are organized annually to communicate with suppliers the sustainable business policies, pertinent body of knowledge and the importance of preparation, consistency and maintaining a good relationship with all parties.

Competitors

It is Company policy to conduct business in a manner that adheres to international rules and regulations that guides trade competition fair play. Guidelines are in place as follows:

1) Operate business according to international legal frameworks for trade competition fair play.
2) Refrain from acquiring confidential information of competitors by dishonest or inappropriate means.
3) Refrain from any unlawful, unethical, or disrespectful engagement with competitors in an attempt to cause harm or damage in one way or another.

Social and Environmental Responsibility

The Company realizes the importance of corporate social and environmental responsibility. All stores are encouraged to operate in a way that takes respective communal capacities into account, as well as the underlying ecosystem to which it depends. The Company also supports participation in various public activities in the immediate community and contributes to the development of social and environmental education. In addition, policies and guidelines pertaining to energy usage, energy efficiency applications and waste management are established and reinforced.

(2) Monitoring of Compliance and Whistleblowing

It is the duty and responsibility of all employees, from top to bottom, to strictly adhere to the Corporate Governance Policy. The Company relies on the supervisory capacity of leaders throughout the organization to ensure that guidelines are acknowledged, understood, and complied. Their ability to provide practical guidance to all team members in the immediate line of command, nevertheless, is a top priority.

Whistleblowing Policy

Whistleblowing procedures and channels are in place for staff to submit a formal complaint and report unprofessional conduct. The process starts with the filing of a complaint, ongoing investigation and reaching a conclusion. Confidentiality is provided by the non-disclosure clause to encourage whistleblowers, stakeholders, witnesses and involved parties to come forth, where they may otherwise be discouraged or at risk of retaliation or threats. Notwithstanding, the behavior being reported must be a violation of the Code of Conduct or the Anti-Corruption Policy established in Company Corporate Governance and Code of Conduct Manual. The manual clearly defines main areas of misconduct; for instance, connected transaction, unauthorized access and disclosure, insider trading, as well as unlawful financial undertakings, such as, embezzlement, corruption, and fraud, among other wrongdoings. The Company has published such measures in the Corporate Governance and Code of Conduct Manual, Anti-Corruption Policy and the Company's website.

Whistleblowing Channels

Chairman of the Board/ Chairman of the Audit Committee/ Chief Executive Officer/ Board of Directors/ Head of Internal Audit

CP Axtra Public Company Limited
1468 Phatthanakan Road, Phatthanakan Subdistrict, Suan Luang District, Bangkok 10250

cgoffice@cpaxtra.co.th

0 2067 9300

0 2067 9119

Whistleblowing Process and Management

As misconduct undergoes investigation, the Company encourages identity disclosure of the whistleblower and involved parties to allow responsible agents to make contact for additional inquiries and, in return, inform them about gathered facts, updates, and progress on the case. On the other hand, whistleblowers can opt to remain anonymous under confidentiality, should they determine, that further involvement would affect their safety or entail negative results in any way. Once a complaint is filed, appropriate action is decided and taken by the officer that received the case, or the matter is designated to the appropriate party. In so delegating, credibility of the designee is considered, namely work ethics and knowledge of applicable Code of Conduct, along with overall suitability. The designee is expected to handle the investigation and ensure that necessary action is taken in the most effective manner possible.

False Allegation with Intent

In the event that reported misconduct is proven to be a baseless or false allegation with the intent to misrepresent facts in order to offend or disgrace the accused, the responsible whistleblower is thereby deemed a slanderer guilty of defamation with disciplinary action or punishment, or both, in accordance with the Company Code of Conduct and the terms of law.

Whistleblowing Protection

Whistleblowers and related parties can expect to receive appropriate and fair protection without fear of work-related changes, such as work location, position, job description, suspension, environment, intimidation, interference with work, termination of employment or any other actions taken by the Company that is unfair to the whistleblower or related parties. Complaint-related information is confidential except for when disclosure is required by law.

All parties related to or involved in an undergoing whistleblowing investigation must honor the confidentiality of the case and refrain from disclosing or sharing any information about the case to any party that is not invoved with or related to the case. Disclosure of such information may only take place when required by law. On the other hand, failure to comply with the non-disclosure clause or intentional breach of confidentiality can result in legal or disciplinary action, or both, depending on the case.

Disciplinary Action

Disciplinary action is enforceable against Code of Conduct violation and is taken seriously. The Company Code of Conduct is communicated to employees to promote work ethics awareness across the organization. Information gathered from complaints and closed cases are analysed for knowledge that can be applied to enhance policy and preventive measures in the working environment.

(3) Anti-Corruption Policy

The Company realizes the importance of and is committed to conducting business with honesty, integrity, transparency, and fairness under the principles of good corporate governance, code of conduct and international practices. The Company understands corruption will affect the reputation and confidence of investors, business partners, and customers of the Company. It is also an obstacle to the sustainable growth of the Company and economic development of the country.

The policy is determined and reviewed regularly by the Board of Directors and supplies in detail (Appendix 5) the protocol to circumnavigate risky areas. Directors, Managements, and staff across the board are required to acknowledge, study, and strictly follow. Disciplinary action is taken against violation or failure to comply with the Company Code of Conduct. The maximum penalty can result in termination of employment or any effective contract. Disciplinary action imposition is exempt from an alleged person under allegation that denies corruption despite, however, the case in question results in the loss of business opportunity. Cases that violate legal provisions are carried out in a court of law.

(4) Intellectual Property Policy and Guidelines

Intellectual Property Policy and Guidelines are specified in the Corporate Governance and Code of Conduct Manual as follows:

- Observe the Intellectual Property Law and refrain from assisting or taking part in intellectual property or copyright infringement. Necessary steps are taken swiftly to ensure that access to the source of the alleged infringement is terminated.
- Steps are taken in accordance with Company rules and regulations pertaining to disciplinary action. Personnel under allegation for alleged infringement are promptly notified of the actions being taken.

(5) Human Rights

Inalienable freedom and privileges are granted to every person by birth. To protect and support a non-discriminatory corporate culture, it is Company policy to promote awareness of intrinsic values across organizational staff; namely, dignity, fairness, equality, respect, and freedom. In extension, customers, stakeholders, and partners alike are to be treated with respect to protected characteristics. It is also Company policy to avoid undertakings that violate human rights, such as forced, child, or undocumented foreign labor, including discrimination, notwithstanding such engagements are also illegal.

(6) Conflict of Interest Policy

As the integral part to preventive measures against conflicts of interest, supervisory guidelines, and capacity work in tandem to the utmost effect. The Corporate Governance and Code of Conduct Manual lays the groundwork to realize the Company Code of Conduct and provides the whys and wherefores of Corporate Values; namely, integrity, transparency, and fairness. The stakeholder mobilization strategy and stakeholder engagement protocol are clearly stated and outlined in the manual, with individual phases and associated steps to take to circumnavigate duties with potential risk. The Company also established guidelines and communication for directors and top executives to report their vested interests and for Management and employees of the Company and its subsidiaries to declare their conflicts of interest, as well as guidelines for connected transactions. Details are as follows:

Reporting on Declaration of Interests

The Company has determined that directors and executives are responsible for reporting to the Company and aware of their own or related persons' interests according to the Notification of the Capital Market Supervisory Board, Tor Jor 2/2009 on the Report on Vested Interests of Board of Directors, Executives, and any Related Persons. The first declaration form must be submitted within 30 days after the day of taking office at the Company, whereby the report is prepared as of 31 December of every year. Changes to declared items are to be reported on a quarterly basis, if any. The Company Secretary oversees gathering individual declaration forms to produce a collaborated Conflict of Interest Report and delivering a copy to the Chairman of the Board and the Chairman of the Audit Committee. The report is to be used for internal purposes only.

Declaration of Conflicts of Interest

All full-time employees of the Company and its subsidiaries; and part-time employees whose responsibilities involve suppliers, distributors, customers, contractors, and service providers are required to declare their conflicts of interest on a yearly basis through means and as per the Company's instruction. Changes to declared items must be immediately reported. New employees are required to declare the information within 7 working days after the first day of work with the Company. This is, mainly, the basis of consideration to work around potential conflicts of interest and connected parties. This allows the Company to avoid risky work appointments and assignments that could otherwise result in complaints, revoked privileges, or reassignments.

Connected Transaction

In the event a connected transaction is necessary, strict compliance to applicable rules and regulations is required. A connected transaction under normal trading conditions must always comply with the principles approved by the Board of Directors and must be treated in the same way as other transactions undertaken with third parties, considering the best interests of the Company as the primary concern. Any stakeholders involved in a connected transaction with conflicts of interest must be identified and withdrawn from the approval process.

Transactions that do not meet the criteria for a normal trade must be reviewed and considered by the Audit Committee before being presented to the Board of Directors or shareholders (if any), depending on the size of the transaction, for approval. The Company strictly complies with established rules and guidelines for disclosing relevant information in its entirety.

(7) Inside Information and Confidentiality

The Company has supervision over the use of inside information in written in the Code of Conduct regarding the confidentiality and use of inside information. To achieve equality and fairness for all shareholders and to prevent directors, executives and related employees are prohibited from trading in the Company's securities. or seek illegal benefits from using inside information.

The Company is a listed company on the Stock Exchange of Thailand. Therefore, it is an important policy to ensure equality and fairness to all shareholders. Inside information or news that has not yet been disclosed to the public are considered as internal information used in business operations and confidential information of the Company and if it is revealed to the public, it will have an impact on the Company.

To ensure that sensitive information is released to outsiders in a manner that safeguards hard earned relationships and reputation, regulatory measures and control systems are put in place to prevent and manage classified information. Company personnel are to strictly comply with established rules and guidelines pertaining to confidentiality and inside information and refrain from using such information for personal gain or the gain of a related party, either during or after employment.

Inside information that should be safeguarded against uncoordinated or unauthorized disclosure can include a wide range of material, for instance, performance information, trade agreements, financial information, ongoing court proceedings and legal documents, and survey results. This also includes any information that may affect Company image, for instance, land acquisition, employee profiles, human resource figures, passwords and access to classified sources or information, among others. Notwithstanding, if it is revealed to the public, it will have an impact on the Company, employees, business partners, customers, etc.

Protocol

1. Company personnel are to safeguard inside information and documents that cannot be disclosed to outsiders as it could lead to unlawful exploitation for self-interest or to the interest of competitors or affiliates, namely information that can affect the stock price, trade secrets, or any inventions where the copyright belongs to the Company.
2. Company personnel are not authorized to use inside information for personal gain or the gain of others.
3. Company personnel with authorized access to personal data must protect the data from unauthorized access and usage and can only use such data for authorized work purposes. Personal data may be used with the owner's approval for the purpose it is approved for, only, of which case must strictly comply with the rules and regulations defined in the Personal Data Protection Act B.E. 2562 as well as Company personal data protection policy.
4. Company personnel may never use personal data for any purpose other than authorized work purposes. In the event where clarification is needed concerning data applications in the prescribed operation, advice from the Data Protection Officer (DPO) is required and must be obtained immediately.
5. Standard operating procedures (SOPs) and control systems must be put in place to effectively manage inside information within departments and sub-units to prevent sensitive Company information from being disclosed to unauthorized parties prior to the formal release. In so doing, such measures can serve as an integral part of the overall risk management and cybersecurity infrastructure.
6. It is Company policy that information related to partners and partnership agreements are inside information and cannot be disclosed to an unauthorized party without further approval from the Company or the contracting partner.
7. Company personnel must not disclose inside information either during or after their employment.
8. For inquiries about inside information or information that one is not authorized to give, the inquirer is to be directed to the authorized or responsible unit to make a formal request for such disclosure. This allows the authorized unit to review and document the request, handle disclosure in a safe and considerate manner, as well as sensor unnecessary disclosure and provide consistent information to all approved inquirers.
9. Leaked inside information or rumors of false or incomplete information must be notified to the immediate supervisor, immediately, for management to evaluate the situation and consider public clarification.

Trading Company Securities

Directors, executives, and employees have their right to trade Company securities. By exercising the right, the directors, and executives, including their spouse and minor children, are required to report and disclose the change of their Company securities holding to the supervising agency and to the Board of Directors in accordance with specified requirements on a quarterly basis.

As a measure to prevent conflict of interest and insider trading, all Company personnel, as well as the immediate family members, of whom duties involve accessing inside information are required to refrain from trading Company securities and related transactions at least 1 month prior to the public disclosure of the Company's financial statements. A formal letter requesting such cooperation is distributed by the Company Secretary well in advance.

Non-Disclosure Agreement

Management, employees, and related outsiders involved in an ongoing project that has not yet been formally disclosed to the public must sign a Non-Disclosure Agreement to acknowledge the sensitive matter and prevent the mishandling of such classified information or disclosing such information to unauthorized parties.

In this respect, the guidelines for professional ethics are established in the Company Code of Conduct to put in place a corporate standard of behavior expected of professionals in the workplace at all times. Unprofessional personal traits and unproductive practices that must be discouraged in the workplace, as well as unethical undertakings that may result in disciplinary action or even court proceedings, are also specified in the document. The unauthorized access and disclosure of inside information and insider trading, by any means, is a violation of the Company Code of Conduct and subject to investigation and possible disciplinary action or even a lawsuit. Punishment is considered on a case-by-case basis and can be harsh or lenient according to the nature of the offense and damage caused to the Company and related parties.

Section 3 Disclosure and Transparency

(1) In addition to information disclosed through the SET, the Annual Registration Statements / Annual Report (Form 56-1 One Report), the Company information is also disclosed on the Company's website in Thai and English. All information disclosed by the Company is updated regularly.

(2) The Board of Directors places great importance on disclosing Company financial and non-financial information that is reliable, transparent, and sufficient, and in accordance with specified rules and regulations. As such information is required by decision makers and traders on a regular basis; namely, stakeholders, analysts and the general public from domestic and international sources alike, the Company has set up the Investor Relations / Company Secretary that is responsible for communicating and disseminating information, in accordance with criteria set by the SET and the SEC offices. Aside from the information reporting systems of the SET and of the SEC and the Company's website, Company information is also disclosed through various communication channels, in Thai and in English, through both conventional and online sources. Conventional sources are magazines, the media and news reporting agencies, among others. Online sources are social media, press releases, analyst meetings, virtual meetings, text messages and emails, among others. In 2023, channels for disseminating and communicating Company information were adjusted in accordance with COVID-19 countermeasures to cope with the ongoing pandemic.

(3) A Report on the Board of Directors' Responsibilities for Financial Statements is put forth by the Board of Directors, along with the Auditor's Report in the Annual Report.

(4) The roles, duties and responsibilities of the Board of Directors, Sub-committees, Chairman of the Board, and Chief Executive Officer, as well as Director's Terms of Office, Board of Directors Meeting and the Remuneration Policy for Directors and Management are disclosed as detailed in "Section 7.1: Management Structure; and 7.2 Board of Directors' Information.

(5) Directors and executives are obligated to report Company securities trades or transfer, including such transactions of their spouse and minor children, to the SEC in accordance with Section 59 of the Securities Act as well as to the Board of Directors at the board meeting on a quarterly basis. This measure is fundamental to manage conflicts of interest and reinforce overall organizational transparency.

It is Company policy for directors, executives, and their related persons to prepare an annual reporting of their conflict of interest, and to report the changes on a quarterly basis, if any. Such information is documented for internal use only. This is in compliance with the Capital Market Supervisory Board Notification No. TorJor. 2/2552, regarding the Reporting of Interests of Directors, Executives and Related Persons.

Section 4 Responsibilities of the Board of Directors

Details stated in section 6.1.1 Policy and guidelines for the Board of Directors

6.2 Corporate Governance and Code of Conduct Manual

The Company Code of Conduct for employees and business ethics was established by the Board of Directors to provide Company personnel with principles and guidelines for best practices in the respective business operations and the performance of duties. This is in accordance with the principles of Corporate Governance, to treat all parties with respect and in a way that is professional, transparent, and nondiscriminatory.

Continuous human resources development is the key path to realize a corporate culture of awareness and professionalism. The former requires adherence to unified principles that govern the decisions made in a professional environment as a team with the same goals. The latter requires adherence to a unified personal and organizational standard of behaviour with a level of competency and consistency that can be always expected. In so doing, directors and executives must lead by example as key role models that exhibit the highest standard of leadership and behaviour through performed duties that always adhere to established principles and guidelines under Company Codes of Conduct in the context of Corporate Governance and overarching Corporate Values. The Company has put in place the Policy Acknowledgement and Confirmation of Compliance System – an online platform developed to ease our personnel to do self-study on important policies – the Corporate Governance Manual, the Company Codes of Conduct, Anti-corruption Policy, i.e. Such system is in replacement of hand signature and now used as tool for executives and employees to confirm his/her acknowledgement. This is of benefits, in terms of speed, convenience, and documentation. In addition, it eases the Human Resources to accurately keep track on staff acknowledgement. Notwithstanding ever-changing standards, the manual is reviewed and updated yearly to ensure applicability in the context of key business and technological developments that unfold, new normal expected to persist over time, as well as changes to domestic and international guidelines. The e-version of the manual is also available for download on the Company's website at www.cpaxtra.com to provide easy access to stakeholders and the public.

6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance System in 2023.

In 2023, Company operations were supervised by the Board of Directors in accordance with the principles of Corporate Governance and set objectives for sustainable growth.

6.3.1 Important Change and Development in Relation to Review the Policies Practices and Corporate Governance System or Board Charter from the Previous Year

1. The Board of Directors' Meeting No. 1/2023 held on 5 February 2023 acknowledged the report on the Company's operations and is in line with the principles of good corporate governance, such as innovation performance, sustainability performance and succession plan.
2. The Board of Directors Meeting No. 2/2023, held on 20 February 2023 approved the revision of Corporate Governance Committee Charter and the change of the name of the committee from Corporate Governance Committee to Corporate Governance and Sustainable Development Committee.
3. The Board of Directors Meeting No. 5/2023, held on 22 June 2023 approved the revision of the Anti-Corruption Policy and Tax Policy.
4. The Board of Directors Meeting No. 7/2023, held on 22 September 2023 approved the revision of the Audit Committee Charter.

6.3.2 Compliance with the Principles of Good Corporate Governance Principles of Listed Companies 2017 (CG Code)

The Company Corporate Governance policy and practices are reviewed regularly by the Board of Directors, where useful principles and guidelines for a listed Company set forth by the SET and the SEC office are adapted for Company purposes accordingly.

The Company has reviewed the appropriateness of compliance with the CG Code of listed companies in 2017 issued by the SEC and applied it to suit the Company's business operations. In 2023, the Company has implemented the CG Code, except in the following matters:

CG Code Practices	Company Practices
1. The Board of Directors consists of no less than 5 directors and should not exceed 12 directors.	The Company needs to have more than 12 directors, whereby the current of 15 directors is an appropriate number for the type, size, and complexity of the Company’s business, so that they can help to supervise the management of subsidiaries with efficiency.
2. The Chairman of the board should be an independent director.	The Chairman of the Board is not an independent director, since the Company’s business is complicated and there is a need for a leader who is capable and well-experienced as well as with extensive knowledgeable in the Company’s business. Despite the Chairman is not an independent director, the Company has in place an internal control system that incorporates operating mechanisms to achieve a balance of power, is transparent and based on the principles of good corporate governance and perform their duties by taking into account the interests of all stakeholders.
3. The Company shall appoint the external consultant to help determine guidelines and recommend issues in evaluating the performance of the Board of Directors at least every three years and disclose into the annual report.	The Company has not yet appointed an external consultant to help determine guidelines and recommend the required procedures and process for the Board performance evaluation that should be undertaken at least every 3 years, and the results shall be disclosed in the Company’s Annual Report. However, currently the Board, an individually director and each sub-committee undertakes an annual self-assessment of their performance every year. Nevertheless, the Company has revised self-assessment form as per the guidance by the Thai Institute of Directors Association. Every director can express their comments independently. The results of the self-assessment performance are used to further develop the effectiveness of the duties of the Board of Directors; and both the criteria and the process are disclosed in the Company’s Annual Report.

6.3.3 Practices in Other Matters According to the Principles of Good Corporate Governance to Support Various Assessments

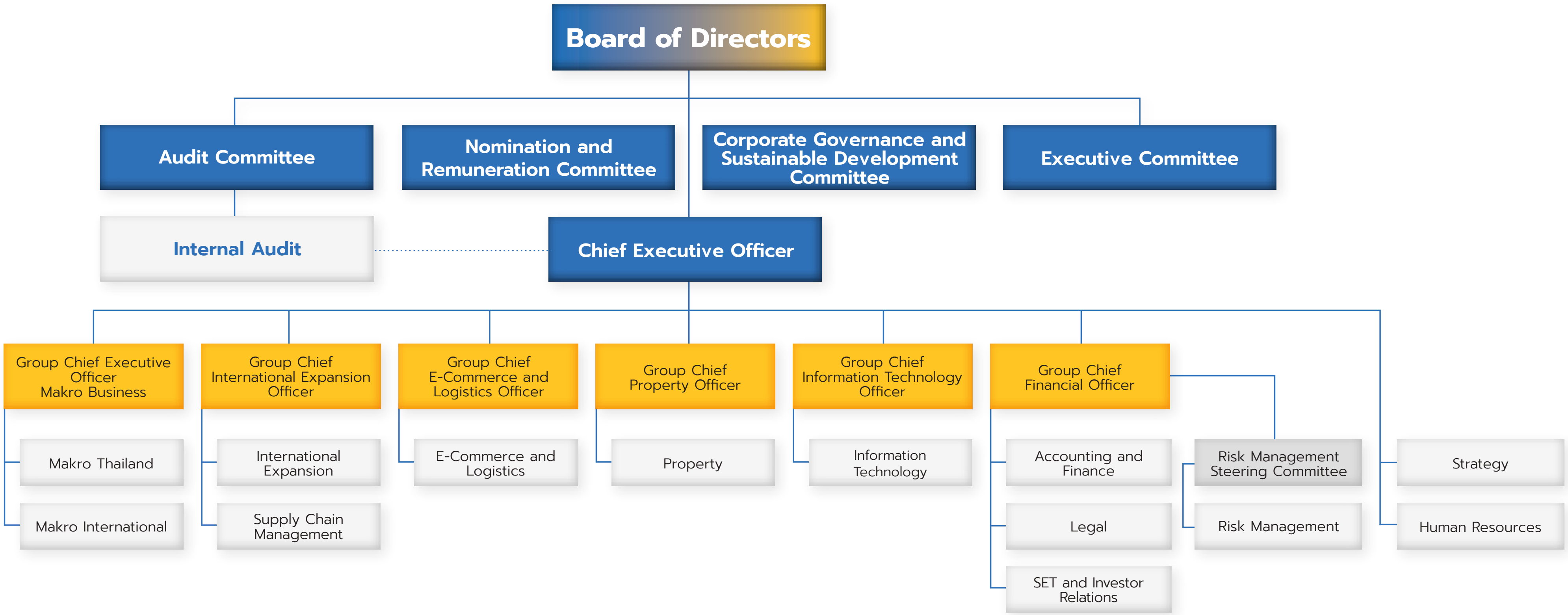
The Company reviews and undertakes any actions to upgrade and improve policies, and practices in accordance with the principles of good corporate governance on an annual basis and in accordance with corporate governance principles both nationally and internationally, such as principles of good corporate governance for listed companies of the Securities and Exchange Commission (CG Code), criteria of corporate governance report of Thai Listed Companies – CGR and others. The Company obtained the results of the evaluation on corporate governance for the year 2023 as follows:

- The Company received an "Excellent" rating for the 6th consecutive year in the 2023 Corporate Governance Report of Thai Listed Companies (CGR).
- The Company received a full score of 100 for the 7th consecutive year of the 2023 AGM Checklist assessed by the Thai Investors Association.
- The Company received the highest "AAA" rating in the SET ESG Ratings for the year 2023.

7. Corporate Governance Structure

and Material Facts Related to the Board, Subcommittees, Executives, Employees and Others

7.1 Organizational Structure as of 31 December 2023:



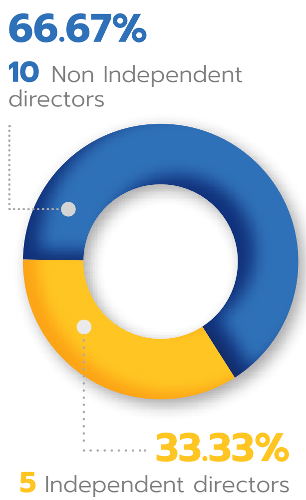
7.2 Information of the Board of Directors

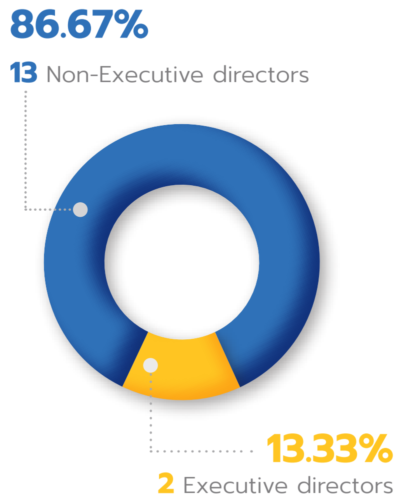
7.2.1 The Composition of the Board of Directors

According to the Company's Articles of Association and the Board of Directors' Charter, the Board must consist of no less than five members unless the shareholders' meeting passes a resolution to approve a different minimum that is consistent with the law. At least one-third must be independent directors, and at least half must reside in Thailand.

The Chairman of the Board of Directors and the Chief Executive Officer should not be the same person as the roles and duties of each, as well as directors and committee members, must be separated to balance the Company powers.

At present, the Board of Directors consisting of 15 directors:





Average Tenure of Independent Director
5 Y 4 M

13 Male
86.67%

2 Female
13.33%

7.2.2 Information of the Board of Directors and Company Controlling Persons

As of 31 December 2023, the Board consisted of 15 directors as follows:

1) Mr. Suphachai Chearavanont	Chairman of the Board of Directors
2) Mr. Ralph Robert Tye	Independent Director/ Chairman of the Audit Committee
3) Adj. Prof. Rawat Chamchalerm	Independent Director/ Chairman of the Corporate Governance and Sustainable Development Committee
4) Mrs. Kannika Ngamsopee	Independent Director/ Member of the Audit Committee
5) Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance and Sustainable Development Committee/ Member of the Nomination and Remuneration Committee
6) Adj. Prof. Prasobsook Boondech	Independent Director/ Chairman of the Nomination and Remuneration Committee
7) Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee
8) Mr. Tanin Buranamanit	Director/ Second Vice Chairman/ Group Chief Executive Officer
9) Dr. Prasert Jarupanich	Director
10) Mr. Pittaya Jearavisitkul	Director
11) Mr. Piyawat Titasattavorakul	Director
12) Mr. Narong Chearavanont	Director
13) Mr. Adirek Sripratak	Director
14) Mr. Umroong Sanphasitvong	Director/ Member of the Corporate Governance and Sustainable Development Committee
15) Mrs. Saowaluck Thithapant	Director/ Group Chief Executive Officer – Makro Business/ Group Chief Financial Officer

Authorized Directors

Mr. Korsak Chairasmisak or Mr. Umroong Sanphasitvong or Mr. Narong Chearavanont or Mr. Prasert Jarupanich signs jointly with either Mr. Tanin Buranamanit or Mrs. Saowaluck Thithapant or Mr. Pittaya Jearavisitkul, totaling two persons, with the Company's seal be affixed.

7.2.3 Roles and Responsibilities of the Board

Roles and Responsibilities of the Board of Directors

1) Determine the direction of the Company and set corporate policy that is concise, realistic, and attainable considering the operational environment and persisting developments. To realize policy, the board has to supervise Company executives to ensure that set principles and guidelines are implemented in a way that is effective, transparent, and fair, with the best interests of the Company and stakeholders at heart, given the framework of business ethics, social and environmental responsibility, legal provisions as well as national and international industry standards.
2) Determine the corporate vision, objectives, goals and medium-term strategies together with action plans that correspond with set annual budgets that take into account the appropriate allocation of resources, operational environment and control, risk factors, and other persisting matters that may affect stakeholders throughout the value chain. The Board also supervises the Management to ensure of efficient and effective operations according to the business plans and annual budget to maximize economic values for the business. The mission and strategic plans shall be reviewed at least once a year.
3) Ensure that the Board of Directors Charter, Corporate Governance Policy, and Code of Conduct have been set in place and served as principles and guidelines for Company directors, executives, and all employees to follow in conjunction with the Company rules and regulations for the benefit of all parties involved. Review such item annually.
4) Perform duties to the best knowledge and competency, be accountable for their actions, and exercise independent discretion based on integrity and prudence with the best interests of the Company and shareholders at heart.
5) Approve financial operations related to Company investments in the best interests of the Company and fairness to all parties involved.
6) Supervise the Management to ensure that the Company and its subsidiaries have reliable accounting systems, financial reporting, accounting audit, risk management, internal control, and internal audit. The board also has to monitor, assess and review these competencies regularly to make necessary adjustments and optimize policy and guidelines accordingly.
7) Ensure that protocol is in place to manage conflicts of interest, connected transactions, and disclosure of information in a manner that is efficient, effective, and consistent with regulations and legal provisions, with the best interests of the Company and stakeholders at heart. Along the same lines, board members and their immediate family members must refrain from any engagement as a stakeholder in a conflict of interest with the Company.
8) Appoint a Company Secretary to assist in the management of board activities and ensure that undertakings of the board and the Company comply with regulations and relevant terms of the law.
9) Arrange to assess the performance of committees and individual committee members at least once a year, where the assessment results are assessed by board members to consider the problems together and collaborate countermeasures and solutions.
10) Conduct a performance assessment and determine the remuneration of the Chief Executive Officer.
11) Attend every board meeting and shareholders meeting unless an important mission arises to require their presence elsewhere. Absence from the meetings must be notified to the Chairman of the Board.
12) Advocate communication and ensure conformance to the Corporate Governance Policy, and annually assess the conformance to the Corporate Governance Policy and the Code of Conduct.
13) Oversee the promotion of innovation and the application of innovation and technology to enhance the competitiveness of the Company while remaining socially and environmentally responsible.
14) Determine the corporate governance policy of subsidiaries, including the appropriate internal control systems and the appointment of personnel to take key positions in a subsidiary, such as directors, executives, or controlling persons. Ensure conformance to the policy.
15) Support the development of directors with regular arrangements to attend; for instance, training sessions, seminars, and developmental programs abroad, among others. Steer the arrangement of orientation for new director.
16) Set and annually review the succession plan of the Chief Executive Officer and top executives and report the results to the Board of Directors for acknowledgement at least once a year.
17) Ensure that the Management reviews, develops, and manages Company resources in the most efficient and effective manner possible; namely, finance, assets, human resources, and knowledge management, in so doing, taking into account persisting internal and external developments.

18) Oversee the preparation of Anti-Corruption Policy and Protocol and promote compliance awareness among Company personnel at all levels across the organization, along with pertinent regulations and legal provisions.
19) Oversee that disclosure of Company information, namely, financial statements, and annual reports (Form 56-1 One Report), accurately and adequately reflects the financial position and operating results of the Company; as well as encourage the preparation of the Management Discussion and Analysis in conjunction with the disclosure of the financial statements every quarter. In addition, in the event disclosure includes information related to a particular director, the director should ensure that the information being released to the public is complete and accurate.
20) Supervise the Management to ensure that the financial position of the Company is monitored and assessed, and feedback is reported to the board regularly. In the event the Company expects or is in financial trouble, the Board has to ensure that the Management formulates a financial recovery plan with the best interests of the Company and stakeholders at heart.
21) Undertake duties and responsibilities with the best interests of the shareholders at heart. In so doing, shareholders' meetings are convened to facilitate the exercise of given rights in the framework of rules, regulations, and the terms of the law.
22) Oversee that an information security management system is in place with data integrity and availability and proper control of classified information, namely market-sensitive information that can affect the price of Company securities. Thus, the board has to establish a confidentiality policy to ensure compliance to protocol by Company directors, executives, employees, and all involved parties.
23) Perform other duties related to Company business as assigned by the shareholders.

Roles and Responsibilities of the Chairman of the Board of Directors

The Responsibilities of the Chairman are as follows:
1) The Chairman of the board, or a designee assigned by the Chairman, has to convene board meetings by distributing the meeting invitation notice no less than 7 days prior to the meeting date to give the directors sufficient time to review and make careful decisions about matters of included agendas.
2) Play a role in setting meeting agendas with Board members and the Chief Executive Officer.
3) Lead the meeting and ensure that the meeting is managed in an operative fashion by allocating enough time for the Management to present supporting information, providing the opportunity for directors to ask questions and express opinions independently, as well as controlling the topic of discussion and concluding the meeting resolutions.
4) Encourage board members to comply with Corporate Governance guidelines, such as meeting presence, abstention, and excuse to vacate the meeting when the agenda under discussion may present a conflict of interest, among others.
5) Communicate important information to the board for acknowledgment.
6) Encourage board members to attend the shareholders meeting and act as the meeting Chairman to better facilitate, control, and answer questions from shareholders in the meeting.
7) Encourage board members to undertake duties as prescribed by laws, the Board of Directors Charter, and the corporate governance principles.
8) Direct, monitor, and ensure the Board performance for efficiency and fulfilment of corporate objectives and key goals.
9) Promote cordial relations between the executive and non-executive directors, and between the Board and the management.

7.3 Information of the Sub-Committees

7.3.1 Sub-Committees

1) Audit Committee

As of 31 December 2023, the committee consisted of 3 independent directors that review Company operations, financial transactions, and internal control systems, as well as select auditors and evaluate connected transactions. All of the Audit Committee members possess sufficient knowledge and experience to audit financial credibility in accordance with the qualification criteria set by the SEC and SET. The 3 independent directors are as follows:

1) Mr. Ralph Robert Tye
Chairman of the Audit Committee
2) Mrs. Kannika Ngamsopee
Member of the Audit Committee
3) Mr. Jukr Boon-Long
Member of the Audit Committee

Roles and Responsibilities of the Audit Committee
1) To review the Company’s financial reporting process in order to ensure that it is accurate and adequate;
2) To review the Company’s internal control system including risk management and internal audit system ensuring that they are suitable and effective, to

determine the degree of independence of the internal audit group, as well as to approve the appointment, transfer and dismissal of the head of an internal audit group or any other group responsible for internal audit functions within the Company;

3) To review the Company's compliance with the laws on Securities and Exchange, the SET's regulations, and any other laws relating to the Company's business;
4) To consider the qualifications, independence, performance and audit fee of the external auditors in order to exercise final approval on the appointment or termination of the auditors;
5) To meet separately with the external auditors without the presence of management at least once a year;
6) To review any connected transactions or transactions that may lead to a conflict of interests situation, in order to ensure that they are in full compliance with the laws and regulations of the SET as well as that such transactions are reasonable and undertaken for the fullest benefit of the Company;
7) To prepare the Audit Committee's Report to be included in the Company's Annual Report, which must be signed by the Audit Committee Chairman and consists of at least the following information:
   a. An opinion on the accuracy, completeness and reliability of the Company's financial report.
   b. An opinion on the adequacy of the Company's risk management and internal controls system.
   c. An opinion on the compliance with the laws on Securities and Exchange, the SET's regulations or any other laws relating to the Company's business.
   d. An opinion on the suitability of an auditor.
   e. An opinion on the transactions that may lead to conflict of interests situations.
   f. The number of the Audit Committee meetings and the attendance record at such meetings by each member of the Audit Committee.
   g. Any opinions or comments that are received by the Audit Committee in performing its duties in accordance with its Charter.
   h. Other transactions which, in the opinion of the Audit Committee, should be made known to the Shareholders and general investors, subject to the scope of duties and responsibilities as assigned by the Company's Board of Directors.
8) To review the Company's compliance with private sector's anti-corruption and certification programs, including the Collective Action Coalition against Corruption.
9) To review reports of complaints and whistleblowing prepared by the Internal Audit Department on a quarterly basis and supervise the Company has an adequate process for receiving complaints and whistleblowing and take appropriate actions.
10) To perform any other activities as assigned by the Company's Board of Directors and as agreed upon by the Audit Committee.

In the year 2023, the Audit Committee performed its duties as described in the section 8.2.2 Results of the performance of duties of the Audit Committee.

2) The Nomination and Remuneration Committee

As of 31 December 2023, the Nomination and Remuneration Committee consisted of 3 members as follows:

1) Adj. Prof. Prasobsook Boondech
   Chairman of the Nomination and Remuneration Committee
2) Mr. Korsak Chairasmisak
   Member of the Nomination and Remuneration Committee
3) Mr. Jukr Boon-Long
   Member of the Nomination and Remuneration Committee

Roles and Responsibilities of the Nomination and Remuneration Committee

In addition to ad hoc duties assigned by the Board of Directors, the Nomination and Remuneration Committee has prescribed duties as follows:

1) Nomination
   1.1) Consider the criteria for Directors' nomination and determine the qualifications of the Directors.
   1.2) Consider the structure, size, and composition of the Board of Directors and sub-committees that suits the Company's strategies and situation, consisting of experts in diverse field of knowledge, expertise, skills and experience beneficial to the Company's business, who can devote the time, regardless of gender and age.
   1.3) Consider the nomination and selection of qualified candidates to become Directors for consideration and approval of the Board of Directors and the Shareholders' Meeting.
   1.4) Encourage the Company to provide opportunity for minority shareholders to nominate director candidates.

1.5) Consider the selection of the Company's Directors who are qualified to be a member in sub-committees for the Board's appointment as appropriate or when the position becomes available.
1.6) Consider the selection criteria and qualifications for the Chief Executive Officer.
1.7) Regularly review the succession plan of the Chief Executive Officer.
1.8) Search and select qualified candidates who are suitable for the appointment of the Chief Executive Officer to the Board of Directors for consideration and appointment of the Chief Executive Officer when the position becomes available.

2) Remuneration
2.1) Review the criteria, structure, and composition of the remuneration of the Directors, sub-committees, and the Chief Executive Officer every year by considering the Company's operating results and responsibilities, and benchmarking with those of other companies within the same or similar industry and size of business.
2.2) Consider the determination of the remuneration of the Directors and sub-committees for consideration and approval of the Board of Directors and the Shareholders' Meeting.
2.3) Evaluate the performance and review the reasonable remuneration for the Chief Executive Officer by proposing to the Board of Directors for approval, unless the Board assigns any particular Director to be the evaluator.

3) Regularly review the Charter of the NRC to be in line with the international practice and guidelines or suggestions of relevant institutions or agencies.
4) The NRC appoints the secretary of the Committee.
5) The NRC has the duty to report the Board of Directors for acknowledgement of the meeting outcome or any other matters that the Board should be informed in the following Board's Meeting.
6) The Chairman of the NRC has the duty to report to the shareholders for acknowledgement of their performance in the annual report / Form 56-1 (Form 56-1 One Report), providing the basic details as follows:
6.1) No. of meetings,
6.2) No. of the meetings that each member of the NRC attends, and
6.3) Operating results as defined by the Charter.

In the year 2023, the Nomination and Remuneration performed its duties as described in the section 8.3.2 Results of the Sub-Committees' performance.

3) Corporate Governance and Sustainable Development Committee

As of 31 December 2023, the Corporate Governance and Sustainable Development Committee consisted of 3 members as follows:

1) Adj. Prof. Rawat Chamchalerm
Chairman of the Corporate Governance and Sustainable Development Committee
2) Mr. Jukr Boon-Long
Member of the Corporate Governance and Sustainable Development Committee
3) Mr. Umroong Sanphasitvong
Member of the Corporate Governance and Sustainable Development Committee

Roles and Responsibilities of the Corporate Governance and Sustainable Development Committee

In addition to ad hoc requirements by the Board of Directors, the Corporate Governance and Sustainable Development Committee has the following duties:

1) Determine the Corporate Governance Policy, Code of Conduct and Guidelines that continually comply with the laws and regulations and conform with international standards as operational frameworks for the Company and subsidiaries.
2) Set the policy, framework and strategies to promote sustainable development of the Company and set goals for the management to ensure the fulfilment of sustainable development objectives.
3) Encourage the Company to do self-assessment for corporate governance and sustainable development and regularly arrange the standard assessment by renowned and internationally accepted appraisers.
4) Supervise, monitor and review the Company's operation to ensure conformance with the Corporate Governance policies and guidelines, the sustainable development plan, and the good corporate governance principles of relevant institutions and agencies such as the Stock Exchange of Thailand and the Securities and Exchange Commission.
5) Advise and give recommendations to the relevant working team.
6) Regularly review the Charter of the Corporate Governance and Sustainable Development Committee and the Company's Corporate Governance Policies to ensure the conformance with international practice and guidelines or suggestions of relevant external institutions or agencies.
7) Advocate communication and promote the work culture under the good corporate governance and

sustainable development principles at themanagement level and employees at all levels and ensure the results in action.

8) Appoint the secretary of the Corporate Governance and Sustainable Development Committee.
9) Report the Board of Directors for acknowledgement of the meeting outcome or any other matters that the Board should be informed in the following Board's Meeting.
10) The Chairman of the Corporate Governance and Sustainable Development Committee has the duty to report to the shareholders for acknowledgement of their performance in the annual report / Form 56-1 (Form 56-1 One Report), providing the basic details as follows:
    10.1) No. of meetings,
    10.2) No. of the meetings that each member of the Corporate Governance and Sustainable Development Committee attends, and
    10.3) Operating results as defined by the Charter.

In the year 2023, the Corporate Governance and Sustainable Development Committee performed its duties as described in the section 8.3.2 Results of the Sub-Committees' performance.

4) The Executive Committee

As of 31 December 2023, the Executive Committee consisted of 9 members as follows:

1) Mr. Suphachai Chearavanont
   Chairman of the Executive Committee
2) Mr. Narong Chearavanont
   Vice Chairman of the Executive Committee
3) Mr. Tanin Buranamanit
   Vice Chairman of the Executive Committee
4) Mr. Umroong Sanpasitwong
   Member of the Executive Committee
5) Mr. Pittaya Jearavisitkul
   Member of the Executive Committee
6) Mr. Piyawat Titasattavorakul
   Member of the Executive Committee
7) Mr. Sompong Rungnirattisai
   Member of the Executive Committee
8) Mr. Tarin Thaniyavarn
   Member of the Executive Committee
9) Mr. Tanit Chearavanont
   Member of the Executive Committee

Roles and Responsibilities of the Executive Committee

1) Review and propose to the Board of Directors for approval on the followings matters:
   1.1) Company's strategies, financial targets and business plan
   1.2) Annual budgeting
   1.3) Investment and disposal of assets with total value of more than Baht 500 million and any other related business transactions under the scope of authority of the Executive Committee, except related party transactions and transactions that may involve conflicts of interest between the Company and its related persons
   1.4) Transaction and process of merger and acquisition and investment in new countries
2) Monitor and control the performance of the Company and its subsidiaries to achieve the financial target and business plan.
3) The Executive Committee Chairman or any one authorized by the Executive Committee Chairman has the power to approve the management structure of the Company and its subsidiaries including the scope of authority
4) Review and approve transactions on investment and disposal of assets with total value of exceeding Baht 200 million but limited to Baht 500 million and any other related business transactions under the scope of authority of the Executive Committee, except related party transactions and transactions that may involve conflicts of interest between the Company and its related persons
5) Consider financing options when there is a need for source of funds for various investment projects e.g. issuance of debentures, capital increase, borrowings from financial institution, etc.
6) Monitor the progress and results of synergy between Makro and Lotus's to create value for B2B and B2C businesses respectively
7) Establish sub-committees to drive the synergies between Makro and Lotus's (B2B and B2C)
8) Oversee various operations related to sustainability
9) Perform any other tasks as considered appropriate and assigned by the Board of Directors.
10) The Executive Committee Chairman has sole authorization to appoint / remove the executive committee members as deemed appropriate on the principal of preserving the Company's interest.

7.4 Information of the Executives

7.4.1 Name and Position of the Executive

As of 31 December 2023, the Company executives consisted of 6 executives, with the Chief Executive Officer as the top-ranking executives. The list is as follows:

Name	Position
1. Mr. Tanin Buranamanit	Group Chief Executive Officer
2. Mrs. Saowaluck Thithapant	Group Chief Executive Officer – Makro Business, and Group Chief Financial Officer
3. Mr. Sompong Rungnirattsai	Group Chief Property Officer
4. Mr. Tarin Thaniyavarn	Group Chief E-Commerce and Logistics Officer
5. Mr. Tanit Chearavanont	Group Chief International Expansion Officer
6. Mr. Paul Stephen Howe	Group Chief Information Technology Officer

The relevant information and details of Company executives are included in Appendix 1 *(details of directors, executives, controlling persons, those assigned with the highest responsibility in the Accounting and Finance Department, those assigned to be directly responsible for the supervision of Accounting and the Company Secretary).*

Role and Responsibilities of the Chief Executive Officer

The Chief Executive Officer is assigned by the Board of Directors to oversee the management and operation of the Company under normal business conditions per set goals, strategic plans, and budgets approved by the board, where the scope of executive power and duties is consistent with legal provisions, Company objectives, the articles of association as well as the shareholders' resolutions, the Board of Directors' resolutions and the Executive Committee's resolutions.

7.4.2 Remuneration Policy for Executive Directors and Executives

Remuneration Policy and Method

The Company does not pay remuneration to executive directors.

The Chief Executive Officer is remunerated according to the policy and principles established by the Nomination and Remuneration Committee, which is based on the duties, responsibilities, annual performance appraisal, and overall, Company performance.

The remuneration of the next level of executives is determined based on duties, responsibilities, and performance of the individual together with Company performance.

7.4.3 Remuneration of Executive Directors and Executives

a) Monetary Remuneration of Executives

For the fiscal year ended 31 December 2023, the seven executives [(1)] received remuneration in the form of salary and bonus. The total amount was Baht 181 million.

Two executives, namely Mr. Tanin Buranamanit and Mrs. Saowaluck Thithapant, also received remuneration as Company directors. Details are listed under topic 8.1.2. Board Meeting Attendance and Total Remuneration for Individual Directors.

b) Other Remunerations of Executives

For the fiscal year ending 31 December 2023, the seven executives [(1)] received other forms of remuneration including the Company's contribution to the provident fund (equal to 3% of salary) and expenses of foreign executives such as house rental fee, tax payments, insurance premiums, and travel expenses, along with bills for water, electricity, and telephone service. The total amount was Baht 17 million.

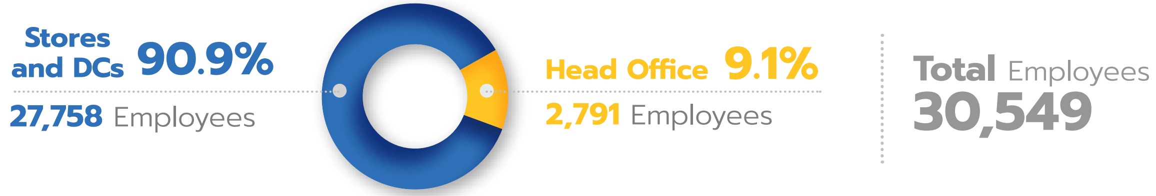
The above list is based on Company remuneration that was paid during the year, which is different from the amounts stated in the consolidated or separate financial statements that were prepared under the Generally Accepted Accounting Principles in Thailand Under the Accounting Act B.E. 2543.

Note: [(1)] The seven executives included Dr. Naris Thamkuekool, who resigned on April 18, 2023.

7.5 Information of Employees

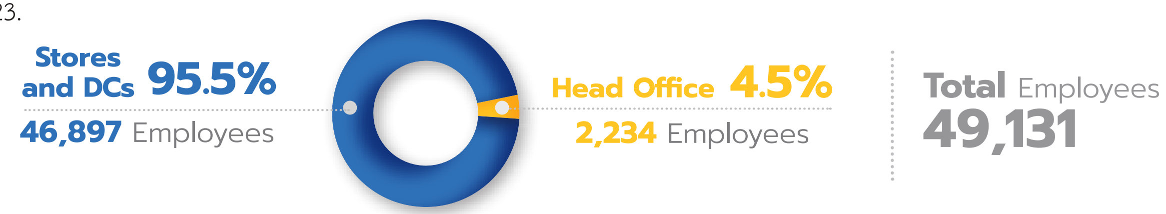
The total employees of the CPAXT group have 88,948 persons with the details of the number of employees in each business line as follows:

(a) Wholesale Business
The following chart shows the number of employees of the wholesale business in each business line in Thailand as of December 31, 2023.



The following chart shows the number of employees of the wholesale business (Food Service) in each business line as of December 31, 2023.

(b) Retail Business
The following chart shows the number of employees of the retail business in each business line in Thailand as of December 31, 2023.



The following chart shows the number of employees of the retail business in each business line in Malaysia as of December 31, 2023.

7.5.1 Significant Change in Headcount Over the Past 3 Years

- None -

7.5.2 Labor Disputes in the Past 3 Years.

- None -

7.5.3 Employee Compensation.

(a) Wholesale Business
For the fiscal year ended 31 December 2023, a total of Baht 9,632 million was remunerated to employees of Wholesale Business, where the remuneration included salary and provident fund.

(b) Retail Business
For the fiscal year ended 31 December 2023, a total of Baht 12,961 million was remunerated to employees of Retail Business in Thailand, where the remuneration included salary and provident fund and the amounts of MYR 285 million were remunerated to employees of Retail Business in Malaysia, where remuneration included salary and provident fund.

7.6 Other Important Information

7.6.1 List of Personnel with Sssigned Responsibilities

1) Company Secretary

The Board of Directors Meeting No. 6/2023, held on 7 August 2023, resolved to appointed Ms. Thamonwan Woraphongjirakarn to perform duties of the Company Secretary, effective on 8 August 2023 onwards. The prescribed duties and responsibilities are as follows:

1. Prepare and maintain the following documents:
   a) Register of Directors
   b) Notice of Board of Directors Meetings, Minutes of the Board of Directors Meetings, and the Company's Annual Report.
   c) Notice of the Shareholders' Meetings and meeting minutes.
2. Document and store the Conflict of Interest Report reported by directors and executives.
3. Perform other tasks as required by the Capital Market Supervisory Board.
4. Submit a copy of the Conflict of Interest Report (of directors, executives, or related persons, or all) to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the date the Company received such reports.
5. Perform the above duties with responsibility, caution, and honesty, according to Company objectives and regulations, articles of association as well as meeting resolutions of the Board of Directors and shareholders' meetings.

In this regard, relevant information and details of the Company Secretary is included in Appendix 1 *(details of directors, executives, controlling persons, those assigned with the highest responsibility in the Accounting and Finance Department, those assigned to be directly responsible for the supervision of Accounting and the Company Secretary).*

For the year 2023, the Company Secretary attended the training courses or seminars that helped to increase knowledge in performing her duties. The details are as follows:

- Insight in SET: Knowledge for Growth and Sustainability in the Capital Market, Class No. 3
- Preparing Report on Conflict of Interests and Policy on the Use of Inside Information
- The Importance of the Audit Committee towards in the Thai Capital Market

2) Personnel Assigned to be Directly Responsible for Supervising Accounting

Ms. Thanyamas Vorachart is assigned to be directly responsible for supervising Company Accounting per established financial reporting standards and Company regulations.

In this regard, relevant information and details of those directly responsible for the supervision of the bookkeeping of the Company is included in Appendix 1 *(details of directors, executives, controlling persons, those assigned with the highest responsibility in the Accounting and Finance Department, those assigned to be directly responsible for the supervision of Accounting and the Company Secretary).*

3) Head of Internal Audit and Head of Compliance and Legal

Ms. Busakorn Rakkanka, Head of Internal Audit Department, is the Secretary of the Audit Committee as appointed at the Audit Committee Meeting No. 1/2017 held on 21 February 2017.

Mrs. Nichayada Ragkhitwetsagul, Director of Legal Department, is assigned to perform the duty of the Head of the Compliance Office, responsible for overseeing corporate governance policy and operations as per the Company's vision and mission. In this regard, the relevant information and details of the person who is directly responsible for internal audit and compliance and Legal are included in Appendix 3 *(details about the Head of the Company Internal Audit and Compliance* and Legal*)*.

7.6.2 Head of Investor Relations

Investor Relations Department ("IR") has been set up to act as the Company representatives to communicate and disseminate the Company's information to the stakeholders of the Company, i.e. shareholders, investors, and investment analysts.

The Investor Relations can be reached through the following channels:

CP Axtra Public Company Limited
SET and Investor Relations Department
1468 Phatthanakan Road, Phatthanakan
Sub district, Suan Luang District, Bangkok 10250

ir@cpaxtra.co.th

0 2067 8285 (direct line)

0 2067 9044

Ms. Pattarawan Sookplang, Associate Director - Investor Relations, is the head of the Investor Relations, responsible for continuously and regularly communicating and disseminating the Company information that is useful, accurate, and complete, per the criteria set by the SET and the SEC, to investors, analysts, shareholders and employees, through a variety activities – Results Briefing, Company Visit, Conference call and the Meeting Conference from various institutions, as well as, Opportunity Days hosted by the Stock Exchange of Thailand, press conference and press releases to update the Company's financial position. At any time, the general public can make enquiries or schedule for meeting with the management or IR through IR Webpage.

Key IR Activities in 2023

49 Funds
Meetings with international investors (1)

367 Funds
Meeting with domestic investors (1)

5 Times
Results Briefing or analyst meeting / General Meeting of shareholders (1)

64 Times
Company visits and conference calls

4-5 per day
Emails and phone calls

15 Times
Site Visits and other activities organized by the Stock Exchange of Thailand or other agencie

Note: (1) The meetings were arranged via physical meetings or video conference tools.

7.6.3 Remuneration of Auditors

(1) Audit Fee

For the fiscal year ended 31 December 2023, the Company and its subsidiaries paid the audit fees to KPMG Phoomchai Audit Limited in the amount of Baht 22.9 million, to KPMG Group Overseas in the amount of Baht 9.6 million, and to other auditing firms in the amount of Baht 3.2 million.

For the fiscal year ended 31 December 2023, the 2023 Annual General Meeting of Shareholders, dated 20 April 2023, resolved to appoint KPMG Phoomchai Audit Limited, a SEC licensed auditing service provider, as the auditor of the Company and its subsidiaries for the fiscal year ended 31 December 2023, and approved the remuneration for the auditors in the amount of Baht 9.2 million.

(2) Non-audit Fees

For the fiscal year ended 31 December 2023, the Company and its subsidiaries paid other non-audit fees which is unrelated to auditing, legal and tax services to KPMG Phoomchai Audit Limited in the amount of Baht 1.1 million, to KPMG Group Overseas in the amount of Baht 1.7 million, and to other auditing firms in the amount of Baht 5.5 million.

8. Report on Key Operating Results Related to Corporate Governance

8.1 Performance Summary of the Board of Directors

In 2023, the Board of Directors performed its duties in the framework of the Board of Directors Charter, Good Corporate Governance Principles, and fiduciary duties in the best interests of the Company and its shareholders, i.e., cautiously, and honestly based on trust. The following board duties were undertaken to develop the organization:

- Approve the annual budget and strategic plan.
- Approve investment projects for business expansion to optimize competitiveness.
- Approve various policies in compliance with the Corporate Governance and Code of Conduct Manual, as well as policy compliance assessment through various management reports.
- Supervise and ensure management compliance under corporate policies, strategies, and business plans.
- Assess and follow up on Company performance, as well as render advice for operational optimization.
- Follow up and review the sufficiency and appropriateness of Company risk management and internal control systems via Quarterly Audit Committee Reports.

8.1.1 Board of Directors: Recruitment, Development, and Performance Assessment

Recruitment

Recruitment of Board Members

In 2023, the Nomination and Remuneration Committee provided the opportunity for minority shareholders to nominate candidates for election as the Company's director and also proposed and recommended to the Board of Directors for the re-election of 5 directors who retired by rotation in 2023 to be considered for another term of service, namely: 1) Mr. Suphachai Chearavanont, 2) Dr. Prasert Jarupanich, 3) Mrs. Saowaluck Thithapant, 4) Mr. Pittaya Jearavisitkul and 5) Mr. Piyawat Titasattavorakul.

The Nomination and Remuneration Committee considered the qualifications of the 5 directors per Board of Directors' Charter and relevant legal compliance and requirements, taking into account the collective board matrix and diversity structure, thus, the individual selection criterion that synergizes a unique blend of skills, knowledge, experiences, and unique perspectives beneficial to the Company, irrespective of protected characteristics, race, nationality, gender or age, as well as the individual's capacity to dedicate the required time and effort to perform board duties to propose to the Board for consideration and propose to the 2023 Annual General Meeting of Shareholders for election all 5 directors as the Company's directors for another term of service.

In the new board member voting, each shareholder was entitled to the number of votes equal to the number of held shares, one vote for each share, whereby every shareholder must cast all votes for an individual candidate.

Recruitment of the Top Executive

The Nomination Committee reviews the succession plan for the Chief Executive Officer regularly and provides useful suggestions for Company management and the human resources department to optimize the plan, ensuring the Company has a suitable and effective successor for top management, retail-wholesale business operations align with corporate goals, strategy, and plans, and present the succession plan implementation report to the Board of Directors for acknowledgment annually. Details of the selection criteria and successor development guidelines are under section "6.1.1 - Board of Directors Policies and Guidelines for Top Executive Recruitment and Succession Plans".

Development

Director Development and Training (2023)

The Company promotes and facilitates training and education for directors on good corporate governance principles and other matters to optimize the capacity required to perform duties and the efficiency continuously. Details of the directors' development and training are disclosed under section "6.1.1 - Board of Directors Policies and Guidelines for Development of Directors and Executives".

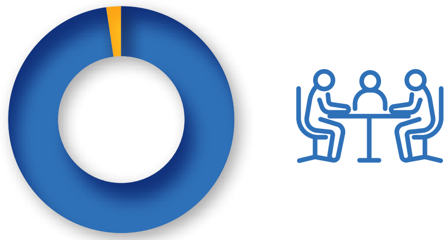
All directors have also completed the basic training course organized by the Thai Institute of Directors Association (IOD), representing a 100% training certification of Company directors.

Results of the 2023 Performance Assessment of the Board of Directors

The summary of the 2023 performance assessment results indicates that the overall performance was in the Excellent criterion, in both of assessment in the whole Board and individual. The appraisal, with commentaries, was presented in a board meeting where the members jointly evaluated rooms for improvement and opportunities to further optimize overall performance.

Details of the results of the 2023 performance assessment of the Board of Directors are disclosed under section "6.1.1 - Board of Directors Policies and Guidelines for Assessment of the Board Performance".

Board Effectiveness

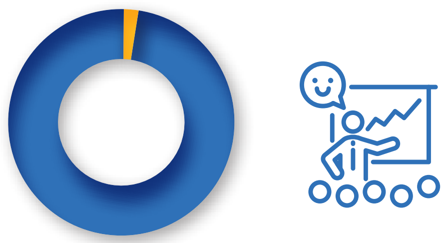


98%

Board Meeting Attendance

50%

Minimum of Attendance for all Members Required



98.6%*

Board Performance Assessment Score

Note: * The Board performance assessment score (whole board and individual) had an average score at the level of "Excellent" and the Sub-committees performance assessment score (whole board and individual) are disclosed as detailed in Section 6 Corporate Governance Policy under the assessment of the Board performance.

8.1.2 Meeting Attendance and Remuneration of Individual Director

Meeting Attendance in 2023

Name	Position	Meetings in 2023				
		Board of Directors			Shareholders' Meeting	Non-Executive Directors' Meeting
		Total Meetings	Physical Meetings	E-Meetings		
1. Mr. Suphachai Chearavanont	Chairman of the Board of Directors	9/10	7/10	2/10	1/1	0/1
2. Mr. Ralph Robert Tye	Independent Director/ Chairman of the Audit Committee	10/10	3/10	7/10	1/1	1/1
3. Adj. Prof. Rawat Chamchalerm	Independent Director/ Chairman of the Corporate Governance and Sustainable Development Committee	10/10	3/10	7/10	1/1	1/1
4. Mrs. Kannika Ngamsopee	Independent Director/ Member of the Audit Committee	10/10	2/10	8/10	1/1	1/1
5. Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance and Sustainable Development Committee/ Member of the Nomination and Remuneration Committee	9/10	1/10	8/10	1/1	1/1
6. Adj. Prof. Prasobsook Boondech	Independent Director/ Chairman of the Nomination and Remuneration Committee	9/10	2/10	7/10	1/1	1/1
7. Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee	9/10	2/10	7/10	1/1	1/1
8. Mr. Tanin Buranamanit	Director/ Second Vice Chairman/ Group Chief Executive Officer	10/10	4/10	6/10	1/1	-
9. Mr. Umroong Sanphasitvong	Director/ Member of the Corporate Governance and Sustainable Development Committee	10/10	3/10	7/10	1/1	1/1
10. Dr. Prasert Jarupanich	Director	10/10	2/10	8/10	1/1	1/1
11. Mr. Pittaya Jearavisitkul	Director	10/10	3/10	7/10	1/1	1/1
12. Mr. Piyawat Titasattavorakul	Director	9/10	3/10	6/10	1/1	1/1
13. Mr. Narong Chearavanont	Director	10/10	2/10	8/10	1/1	1/1
14. Mr. Adirek Sripratak	Director	10/10	2/10	8/10	1/1	1/1
15. Mrs. Saowaluck Thithapant	Director/ Group Chief Executive Officer - Makro Business/ Group Chief Financial Officer	10/10	4/10	6/10	1/1	-

Meetings Attendance of Sub-Committees in 2023

Name	Position	Meetings in 2023			
		Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainable Development Committee	Executive Committee
1. Mr. Suphachai Chearavanont	Chairman of the Board of Directors/ Chairman of the Executive Committee	-	-	-	8/12
2. Mr. Ralph Robert Tye	Independent Director/ Chairman of the Audit Committee	9/9	-	-	-
3. Adj. Prof. Rawat Chamchalerm	Independent Director/ Chairman of the Corporate Governance and Sustainable Development Committee	-	-	3/3	-
4. Mrs. Kannika Ngamsopee	Independent Director/ Member of the Audit Committee	9/9	-	-	-
5. Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance and Sustainable Development Committee/ Member of the Nomination and Remuneration Committee	8/9	2/2	3/3	-
6. Adj. Prof. Prasobsook Boondech	Independent Director/ Chairman of the Nomination and Remuneration Committee	-	2/2	-	-
7. Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee	-	2/2	-	
8. Mr. Tanin Buranamanit	Director/ Second Vice Chairman/ Vice Chairman of the Executive Committee/ Group Chief Executive Officer	-	-	-	12/12
9. Dr. Prasert Jarupanich	Director	-	-	-	-
10. Mr. Pittaya Jearavisitkul	Director/ Member of the Executive Committee	-	-	-	12/12
11. Mr. Piyawat Titasattavorakul	Director/ Member of the Executive Committee	-	-	-	12/12
12. Mr. Narong Chearavanont	Director/ Member of the Executive Committee	-	-	-	11/12
13. Mr. Adirek Sripratak	Director	-	-	-	-
14. Mr. Umroong Sanphasitvong	Director/ Member of the Corporate Governance and Sustainable Development Committee/ Member of the Executive Committee	-	-	3/3	12/12
15. Mrs. Saowaluck Thithapant	Director/ Group Chief Executive Officer - Makro Business/ Group Chief Financial Officer	-	-	-	-
16. Mr. Sompong Rungnirattisai	Member of the Executive Committee	-	-	-	11/12
17. Mr. Tarin Thaniyavarn	Member of the Executive Committee	-	-	-	12/12
18. Mr. Tanit Chearavanont	Member of the Executive Committee	-	-	-	11/12

Directors Remuneration in 2023

Unit: Baht/ Year

Name	Position	Monthly Remuneration				Total Monthly Remuneration	2023 Remuneration	2022 Performance Bonus [1]	Total Annual Remuneration + Bonus
		Board of Directors	Audit Committee	Corporate Governance and Sustainability Committee	Nomination and Remuneration Committee				
1. Mr. Suphachai Chearavanont	Chairman of the Board of Directors	155,000	-	-	-	155,000	1,860,000	2,455,400	4,315,400
2. Mr. Ralph Robert Tye	Independent Director/ Audit Committee Chairperson	-	140,000	-	-	140,000	1,680,000	1,467,700	3,147,700
3. Adj. Prof. Rawat Chamchalerm	Independent Director/ Chairman of the Corporate Governance and Sustainability Development Committee	100,000	-	15,000	-	115,000	1,380,000	1,821,700	3,201,700
4. Mrs. Kannika Ngamsopee	Independent Director/ Member of the Audit Committee	-	115,000	-	-	115,000	1,380,000	1,821,700	3,201,700
5. Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance and Sustainability Development Committee/ Member of the Nomination and Remuneration Committee	-	115,000	5,000	5,000	125,000	1,500,000	1,942,100	3,442,100
6. Adj. Prof. Prasobsook Boondech [2]	Independent Director/ Chairman of the Nomination and Remuneration Committee	100,000	-	-	15,000	115,000	1,380,000	1,745,600	3,125,600
7. Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee	100,000	-	-	5,000	105,000	1,260,000	1,663,300	2,923,300
8. Mr. Tanin Buranamanit	Director/ Second Vice Chairman/ Group Chief Executive Officer	100,000	-	-	-	100,000	1,200,000	1,104,500	2,304,500
9. Mr. Umroong Sanphasitvong	Director	100,000	-	5,000	-	105,000	1,260,000	1,663,300	2,923,300
10. Mr. Prasert Jarupanich	Director	100,000	-	-	-	100,000	1,200,000	1,584,100	2,784,100
11. Mr. Pittaya Jearavisitkul	Director	100,000	-	-	-	100,000	1,200,000	1,584,100	2,784,100
12. Mr. Piyawat Titasattavorakul	Director	100,000	-	-	-	100,000	1,200,000	1,584,100	2,784,100
13. Mr. Narong Chearavanont	Director	100,000	-	-	-	100,000	1,200,000	1,584,100	2,784,100
14. Mr. Adirek Sripratak	Director/ Member of the Corporate Governance and Sustainability Development Committee	100,000	-	-	-	100,000	1,200,000	1,584,100	2,784,100
15. Mrs. Saowaluck Thithaphan	Director/ Chief Executive Officer of Makro Wholesale Business Group/ Chief Executive Officer of the Accounting and Finance Business Group	100,000	-	-	-	100,000	1,200,000	1,584,100	2,784,100

Name	Position	Monthly Remuneration				Total Monthly Remuneration	2023 Remuneration	2022 Performance Bonus (1)	Total Annual Remuneration + Bonus
		Board of Directors	Audit Committee	Corporate Governance and Sustainability Committee	Nomination and Remuneration Committee				
Resigned in 2022									
1. Mrs. Suchada Ithijarukul	Director/ Second Vice Chairman / Group Chief Executive Officer - Makro Business (resigned on 1 May 2022)	-	-	-	-	-	-	528,000	528,000
2. Mr. Joti Bhokavanij	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee (resigned on 5 July 2022)	-	-	-	-	-	-	1,261,800	1,261,800
Total						1,675,000	20,100,000	26,979,700	47,079,700

Notes: (1) The 2022 performance bonus paid in April 2023 as per the resolution of the 2023 Annual General Meeting of Shareholders, dated 20 April, 2023.
(2) Holding the position of Independent Director and Chairman of the Sustainability and Corporate Governance Committee, CP All Public Company Limited, receiving a total remuneration of Baht 4,287,000 in 2023.

Director remuneration for the fiscal year ended 31 December 2023, totaled Baht 47,079,700 according to the annual general meeting of shareholders resolution dated 20 April 2023, where a range of criteria was considered in conjunction with comparable companies of the same business size and industry, along with Company operating results, roles, and responsibilities of the board and the overall business environment.

8.1.3 Operational Oversight of Subsidiaries and Associates

Oversight Instruments

The Board of Directors applies the following oversightinstruments to supervise the operations of subsidiaries and associates and maintain Company investment benefits:

1. Board-approved Company representatives are deployed to subsidiaries and affiliates as directors, executives, or persons with controlling power in numbers proportionate to Company held shares.
2. The scope of executive authority, duties, and responsibilities of Company representatives is determined by the level of required control or participation to formulate important policies for the business.
3. The Company ensures complete and accurate disclosure of financial information and operating results, related party transactions, acquisition or disposition of assets, or any other important transactions of subsidiaries and affiliates by applying Company-wide accounting, financial, and internal audit standards and rules.
4. The appropriate and concise internal control system is determined for Company subsidiaries and is monitored by the Company's internal audit agency. In addition, the companies are required to obtain approval from the board prior to engaging in important transactions that require shareholders' resolutions, such as capital increase, capital reduction, and liquidation, among others.

Shareholders Agreements for Managing Subsidiaries and Associates

- None -

8.1.4 Corporate Governance Compliance and Monitoring

The Board of Directors prioritizes business operations under established principles in the Corporate Governance and Code of Conduct Manual, which outlines mandatory policy and guidelines with clearly defined duties and responsibilities of all Company directors, executives, and personnel to follow via the Company's Policy Acknowledgement and Confirmation of Compliance online form. A supervisory capacity is expected of leadership at all levels across the organization to supervise the immediate line of command for acknowledgment, comprehension, and compliance.

The Company monitors the implementation of corporate governance principles and code of conduct to reinforce professional conduct and protocol over a wide range of engagements, for instance, fair treatment of stakeholders, respect for human and labor rights, information security and personal data protection, promotion of occupational health, safety, and security, all the way to communal, social, and environmental care. Transparency is the key principle to guide business operations and ensure compliance in the following four areas:

(1) Prevention of Conflicts of Interest

The Company Code of Conduct for preventing Conflicts of Interest in the Corporate Governance and Code of Conduct Manual lays out the guidelines for directors and executives to report stake holdings and for management and employees of the Company and its subsidiaries to report conflicts of interest. The manual also prescribes guidelines for submitting Connected Transactions as detailed in section "6.1.2 Policies and Guidelines for Shareholders and Stakeholders."

In 2023, the Company monitored the supervision andprevention of conflicts of interest as follows:

- All directors and executives prepared a declaration of interests of their own and/or related persons as prescribed by the Board of Directors.
- All Company employees reported information about their conflicts of interest or a related party, or both, per Company guidelines.
- Connected transactions for normal business engagements or supporting normal business under general trading conditions are considered and operated with transparency, in compliance with the guidelines set by the Board of Directors, and always engaged upon as if transacting with a third party on the Company's behalf thus is conducted with the best interests of the Company at heart. Stakeholders with stakes associated with a connected party were excluded from the approval process. These transactions were reported to the Audit Committee quarterly.

  Connected transactions with potential conflicts of interest or do not meet general trading conditions, or both, were reviewed by the Audit Committee and further presented to the Board of Directors or the shareholders for approval, depending on the size of the transaction. The Company strictly complied with relevant regulations and always ensured that complete and accurate disclosure of connected transactions was managed per regulatory and legal provisions.

In 2023, the Company received no complaints regarding directors or executives that engaged in activities that incurred conflicts of interest.

(2) Insider Trading

The Corporate Governance and Code of Conduct Manual puts forth the Company Code of Conduct and guidelines for using inside information and the confidentiality of classified information. The details are shown in Section "6.1.2 Policies and Guidelines for Shareholders and Stakeholders."

In 2023, the Company monitored the supervision and prevention of insider trading, i.e., the exploitation of inside information for personal advantage. The following actions were taken:

- The Company Secretary distributed a letter to request all directors, top executives, and Company personnel whose duty involves accessing and using inside information to refrain from buying, selling, transferring, or accepting transfers of Company securities for a period of one month prior to the public disclosure of financial statements for each quarter. Cooperation was also requested of the spouses and minor children of the Company personnel.
- The Company Secretary prepared a report on the Company securities holding of directors and executives and present to the Board of Directors every quarter.
- The Company supervised and ensured a Non-Disclosure Agreement was signed by Company personnel and third parties involved with ongoing projects or information that had yet to be disclosed to the public, or both, as a reminder to handle sensitive information with care and precaution and to refrain from disclosing such information to unauthorized parties.

In 2023, no director or executive was involved in insider trading and no trading of Company securities violated SEC regulations. The Company did not receive any complaints regarding a director or executive exploiting inside information for personal gain.

Company Securities Holding Report

The following table displays the Company security holdings of directors and executives (including spouses and minor children) as of 31 December 2023 and 2022.

Directors/Executives	Position	2023		2022		Increase/ (Decrease)
		Number of Ordinary Shares (shares) Holding Shares Directly	Number of ordinary shares (shares) Holding Shares Indirectly	Number of Ordinary Shares (shares) Holding Shares Directly	Number of ordinary shares (shares) Holding Shares Indirectly	
1. Mr. Suphachai Chearavanont	Chairman of the Board of Directors	-	600,000	-	600,000	-
2. Mr. Ralph Robert Tye	Independent Director/ Chairman of the Audit Committee	-	-	-	-	-
3. Adj. Prof. Rawat Chamchalerm	Independent Director/ Chairman of the Corporate Governance and Sustainable Development Committee	-	22,500	-	22,500	-
4. Mrs. Kannika Ngamsopee	Independent Director/ Member of the Audit Committee	16,000	-	16,000	-	-
5. Mr. Jukr Boon-Long	Independent Director/ Member of the Audit Committee/ Member of the Corporate Governance and Sustainable Development Committee/ Member of the Nomination and Remuneration Committee	-	-	-	-	-
6. Adj. Prof. Prasobsook Boondech	Independent Director/ Chairman of the Nomination and Remuneration Committee	-	-	-	-	-
7. Mr. Korsak Chairasmisak	Director/ First Vice Chairman/ Member of the Nomination and Remuneration Committee	-	-	-	-	-
8. Mr. Tanin Buranamanit	Director/ Second Vice Chairman/ Group Chief Executive Officer	25,000	-	25,000	-	-
9. Dr. Prasert Jarupanich	Director	200	-	200	-	-
10. Mr. Pittaya Jearavisitkul	Director	131,080	-	131,080	-	-
11. Mr. Piyawat Titasattavorakul	Director	6,000	-	6,000	-	-
12. Mr. Narong Chearavanont	Director	-	-	-	-	-
13. Mr. Adirek Sripratak	Director	-	-	-		-
14. Mr. Umroong Sanphasitvong	Director/ Member of the Corporate Governance and Sustainable Development Committee	51,628	-	51,628	-	-
15. Mrs. Saowaluck Thithapant	Director/ Group Chief Executive Officer - Makro Business/ Group Chief Financial Officer	-	-	-		-
16. Mr. Sompong Rungnirattisai	Group Chief Property Officer	-	50,000	-	50,000	-
17. Mr. Tarin Thaniyavarn	Group Chief E-Commerce and Logistic Officer	100,000	-	-	-	100,000
18. Mr. Tanit Chearavanont	Group Chief International Expansion Officer	-	-	-	-	-
19. Mr. Paul Stephen Howe	Group Chief Information Technology Officer	-	-	-	-	-

(3) Anti-Corruption

The Company's Anti-Corruption Policy is outlined in detail under Section "6.1.2 - Policies and Guidelines for Shareholders and Stakeholders, and Appendix 5"

The following policies and guidelines are applied for practical implementation, tangible results, and to demonstrate the intent and determination against corruption:

- Publicize the Anti-Corruption Policy and relevant guidelines both internally and externally, to all related parties and audiences, be they Company executives, employees, or stakeholders, to declare the Company's stance and commitment against all forms of corruption, foster anti-corruption corporate awareness through various mediums, and encourage participation in spirit-building activities e.g., live Facebook event on the Anti-Corruption Day 2023 at the Bang Sue Grand Station and CG Communication and CG Voices, all the way to circulating public relations publications and signages in offices and distribution centers, intranet systems, and Company website. Classroom and online employee training and new employee orientation are also offered, among others.

- Support the No-Gift Policy is publicized during the pre-festival period through internal and external communication channels, namely public relations materials at various points at the head office and stores, to encourage workplace transparency. Letters of cooperation are also distributed to business partners, customers, financial institutions, and related business parties requesting no gifts or favors be offered to executives or employees of the Company or its subsidiaries. And in 2022, the Company put in place an online reporting system developed for receiving and giving gifts, favors, and reception parties, including charitable donations in various forms, to facilitate and elevate Company activities and operational procedures to a professional and transparent standard where data of all Company related records and transactions are properly documented and stored in one place for further monitoring, tracking, and follow up, as well as future referenceable purposes, leading to the credible and sustainable growth of the organization as a whole.

- Anti-corruption agents and personnel responsible for promoting, monitoring, and supervising anti-corruption measures are encouraged to attend training courses and seminars on corruption prevention that are organized by third-party agencies with subject matter expertise and apply learned knowledge to review and develop Company anti-corruption capacities regularly.
- A risk management process is established, starting with the identification of internal and external risk factors, assessment of persisting factors, and critical risk analysis, to determine accountable agents that are responsible for mitigating and managing different risks to an acceptable level. The process is incorporated into all aspects of Company strategy, be it investment strategies and operational planning, including the anti-corruption policy.
- Determine clear and practical prevention guidelines for high-risk areas of corruption, including political contributions, charitable donations and grants, gifts and favors,

hospitality, and other expenses and payments of facilitation. This ensures that Company personnel are discouraged from any undertakings that may lead to alleged corruption.

- Determine and establish internal control systems to prevent the risk of corruption, e.g., the clearly defined approval authority for high-risk engagements in the scope of duties and responsibilities of involved personnel in related positions. The Internal Audit unit is also set up to monitor the work of various departments to ensure that operations are implemented thoroughly under the operating budget and regulations, among other internal measures.

The Company's Thai Private Sector Collective Action against Corruption (CAC) membership was extended on 31 March 2021, with a 3-year period that expires on 30 March 2024. In September 2023, the Company submitted the renewal certification process of Thai Private Sector Collective Action against Corruption (CAC) membership certification program.

- The Company joined the CAC Change Agent project to extend the business transparency network to business partners. Company partners are encouraged to announce their anti-corruption intent by joining the CAC project and attending a special lecture held by the project.

(4) Whistleblowing

The Company has arranged the available whistleblowing channels for reporting or submitting complaints. Details are shown in section 6.1.2 - Policies and Guidelines for Shareholders and Stakeholders.

For the year 2023, the Company received the complaints, details are disclosed under Section 3 - Sustainable Business Development.

8.2 Audit Committee Performance

The details are shown in the "Audit Committee Report".

8.3 Performance Summary of Other Sub-Committees

8.3.1 Number of Other Sub-Committee Meetings

1) Nomination and Remuneration
2) Corporate Governance and Sustainable Development Committee
   Details are shown under Section "8.1.2 Meeting Attendance and Remuneration of Individual Director".

8.3.2 Performance of Other Sub-Committees

1) Performance of the Nomination and Remuneration Committee
   Details as shown in the Nomination and Remuneration Committee Report.
2) Performance of the Corporate Governance and Sustainable Development Committee
   Details as shown in the Corporate Governance and Sustainable Development Committee Report.

9 Internal Control and Related Party Transactions

9.1 Internal Control

The Board of Directors' Opinion Related to Internal Control of the Company and Subsidiaries

The Company promotes and gives importance to corporate governance to achieve sustainability goals and growth and gain confidence from investors. Corporate governance can create value and benefits for stakeholders in the long term and lead to further international recognition. The Company also emphasises internal control systems and risk management to enhance operational efficiency and effectiveness for achieving its goals. Internal control processes aim to provide reasonable assurance concerning operations, reporting and compliance with statutory requirements and corporate policies. Internal control policies foster the accuracy, transparency, and auditability of the Company's operations including reducing and preventing potential risks. Furthermore, the Company constantly develops its internal control systems to ensure continuous efficiency and effectiveness.

The Board of Directors appointed the Audit Committee, which consists of three Independent Directors who are qualified and experienced in various fields and are independent as stipulated by the Stock Exchange of Thailand (SET)'s requirements. The Audit Committee is responsible for reviewing financial reports, the disclosure of the Company's information, and the Company's connected transactions or conflict of interest to ensure its reasonableness and best interests of the Company. The Audit Committee also reviews the adequacy and appropriateness of the risk management process, internal control systems, and internal audit plan; considers material issues related to internal control; and provides recommendations for any required improvements to the management. The Audit Committee considers the appointment or termination of the external auditor and expresses its opinion to the Board of Directors. The Audit Committee also reviews the Company's compliance with the law of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)'s rules and regulations, and any other laws applicable to the Company's businesses.

The Audit Committee assigns the Internal Audit Department, as an independent unit from the Company's management, to evaluate the internal control systems and review the operations of each department within the Company and its subsidiaries to ensure that each department complies with internal control policies and procedures. The Internal Audit Department has duly evaluated the adequacy and appropriateness of the internal control systems under the five key aspects of the Internal Control – Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as highlighted below:

1. Control Environment

The Company adheres to the Principles of Corporate Governance and Code of Conduct for operating the business on a sustainable basis under good corporate governance. They are key factors in promoting and effectively achieving operations in an honest, trustworthy, fully transparent, and accountable manner, as well as being equitable for all stakeholder groups. This also creates maximum benefits for our shareholders, which will result in ongoing sustainable development and growth of the Company. The Board performs its duties independently from the management and oversees overall business operations. The Company has established the Corporate Governance and Code of Conduct Manual, that prohibits the management and the employees from any misconduct which may constitute conflicts of interest. The Manual has been communicated to the management, staff, contractors, and the Company's representatives to acknowledge and strictly comply with guidelines in performing their duties. Disciplinary actions will be imposed in case of violations.

Furthermore, the Company has the Corporate Governance and Sustainable Development Committee to drive the orgainsation towards sustainability development goals and determine the policies and strategies under sustainability development framework, such as Environmental Policy, Energy Policy, Sustainable Sourcing Policy, Safety Occupational Health and Workplace Policy, and Human Rights Policy. There are also various policies and guidelines, such as Anti-Corruption Policy, Guidelines on Fair Trade Practices and Treatment of Business Partners under Fair Trade Competition, and Suppliers Code of Conduct. The policies and guidelines have been communicated to the management, staff, contractors, and the Company's representatives including subsidiaries to acknowledge and strictly comply with guidelines in performing their duties. Disciplinary actions will be imposed in case of violations. The Manual is continuously reviewed and modified to be consistent with the Company's business.

The Company has also established the People Steering Committee to consider the organisational structure design and manpower, follow up on the progress of recruitment plan for both short-term and long-term, continuously develop people and development of succession plan for key positions to align with the business operation and sustainable growth. Lines of command with separate duties and appropriate responsibilities are established to ensure that the management and employees' performances are efficient and can be clearly monitored, audited, and assessed.

In addition, the Company continuously received the renewed certification from the Thai Private Sector Collective Action against Corruption (CAC) on 31 March 2021. The existing certification period is valid for 3 years.

2. Risk Assessment

The Company recognises the importance of enterprise risk management system which is an important component of good corporate governance. The risk management system can reduce both monetary and non-monetary impacts and losses from business uncertainties. Emphasising risk management at an acceptable level will ensure that all work processes are well-managed. The Company has the risk management policies and practices and the Enterprise Risk Management Manual, which all directors, management, and employees of the Company and its subsidiaries shall comply with. This will ensure that the risk management throughout the organization is consistent with the strategies, operation, and project plans.

The Company has a Risk Management Steering Committee for formulating a systematic risk assessment framework including risk management policies. Every business unit shall assess various risk factors, the likelihood of occurrence and its impact from internal and external perspectives and formulate mitigating measures to manage risks to an acceptable level. Risk Champion is assigned in each unit to give advice and support risk assessment within their unit and Risk Management Team. The Risk Management Steering Committee shall report to the Audit Committee every quarter. Sub-Risk Management Steering Committee was also established to supervise and support risk management in the Company's subsidiaries, information technology, and various projects to consider risks and manage risks on a timely basis with the changes and business plans of the Company. This sub-committee will report directly to the Company's Risk Management Committee.

Furthermore, the Company continuously focuses on sustainable growth through environmental, social and governance. The Company also has a risk assessment and mitigation plan in accordance with the sustainable objectives. In addition, the Company has established a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) to prepare for risks and potential crises and ensure that the Company's key operations will continue to operate without any disruption. The Company continually revises its short-term and long-term corporate strategies to reflect the ever-changing business environment in the best interests of the Company and its sustainability. The Internal Audit Department regularly reviews the adequacy and appropriateness of the internal control systems by carrying out audit planning on key operational processes; and review of risk mitigation measures to ensure that the Company's risks are at acceptable and manageable levels.

3. Control Activities

The Company implements transparent and appropriate internal control activities, applies key performance indicators (KPIs) as tools for planning and control, establishes policies and guidelines including the Anti-corruption Policy, the Conflicts of Interest Declaration, and the Corporate Governance and Code of Conduct Manual for employees and the Supplier Code of Conduct for business partners to acknowledge and adhere to for transparency and sustainability. The Company sets out policies and operating procedures for appropriate internal control with segregation of duties and clearly defined functional responsibilities and delegation of authority such as different levels of signing power and categories of expenditure for management. Standard operation procedures are in writing and regularly reviewed. In addition, the IT system categorises the roles on the level of control and access to information and identifies access rights and database management that can be retrieved for verification. The Company has also set clear guidelines on connected transactions for transparency and in the best interests of the Company. The Internal Audit Department regularly reviews the adequacy and appropriateness of the internal control systems, which is aligned with the audit plan covering key operational processes. In addition, the Company has consistently monitored the operations of its subsidiaries to ensure their operations are aligned with the Company's key business policies.

4. Information and Communication

The Company recognises the significance of information systems and communication. Information technology has been deployed to manage information and analyse data to support management's decision-making process. The Company has fully supported employees to develop innovations, increase work efficiency, decrease costs and expenses, and use digital technology such as Robotic Process Automation (RPA) in certain business processes. Furthermore, the Company is fully aware of cybersecurity and has implemented a cyber-security system by the installation of hardware and software to prevent cyber threats. In addition, the Company has issued Makro Information Security Policy (MISP) to ensure that the Company's IT activities comply or align with business rules, related laws and regulations, such as data privacy law and cybersecurity act. It is also a guideline to manage, oversee and develop information and cybersecurity. Information Technology and Security Steering Committee has been established to oversee information technology and cybersecurity. In addition, the Company has clear policies to control unauthorized access and to prevent inappropriate use of the Company's information in compliance with the Computer-related Crime Act.

The Company also has communicated to every staff member the policies, regulations and announcements including examples of threats from the use of information via intra-net, stores' notice board, Company's emails, and E-Meetings to ensure that every staff member is fully, correctly, and timely informed.

Furthermore, the Company has put in place complaint-making and whistle-blowing communication channels. These cover offenses or suspicious behavior that may imply fraud or corruption or misconduct of any person in the organisation. Communication can be made through channels, such as the Company's website, letters, facsimile number 0 2067 9119, or email: cgoffice@cpaxtra.co.th. The Company also has other appropriate and efficient communication channels for external stakeholders to always access the Company's information, such as Call Center (1432) for customers' inquiries or complaints about products and services of the Company, and Investor Relations Department for share-holders and investors. This will facilitate the stakeholders' understanding about the Company's business, as well as disclose information to the Stock Exchange of Thailand (SET).

5. Monitoring

The Company has monitoring, and evaluation processes designed to assess the adequacy of its internal control systems. This is through the Internal Audit Department, which is independent from management and directly reports to the Audit Committee. The Internal Audit Department is continually encouraged to develop work compliance with international standards. It undergoes quality assessment by ongoing internal and external assessment to ensure that the Company's internal audit follows international standards and good practices. Internal Audit Department has duly evaluated the effectiveness of internal control activities in accordance with professional standards for internal auditing and risk-based audit to provide reasonable assurance on the Company's governance, risk management, and control processes to help the Company achieve its objectives and goals. Audit plan was annually designed in accordance with the Company's strategies and key risks that would impact on operations and the Company's objectives. To enhance efficiency and standardization, technology is integrated into the internal audit process through the usage of data analytics and "Internal Audit Management System (IAMS)", a project management tool. The Internal Audit Department makes recommendations to management for any required improvements to the operation and internal controls and reports to the Audit Committee on a quarterly basis. Furthermore, the Internal Audit Department provides advisory and consulting services for any other business units for good corporate governance processes. The Company also has a policy and communication channel to directly report to Audit Committee if any acts of fraud or corruption as well as acts of non-compliance with the applicable laws or regulations, and the Company's Corporate Governance and Code of Conduct Manual are found within the Company. The management also reports to the Audit Committee on the progress of the improvement to the internal control recommendations and significant issues.

In 2023, the Audit Committee is of the same opinion as the external auditor that there is no significant issue on internal control and that the Company has adequate and appropriate internal control systems for its business operations.

9.2 Related Party Transactions

Related party transactions between the Company and subsidiaries with persons or juristic persons that may have conflicts of interest

For the year ending 31 December 2023, CPAXT and its subsidiaries ("The Company") conducted the following related party transactions with persons or juristic persons who may have conflicts of interest as details below. (In this regard, the Company has disclosed details of related party transactions for 2022 and 2021 in 56-1 One Report, which the comparison 3-years information can be seen from the Company's website).

Persons who may have conflicts of interest and relationship	Transaction	Transaction value (Baht million)	Characteristics of the transaction / necessity and rationale of the transaction
1. CP All Public Company Limited ("CPALL") Relationship: A major shareholder of the Company, holding 34.91% of CPAXT shares, and has common directors with the Company	Revenue from sale of goods	16.9	The Company and/or its subsidiaries sell consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Rental and other income	17.1	The Company and/or its subsidiaries collects land rental fees and utility expenses which is a normal business support transaction under general commercial conditions.
	Distribution costs and administrative expenses	222.5	The Company and/or its subsidiaries are granted the right to use trademarks and service marks including the use of trademarks such as "Makro" and "aro", among others, in operating businesses in Thailand, Cambodia, Myanmar and China. The use of trademarks and service marks is considered necessary for various aspects of Makro's business, such as product labels, store name, store format and business management, to increase operational efficiency. In addition, the fees paid to CPALL are proportional to the total sales as agreed in the Trademark and Service Mark License Agreement. The key conditions of the agreement are consistent with the conditions that CPAXT entered into such agreement before CPALL became a major shareholder of CPAXT.
	Trade accounts receivable	2.7	
	Other current receivables	0.2	
	Other current payables	125.5	
	Accrued expenses	0.1	
	Rental deposit from tenants	3.4	

Persons who may have conflicts of interest and relationship	Transaction	Transaction value (Baht million)	Characteristics of the transaction / necessity and rationale of the transaction
2. CPRAM Company Limited ("CPRAM") Relationship: A subsidiary of CPALL, a major shareholder of the Company, holding 34.91% of CPAXT shares, and has common directors with the Company.	Revenue from sale of goods	93.4	The Company and/or its subsidiaries sell consumer products, which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services	8.2	The Company and/or its subsidiaries collects the sales support service fees which is a normal business support transaction under general commercial conditions.
	Purchase of goods and services	417.3	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Trade accounts receivable	12.0	
	Other current receivables	0.3	
	Trade accounts payable	116.7	
3. Gosoft (Thailand) Company Limited ("Gosoft (Thailand)") Relationship: A subsidiary of CPALL, a major shareholder of the Company, holding 34.91% of CPAXT shares, and has common directors with the Company.	Purchase of goods and services	31.5	The Company and/or its subsidiaries purchases goods and services relating to warehouse system which is a normal business transaction / normal business support transaction under general commercial conditions and having the market price.
	Purchase fixed assets and intangible assets	166.3	The Company and/or its subsidiaries purchases computer equipment and computer program, including software maintenance which is a normal business support transaction under general commercial conditions.
	Distribution costs and administrative expenses	1,016.7	The Company and/or its subsidiaries pays for installation and maintenance service fees which is a normal business support transaction under general commercial conditions.
	Other current receivables	142.1	
	Other current payables	221.5	
	Accrued expenses	50.4	

Persons who may have conflicts of interest and relationship	Transaction	Transaction value (Baht million)	Characteristics of the transaction / necessity and rationale of the transaction
4. **Charoen Pokphand Foods Public Company Limited ("CPF")** Relationship: The controlling person of the Company and has common directors.	Revenue from sale of goods	54.1	The Company and/or its subsidiaries sells consumer goods which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services, rental and other income	1.8	The Company and/or its subsidiaries collects space rental service fees/rental fees which is a normal business support transaction under general commercial conditions.
	Purchase of goods and services	241.3	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Distribution costs and administrative expenses	26.7	The Company and/or its subsidiaries pays employee expenses which is a normal business support transaction under general commercial conditions.
	Trade accounts receivable	7.7	
	Other current receivables	0.1	
	Other current payables	3.3	
	Accrued expenses	23.9	
5. **C.P. Merchandising Company Limited ("CPM")** Relationship: A juristic person whose controlling person is a director of CPAXT.	Revenue from sale of goods	5.6	The Company and/or its subsidiaries sells consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services and other income	1.9	The Company and/or its subsidiaries collects the sales support service fees which is a normal business support transaction under general commercial conditions and having the market price.
	Purchase of goods and services	670.5	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Distribution costs and administrative expenses	0.1	The Company and/or its subsidiaries pays transportation service fees which is a normal business support transaction under general commercial conditions.
	Trade accounts payable	12.1	

Persons who may have conflicts of interest and relationship	Transaction	Transaction value (Baht million)	Characteristics of the transaction / necessity and rationale of the transaction
6. CPF Trading Company Limited ("CPF Trading") Relationship: A juristic person whose controlling person is a director of CPAXT.	Revenue from sale of goods	19.3	The Company and/or its subsidiaries sells consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services, rental and other income	59.6	The Company and/or its subsidiaries collects the sales support fees/space rental fees which is a normal business support transaction under general commercial conditions.
	Purchase of goods and services	34,493.6	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Distribution costs and administrative expenses	79.7	The Company and/or its subsidiaries pays transportation service fees which is a normal business support transaction under general commercial conditions.
	Trade accounts receivable	1.7	
	Other current receivables	2.8	
	Trade accounts payable	5,459.4	
	Other current payables	22.9	
7. CP-Meiji Company Limited ("CP-Meiji") Relationship: A juristic person whose controlling person is a director of CPAXT.	Revenue from sale of goods	5.2	The Company and/or its subsidiaries sells consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services and other income	9.6	The Company and/or its subsidiaries collects the sales support fees which is a normal business support transaction under general commercial conditions and having the market price.
	Purchase of goods and services	1,226.9	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Trade accounts receivable	1.1	
	Other current receivables	0.2	
	Trade accounts payable	290.9	

Persons who may have conflicts of interest and relationship	Transaction	Transaction value (Baht million)	Characteristics of the transaction / necessity and rationale of the transaction
8. CPF (Thailand) Public Company Limited ("CPF (Thailand)") Relationship: A juristic person whose controlling person is a director of CPAXT.	Revenue from sale of goods	360.3	The Company and/or its subsidiaries sells consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services and other income	0.2	The Company and/or its subsidiaries collects the sales support service fees which is a normal business support transaction under general commercial conditions.
	Purchase of goods and services	24.8	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Distribution costs and administrative expenses	0.9	The Company and/or its subsidiaries pays transportation service fees which is a normal business support transaction under general commercial conditions.
	Trade accounts receivable	41.1	
	Trade accounts payable	5.4	
	Other current payables	1.4	
	Lease liabilities	1.4	
9. Perfect Companion Group Company Limited ("Perfect Companion") Relationship: A juristic person whose controlling person is a director of CPAXT.	Revenue from sale of goods	45.3	The Company and/or its subsidiaries sells consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services	23.8	The Company and/or its subsidiaries collects the sales support service fees which is a normal business support transaction under general commercial conditions.
	Purchase of goods	952.7	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Trade accounts receivable	5.0	
	Other current receivables	0.2	
	Trade accounts payable	216.1	

Persons who may have conflicts of interest and relationship	Transaction	Transaction value (Baht million)	Characteristics of the transaction / necessity and rationale of the transaction
10. True Internet Data Center Company Limited ("True Internet Data Center") Relationship: A juristic person whose controlling person is a director of CPAXT.	Distribution costs and administrative expenses	46.2	The Company and/or its subsidiaries pays the service fees relating to the lease of data centers for business disruption which is a normal business support transaction under general commercial conditions.
	Purchase of intangible asset	0.4	The Company and/or its subsidiaries purchases True IDC AWS Cloud Program which is a normal business support transaction under general commercial conditions.
	Other current payables	17.0	
11. True Leasing Company Limited ("True Leasing") Relationship: Having a common indirect major shareholder with the Company.	Purchase of goods	0.9	The Company and/or its subsidiaries pays transportation fees / vehicles rental fees which is a normal business support transaction under general commercial conditions.
	Interest expenses	10.9	
	Other current payables	107.5	
	Lease liabilities	421.8	
12. CP Food Store Company Limited ("CP Food Store") Relationship: The Chearavanont Family is an indirect major shareholder in CP Food Store.	Revenue from sale of goods	0.1	The Company and/or its subsidiaries sells consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Revenue from rendering of services and other income	54.4	The Company and/or its subsidiaries collect the sales support service fees which is a normal business support transaction under general commercial conditions.
	Purchase of goods	1,348.4	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Trade accounts payable	354.7	
13. All Now Logistics Company Limited ("All Now") Relationship: A subsidiary of CPALL, a major shareholder of the Company with the common directors.	Purchase of goods and services	3,555.1	The Company and/or its subsidiaries pays transportation service fees which is a normal business support transaction under general commercial conditions.
	Distribution costs and administrative expenses	0.1	
	Other current payables	395.5	
	Accrued expenses	221.6	

Persons who may have conflicts of interest and relationship	Transaction	Transaction value (Baht million)	Characteristics of the transaction / necessity and rationale of the transaction
14. Egg Digital Company Limited ("Egg Digital") Relationship: Having a common indirect major shareholder with the Company.	Other income	398.5	The Company and/or its subsidiaries collect the sales support service fees which is a normal business support transaction under general commercial conditions.
	Purchase of services	0.1	
	Distribution costs and administrative expenses	327.6	The Company and/or its subsidiaries pays application and maintenance service fees which is a normal business support transaction under general commercial conditions.
	Other current receivables	60.6	
	Other current payables	72.8	
15. CP B&F (Thailand) Company Limited ("CP B&F") Relationship: Having a common indirect major shareholder with the Company.	Revenue from sale of goods	50.8	The Company and/or its subsidiaries sells consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Rental and other income	15.3	The Company and/or its subsidiaries collects space rental fees which is a normal business transaction under general commercial conditions
	Purchase of goods	119.6	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Distribution costs and administrative expenses	19.6	The Company and/or its subsidiaries pays royalty fees which is a normal business transaction under general commercial conditions and having the market price.
	Purchases of fixed assets	16.2	The Company and/or its subsidiaries purchases consumer products which is a normal business transaction under general commercial conditions and having the market price.
	Trade accounts receivable	26.7	
	Other current receivables	10.3	
	Trade accounts payable	35.0	
	Other current payables	28.3	
	Accrued expenses	1.8	

Measures or Procedures for Approving Related Party Transactions, Policies and Trends in Execution of Future Related Party Transactions

The Company enters into related party transactions only as required as a part of our ordinary course of business and mainly in the interest of our Company as a whole. The licensing transactions for trademarks and service marks are considered necessary for our Company's business undertakings and operations. Such related party transactions are approved by the Board of Directors in accordance with our Articles of Association prior to their engagement or payment of service fees.

For related party transactions relating to commercial undertakings on general trading terms and conditions, the Company's Board of Directors approved in principle that the Company can execute transactions with directors, executives, or related persons in case such transactions have general commercial terms and conditions with arm's-length basis under the same circumstances and with the bargaining power free of influence from directors, executives or related parties with the following details:

1. **Purchase of goods:**
   When the Company or its subsidiaries purchase goods from a related company that has a director and/or a group of shareholders in common with the Company or its subsidiaries, such transaction must be on arm's-length terms comparable to those transactions without any related parties and the price must be consistent with market standards.
2. **Use of services:**
   When the Company or its subsidiaries receive services provided by a related company which has a director and/or a group of shareholders in common with the Company or its subsidiaries, such transaction must have arm's-length business terms and prices that are comparable to transactions involving services provided by non-related parties under similar circumstances.
3. **Sale of goods and services:**
   When the Company or its subsidiaries agree to sell any goods to their directors and/or executives, including selling of any goods or services to a related company which has a director and/or a group of shareholders in common with the Company or its subsidiaries, such transaction must have arm's-length business terms and prices that are comparable to transactions involving selling of goods and services to non-related parties under similar circumstances.
   For purchasing and selling goods and services and for purchasing fixed assets and intangible assets under an ordinary course of business, the Company has put in place procedures to protect investors and to prevent the transfer of interests. The internal audit department reviews the necessity of such transactions to ensure that the prices of the transactions for goods and services and purchase of fixed assets and intangible assets are at the prevailing market rates. The internal audit department submits its review reports to the audit committee on a quarterly basis.

For the policy and tendency for entering into related party transactions in the future, the Company and its subsidiaries has the policies and procedures to enter into related party transactions only as required as part of our ordinary course of business, which the transaction price or conditions is not different from the treatment with external parties and shall be approved by the Board of Directors before entering into the transaction or getting the verification by the Board of Directors. In this regard, if related party transactions relating to commercial undertakings on general trading terms, the Company's Board of Directors approve in principle the transactions if they contain commercial terms that a reasonable individual would find acceptable under the same circumstances and with the bargaining power free of influence from directors, executives, or related parties. The Company and subsidiaries could enter into the transaction according to the policies regarding related party transactions approval from the Board of Directors. Any connected transaction conducted in the future must be appropriate and supportive of the current business growth, in compliance with the rules and requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as the Company's approval procedures.

The Company's policy on the rate of revenue and expenses with connected parties are as follows:

Revenue from sale of goods:
The rates are in line with normal business practice and general commercial conditions and standardized with revenue collection from general customers.

Revenue from rendering of services and other income:
The rates are in line with normal business practice and general commercial conditions.

Cost of sales of goods and rendering of services:
The rates are in line with normal business practice and general commercial conditions and standardized with purchases made general customers.

Cost of rendering of services and other expenses:
The rates are in line with normal business practice and general commercial conditions.

Acquisition of assets:
The rates are in line with normal business practice and general commercial conditions and standardized with acquisitions made with general customers.

Section 3

FINANCIAL STATEMENTS

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of CP Axtra Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with generally accepted accounting standards in Thailand, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and establishes as well as maintains a proactive risk management system and internal control system to ensure that accounting records are accurate and complete, and that the Company's assets are properly safeguarded against fraud and materially irregular operations. The Board has appointed an Audit Committee consisting of independent directors to provide efficient oversight of the establishment of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in this annual report.

The Board is of the view that the internal control system and the internal audit of the Company are adequate and appropriate and provide reason assurance that the Company's financial statements represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai financial reporting standards.

Mr. Suphachai Chearavanont
Chairman of the Board of Directors

Mr. Tanin Buranamanit
Group Chief Executive Officer

CP Axtra Public Company Limited and its Subsidiaries

(Formerly: Siam Makro Public Company Limited and its Subsidiaries)

Financial statements for the year ended31 December 2023 and Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of CP Axtra Public Company Limited
(Formerly: Siam Makro Public Company Limited)

Opinion

I have audited the consolidated and separate financial statements of CP Axtra Public Company Limited (formerly: Siam Makro Public Company Limited) and its subsidiaries (the "Group"), and of CP Axtra Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventories	
Refer to notes 3 (f) and 7 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
The valuation of inventories was focused on because the estimation of net realisable value of inventories involves management's judgment relating to estimate quantity and valuation for deteriorated, damaged, obsolete and slow-moving and shrinkage inventories.	My audit procedures included: • Understood the inventory control and management policy and the estimation of net realisable value of inventories. • Tested a sample of the aging of inventory and the reasonableness of assumptions used to set the percentage of deteriorated, damaged, obsolete, slow-moving and shrinkage inventories determined by management and compared that percentage with information for destruction and shrinkage inventories. • Tested a sample of selling prices post year-end and the estimated costs to make the sale with related documents including recalculation of net realisable value. • Considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Impairment of goodwill and other intangible assets	
Refer to note 3 (j), 3 (k), 3 (m), 13 and 14 to the financial statements	
The key audit matter	**How the matter was addressed in the audit**
The Group has significant goodwill and other intangible assets with indefinite useful life which was mainly arising from business combinations. The management normally assesses the impairment from the estimated recoverable amount at the end of the period. The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of assets and related assumptions. The judgments of management required to be applied over assumptions and the inherent uncertainty involved in forecasting and discounting future cash flows. This area was focused on my audit accordingly.	My audit procedures included: • Understood the process of the estimated recoverable amount to assess the impairment. • Considered the key assumptions in the estimated recoverable amount reports, which were approved by management, by comparing the actual operation results, industry trends and information derived from external and internal sources and assessed financial methodologies used by the Group and discount rate and performed sensitivity analysis around the key assumptions. • Considered the adequate of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement therein, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Piyatida Tangdenchai)
Certified Public Accountant
Registration No. 11766

KPMG Phoomchai Audit Ltd.
Bangkok
14 February 2024

CP Axtra Public Company Limited and its Subsidiaries (Formerly: Siam Makro Public Company Limited and its Subsidiaries)

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	*Note*	2023	2022	2023	2022
		(in Baht)			
Current assets					
Cash and cash equivalents	*5, 25*	31,707,287,024	40,103,172,876	6,707,622,133	16,647,001,703
Current investments		13,689,320	-	-	-
Trade accounts receivable	*4, 6, 25*	2,303,606,258	2,430,696,127	767,682,155	663,603,307
Other current receivables	*4*	1,741,702,751	1,818,071,117	313,231,062	264,456,678
Short-term loans to subsidiaries	*4, 25*	-	-	218,922,000	145,252,400
Inventories	*4, 7*	35,883,952,573	37,820,444,963	15,937,591,424	15,332,539,838
Purchase discount receivables		4,110,835,479	4,293,288,861	1,373,304,555	1,220,854,343
Accrued income		936,198,899	847,815,749	766,964,689	678,123,234
Other current assets		41,694,779	41,889,461	-	-
Total current assets		**76,738,967,083**	**87,355,379,154**	**26,085,318,018**	**34,951,831,503**
Non-current assets					
Investments in subsidiaries	*8*	-	-	288,620,748,785	260,330,939,005
Investments in associates	*9*	9,080,625,873	9,053,162,399	-	-
Investments in joint ventures	*9*	5,702,606,999	5,334,543,334	-	-
Investments in related companies	*4, 25*	470,293,034	572,856,553	2,400,000	-
Other non-current receivables		58,636,148	49,524,519	-	-
Investment properties	*10*	44,313,837,802	43,910,015,761	163,188,531	112,498,502
Property, plant and equipment	*4, 11*	115,573,581,836	118,114,692,970	34,056,496,544	30,511,650,575
Right-of-use assets	*12*	39,750,501,592	37,167,226,932	11,590,054,698	9,025,128,399
Goodwill	*13*	234,736,022,257	234,736,022,257	-	-
Other intangible assets other than goodwill	*4, 14*	10,983,000,661	10,520,582,459	2,245,341,786	1,999,386,092
Deferred tax assets	*22*	1,033,955,095	566,079,823	961,260,946	517,087,006
Other non-current assets		1,929,052,059	1,263,141,725	22,511,211	22,752,807
Total non-current assets		**463,632,113,356**	**461,287,848,732**	**337,662,002,501**	**302,519,442,386**
Total assets		**540,371,080,439**	**548,643,227,886**	**363,747,320,519**	**337,471,273,889**

The accompanying notes form an integral part of the financial statements.

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	*Note*	2023	2022	2023	2022
		(in Baht)			
Current liabilities					
Short-term borrowings from financial institutions	*15, 25*	2,381,772,357	1,636,839,532	996,366,918	-
Trade accounts payable to other parties	*25*	60,193,099,907	55,867,190,205	30,811,197,956	26,549,385,635
Trade accounts payable to related parties	*4, 25*	6,943,275,445	5,951,296,460	3,804,850,248	3,134,198,570
Other current payables to other parties	*25*	10,164,060,469	10,070,087,167	3,128,847,701	2,216,646,466
Other current payables to related parties	*4, 25*	1,708,648,480	1,799,381,521	802,157,760	688,496,212
Corporate income tax payable		971,087,422	953,853,181	881,239,848	826,978,024
Accrued expenses	*4*	6,568,204,424	7,477,737,695	2,898,218,649	3,010,059,077
Current portion of debentures	*15, 25*	17,641,049,478	-	-	-
Current portion of long-term borrowings from financial institutions	*15, 25*	5,982,420,973	112,065	4,000,000,000	-
Current portion of lease liabilities	*4, 15, 25*	4,248,166,841	3,159,271,478	485,264,711	557,500,586
Derivative liabilities	*25*	57,955,521	2,683,176,519	57,897,551	19,149,934
Other current liabilities		1,290,028,341	1,164,211,347	275,935,427	231,779,854
Total current liabilities		**118,149,769,658**	**90,763,157,170**	**48,141,976,769**	**37,234,194,358**
Non-current liabilities					
Debentures	*15, 25*	52,278,398,130	23,465,523,281	14,982,387,646	-
Long-term borrowings from financial institutions	*15, 25*	17,901,815,500	86,559,218,935	3,000,000,000	7,000,000,000
Other non-current payables		447,096,069	462,019,034	116,826	1,516,818
Lease liabilities	*4, 15, 25*	47,491,712,977	45,719,964,874	8,270,669,958	6,009,818,082
Rental deposit from tenants	*4, 25*	1,535,948,274	1,824,773,544	21,041,884	21,271,079
Provisions for employee benefits	*16*	2,666,446,774	2,550,072,481	1,150,108,816	1,083,451,992
Other non-current provisions	*17*	2,426,240,274	2,341,584,557	64,737,095	64,737,095
Deferred tax liabilities	*22*	3,970,804,583	3,803,174,721	-	-
Non-current derivative liabilities	*25*	-	208,676,667	-	-
Other non-current liabilities		30,335,838	14,437,849	-	-
Total non-current liabilities		**128,748,798,419**	**166,949,445,943**	**27,489,062,225**	**14,180,795,066**
Total liabilities		**246,898,568,077**	**257,712,603,113**	**75,631,038,994**	**51,414,989,424**

The accompanying notes form an integral part of the financial statements.

Statement of financial position

Liabilities and equity *(Continued)*	Note	Consolidated financial statements 31 December 2023	2022	Separate financial statements 31 December 2023	2022
			(in Baht)		
Equity					
Share capital					
Authorised share capital					
(11,172 million ordinary shares,					
par value at Baht 0.50 per share)		5,586,161,750	5,586,161,750	5,586,161,750	5,586,161,750
Issued and paid-up share capital					
(10,580 million ordinary shares,					
par value at Baht 0.50 per share)		5,290,161,750	5,290,161,750	5,290,161,750	5,290,161,750
Additional paid-in capital					
Premium on ordinary shares	18	263,881,502,666	263,881,502,666	263,881,502,666	263,881,502,666
Deficit from changes in ownership					
interests in subsidiary		(19,980,479)	(19,980,479)	-	-
Deficit from acquisition of interests					
under common control		(6,714,300,702)	(6,714,300,702)	(6,555,104,609)	(6,555,104,609)
Retained earnings					
Appropriated					
Legal reserve	18	558,616,175	558,616,175	558,616,175	558,616,175
Unappropriated		30,851,849,386	27,626,963,232	24,941,105,543	22,881,108,483
Other components of equity		(929,857,331)	(274,848,323)	-	-
Equity attributable to equity					
holders of the Company		**292,917,991,465**	**290,348,114,319**	**288,116,281,525**	**286,056,284,465**
Non-controlling interests		554,520,897	582,510,454	-	-
Total equity		**293,472,512,362**	**290,930,624,773**	**288,116,281,525**	**286,056,284,465**
Total liabilities and equity		**540,371,080,439**	**548,643,227,886**	**363,747,320,519**	**337,471,273,889**

The accompanying notes form an integral part of the financial statements.

Statement of income

	Note	Consolidated financial statements For the year ended 31 December 2023	2022	Separate financial statements For the year ended 31 December 2023	2022
			(in Baht)		
Income	4				
Revenue from sale of goods		466,233,669,262	447,182,434,521	243,754,115,475	227,434,727,771
Revenue from rendering of services		5,934,847,761	5,422,145,806	4,768,063,387	4,210,025,177
Revenue from rental and rendering					
retail services		14,303,400,194	13,477,182,488	481,788,810	409,290,147
Dividend income	8	-	-	1,014,535,937	-
Other income		3,477,250,128	3,049,676,427	806,400,618	960,322,477
Total income	19	**489,949,167,345**	**469,131,439,242**	**250,824,904,227**	**233,014,365,572**
Expenses	4				
Cost of sale of goods	7	401,892,862,260	383,605,757,459	218,542,481,702	204,198,175,598
Cost of rental and rendering of services		6,381,360,720	5,982,275,811	109,647,103	84,242,791
Distribution costs		50,362,440,361	48,363,781,455	16,629,708,883	13,930,374,820
Administrative expenses		14,605,659,647	14,478,472,241	5,575,300,824	5,079,520,612
Total expenses	21	**473,242,322,988**	**452,430,286,966**	**240,857,138,512**	**223,292,313,821**
Profit from operating activities		**16,706,844,357**	**16,701,152,276**	**9,967,765,715**	**9,722,051,751**
Share of profit of associates and					
joint ventures accounted for using					
equity method	9	746,229,748	831,423,391	-	-
Profit before finance costs and					
income tax expense		**17,453,074,105**	**17,532,575,667**	**9,967,765,715**	**9,722,051,751**
Finance costs	4	6,319,234,901	7,121,907,200	869,651,497	377,427,960
Profit before income tax expense		**11,133,839,204**	**10,410,668,467**	**9,098,114,218**	**9,344,623,791**
Income tax expense	22	2,534,760,158	2,728,827,225	1,625,166,179	1,878,849,323
Profit for the year		**8,599,079,046**	**7,681,841,242**	**7,472,948,039**	**7,465,774,468**
Profit (loss) attributable to:					
Equity holders of the Company		8,640,076,429	7,696,904,447	7,472,948,039	7,465,774,468
Non-controlling interests		(40,997,383)	(15,063,205)	-	-
Profit for the year		**8,599,079,046**	**7,681,841,242**	**7,472,948,039**	**7,465,774,468**
Basic earnings per share					
of equity holders of the Company	23	**0.82**	**0.73**	**0.71**	**0.71**

The accompanying notes form an integral part of the financial statements.

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2023	2022	2023	2022
			(in Baht)		
Profit for the year		**8,599,079,046**	**7,681,841,242**	**7,472,948,039**	**7,465,774,468**
Other comprehensive income					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(464,515,096)	(478,968,284)	-	-
(Loss) gain on cash flow hedges	*25*	(1,392,645,800)	1,459,114,335	-	-
Income tax relating to (loss) gain on cash flow hedges	*22, 25*	44,681,017	(57,974,725)	-	-
Cash flow hedges reserve reclassified to profit or loss	*25*	1,237,475,703	(1,169,240,711)	-	-
		(575,004,176)	**(247,069,385)**	**-**	**-**
Items that will not be reclassified subsequently to profit or loss					
(Loss) gain on investment in equity instrument designated at FVOCI	*25*	(107,363,520)	152,106,553	-	-
Income tax relating to (loss) gain on investment in equity instrument designated at FVOCI	*22*	21,472,704	(30,421,311)	-	-
(Loss) gain on remeasurements of defined benefit plans	*16*	(29,900,174)	98,913,039	(21,232,493)	42,150,467
Income tax relating to (loss) gain on remeasurements of defined benefit plans	*22*	10,674,884	(19,782,607)	4,246,499	(8,430,093)
Share of gain of other comprehensive income of joint venture accounted for using equity method	*9*	3,557,084	-	-	-
		(101,559,022)	**200,815,674**	**(16,985,994)**	**33,720,374**
Other comprehensive income for the year, net of income tax		**(676,563,198)**	**(46,253,711)**	**(16,985,994)**	**33,720,374**
Total comprehensive income for the year		**7,922,515,848**	**7,635,587,531**	**7,455,962,045**	**7,499,494,842**
Total comprehensive income attributable to:					
Equity holders of the Company		7,965,842,131	7,641,081,296	7,455,962,045	7,499,494,842
Non-controlling interests		(43,326,283)	(5,493,765)	-	-
Total comprehensive income for the year		**7,922,515,848**	**7,635,587,531**	**7,455,962,045**	**7,499,494,842**

The accompanying notes form an integral part of the financial statements.

CP Axtra Public Company Limited and its Subsidiaries (Formerly: Siam Makro Public Company Limited and its Subsidiaries)

Statement of changes in equity

		Consolidated financial statements													
						Retained earnings		Other components of equity							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Deficit from changes in ownership interests in subsidiary	Deficit from acquisition of interests under common control	Legal reserve	Unappropriated	Translation reserve	Cash flow hedges reserve	Fair value reserve	Share of other comprehensive income of joint venture accounted for using equity method	Total other components of equity	Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
								(in Baht)							
For the year ended 31 December 2023															
Balance as at 1 January 2023		**5,290,161,750**	**263,881,502,666**	**(19,980,479)**	**(6,714,300,702)**	**558,616,175**	**27,626,963,232**	**(507,022,645)**	**110,489,080**	**121,685,242**	**-**	**(274,848,323)**	**290,348,114,319**	**582,510,454**	**290,930,624,773**
Transactions with equity holders, recorded directly in equity															
Distributions to equity holders															
Dividends	24	-	-	-	-	-	(5,395,964,985)	-	-	-	-	-	(5,395,964,985)	-	(5,395,964,985)
Total distributions to equity holders		**-**	**-**	**-**	**-**	**-**	**(5,395,964,985)**	**-**	**-**	**-**	**-**	**-**	**(5,395,964,985)**	**-**	**(5,395,964,985)**
Changes in ownership interests in subsidiaries															
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	15,336,726	15,336,726
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,336,726**	**15,336,726**
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**-**	**-**	**(5,395,964,985)**	**-**	**-**	**-**	**-**	**-**	**(5,395,964,985)**	**15,336,726**	**(5,380,628,259)**
Comprehensive income for the year															
Profit or loss		-	-	-	-	-	8,640,076,429	-	-	-	-	-	8,640,076,429	(40,997,383)	8,599,079,046
Other comprehensive income		-	-	-	-	-	(19,225,290)	(462,186,196)	(110,489,080)	(85,890,816)	3,557,084	(655,009,008)	(674,234,298)	(2,328,900)	(676,563,198)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**8,620,851,139**	**(462,186,196)**	**(110,489,080)**	**(85,890,816)**	**3,557,084**	**(655,009,008)**	**7,965,842,131**	**(43,326,283)**	**7,922,515,848**
Balance as at 31 December 2023		**5,290,161,750**	**263,881,502,666**	**(19,980,479)**	**(6,714,300,702)**	**558,616,175**	**30,851,849,386**	**(969,208,841)**	**-**	**35,794,426**	**3,557,084**	**(929,857,331)**	**292,917,991,465**	**554,520,897**	**293,472,512,362**
For the year ended 31 December 2022															
Balance as at 1 January 2022		**5,290,161,750**	**263,881,502,666**	**(19,980,479)**	**(6,714,300,702)**	**240,000,000**	**25,459,706,278**	**(18,484,921)**	**(121,409,819)**	**-**	**-**	**(139,894,740)**	**287,997,194,773**	**501,162,619**	**288,498,357,392**
Transactions with equity holders, recorded directly in equity															
Distributions to equity holders															
Dividends	24	-	-	-	-	-	(5,290,161,750)	-	-	-	-	-	(5,290,161,750)	-	(5,290,161,750)
Total distributions to equity holders		**-**	**-**	**-**	**-**	**-**	**(5,290,161,750)**	**-**	**-**	**-**	**-**	**-**	**(5,290,161,750)**	**-**	**(5,290,161,750)**
Changes in ownership interests in subsidiary															
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	86,841,600	86,841,600
Total changes in ownership interests in subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**86,841,600**	**86,841,600**
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**-**	**-**	**(5,290,161,750)**	**-**	**-**	**-**	**-**	**-**	**(5,290,161,750)**	**86,841,600**	**(5,203,320,150)**
Comprehensive income for the year															
Profit or loss		-	-	-	-	-	7,696,904,447	-	-	-	-	-	7,696,904,447	(15,063,205)	7,681,841,242
Other comprehensive income		-	-	-	-	-	79,130,432	(488,537,724)	231,898,899	121,685,242	-	(134,953,583)	(55,823,151)	9,569,440	(46,253,711)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**7,776,034,879**	**(488,537,724)**	**231,898,899**	**121,685,242**	**-**	**(134,953,583)**	**7,641,081,296**	**(5,493,765)**	**7,635,587,531**
Transfer to legal reserve	18	-	-	-	-	318,616,175	(318,616,175)	-	-	-	-	-	-	-	-
Balance as at 31 December 2022		**5,290,161,750**	**263,881,502,666**	**(19,980,479)**	**(6,714,300,702)**	**558,616,175**	**27,626,963,232**	**(507,022,645)**	**110,489,080**	**121,685,242**	**-**	**(274,848,323)**	**290,348,114,319**	**582,510,454**	**290,930,624,773**

The accompanying notes form an integral part of the financial statements.

Statement of changes in equity

		Separate financial statements					
					Retained earnings		
	Note	Issued and paid-up share capital	Premium on ordinary shares	Deficit from acquisition of interests under common control	Legal reserve	Unappropriated	Total equity
				(in Baht)			
For the year ended 31 December 2023							
Balance as at 1 January 2023		**5,290,161,750**	**263,881,502,666**	**(6,555,104,609)**	**558,616,175**	**22,881,108,483**	**286,056,284,465**
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
Dividends	*24*	-	-	-	-	(5,395,964,985)	(5,395,964,985)
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**-**	**(5,395,964,985)**	**(5,395,964,985)**
Comprehensive income for the year							
Profit		-	-	-	-	7,472,948,039	7,472,948,039
Other comprehensive income		-	-	-	-	(16,985,994)	(16,985,994)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**7,455,962,045**	**7,455,962,045**
Balance as at 31 December 2023		**5,290,161,750**	**263,881,502,666**	**(6,555,104,609)**	**558,616,175**	**24,941,105,543**	**288,116,281,525**
For the year ended 31 December 2022							
Balance as at 1 January 2022		**5,290,161,750**	**263,881,502,666**	**(6,555,104,609)**	**240,000,000**	**20,990,391,566**	**283,846,951,373**
Transactions with equity holders, recorded directly in equity							
Distributions to equity holders							
Dividends	*24*	-	-	-	-	(5,290,161,750)	(5,290,161,750)
Total transactions with equity holders, recorded directly in equity		**-**	**-**	**-**	**-**	**(5,290,161,750)**	**(5,290,161,750)**
Comprehensive income for the year							
Profit		-	-	-	-	7,465,774,468	7,465,774,468
Other comprehensive income		-	-	-	-	33,720,374	33,720,374
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**7,499,494,842**	**7,499,494,842**
Transfer to legal reserve	*18*	-	-	-	318,616,175	(318,616,175)	-
Balance as at 31 December 2022		**5,290,161,750**	**263,881,502,666**	**(6,555,104,609)**	**558,616,175**	**22,881,108,483**	**286,056,284,465**

The accompanying notes form an integral part of the financial statements.

	Note	Consolidated financial statements For the year ended 31 December 2023	2022	Separate financial statements For the year ended 31 December 2023	2022
		(in Baht)			
Cash flows from operating activities					
Profit for the year		8,599,079,046	7,681,841,242	7,472,948,039	7,465,774,468
Adjustments to reconcile profit to cash receipts					
Depreciation of investment properties	*10*	1,889,859,091	2,084,257,472	537,155	-
Depreciation of property, plant and equipment	*11*	9,989,081,024	10,211,226,040	2,202,743,425	2,068,019,596
Depreciation of right-of-use assets	*12*	3,981,644,807	3,906,139,763	929,757,024	886,876,475
Amortisation of other intangible assets other than goodwill	*14*	1,751,819,213	1,349,259,304	674,421,985	465,215,715
Dividend income	*4, 8*	-	-	(1,014,535,937)	-
Interest income		(292,763,805)	(209,644,375)	(20,430,872)	(189,431,112)
Finance costs		6,319,234,901	7,121,907,200	869,651,497	377,427,960
Income tax expense	*22*	2,534,760,158	2,728,827,225	1,625,166,179	1,878,849,323
Unrealised loss (gain) on exchange rate		11,841,863	(12,300,977)	(2,520,117)	(4,141,331)
Loss (reversal of loss) on decline in value of inventories		43,953,173	(405,620,906)	(63,590,102)	(73,866,425)
Impairment losses	*6, 10-12, 14*	130,415,411	71,847,269	9,912,221	18,725,403
Write-off bad debt		4,497,481	-	-	-
Share of profit of associates and joint ventures accounted for using equity method	*9*	(746,229,748)	(831,423,391)	-	-
Loss on exchange rate from disposals of investment in subsidiary	*8*	-	-	2,689,779	-
Loss on write-off of investment in subsidiary	*8*	-	-	899,018	-
Loss on disposals and write-off of investment properties		11,809,565	17,304,775	-	-
Loss (gain) on disposals and write-off of property, plant and equipment		297,646,215	55,073,590	25,370,762	(4,289,169)
(Gain) loss on write-off of lease liabilities, net of right-of-use assets		(234,985,354)	(134,884,012)	1,829,886	(167,411)
Loss on disposals and write-off of other intangible assets other than goodwill		5,176,662	3,986,490	4,765,056	3,823,845
Loss on lease modification, net of right-of-use assets		-	9,650,315	-	-
Provisions for employee benefits	*16*	221,649,497	269,962,257	83,857,362	139,514,268
Other		(17,978,000)	(517,000)	(17,820,002)	(675,000)
		34,500,511,200	33,916,892,281	12,785,652,358	13,031,656,605

The accompanying notes form an integral part of the financial statements.

Statement of cash flows *(Continued)*

	Note	Consolidated financial statements For the year ended 31 December 2023	2022	Separate financial statements For the year ended 31 December 2023	2022
		(in Baht)			
Changes in operating assets and liabilities					
Trade accounts receivable		227,271,433	(102,211,699)	(108,125,713)	(120,580,976)
Other current receivables		69,147,088	55,092,917	(43,973,030)	63,654,773
Inventories		1,688,900,478	(5,473,794,582)	(541,461,484)	(1,186,856,267)
Purchase discount receivables		127,135,033	(547,109,392)	(152,450,212)	(4,173,656)
Accrued income		(95,777,673)	(62,809,047)	(91,937,973)	(40,400,273)
Derivative assets		-	606,890,763	-	2,499,213
Other current assets		3,422,061	10,018,353	-	-
Other non-current receivables		(48,645,420)	(20,323,944)	-	-
Other non-current assets		9,451,200	(18,492,855)	241,596	(7,224,303)
Trade accounts payable to other parties		4,653,664,632	1,198,567,355	4,266,767,238	(107,020,312)
Trade accounts payable to related parties		999,947,883	565,376,789	670,651,677	577,575,773
Other current payables to other parties		685,145,806	(842,124,533)	677,606,060	231,735,205
Other current payables to related parties		194,015,459	655,427,206	109,343,462	289,709,272
Accrued expenses		(452,133,409)	(159,268,928)	(254,725,359)	(471,933,083)
Derivative liabilities		(594,681,348)	19,159,729	38,747,617	19,149,934
Other current liabilities		(24,106,637)	207,139,352	61,975,573	31,064,972
Other non-current payables		(14,922,965)	(37,200,232)	(1,399,992)	(1,399,992)
Rental deposit from tenants		(93,757,316)	(157,250,160)	(229,195)	(13,541,872)
Provisions for employee benefits paid	*16*	(121,353,325)	(190,332,908)	(56,345,401)	(130,187,926)
Net cash (outflow) inflow from provision for employee benefits from related parties	*16*	(13,683,183)	437,177	-	-
Net cash inflow from provision for employee benefits from subsidiary	*16*	-	-	17,912,370	-
Repayment of other-non current provisions	*17*	(59,335,722)	(71,645,274)	-	-
Other non-current provisions		100,037,219	(24,196,713)	-	-
Other non-current liabilities		16,785,115	1,308,355	-	-
Net cash generated from operating		41,757,037,609	29,529,550,010	17,378,249,592	12,163,727,087
Interest received		298,511,833	206,091,778	21,801,540	189,187,526
Interest paid		(3,847,051,466)	(4,085,454,556)	(264,854,247)	(153,050,754)
Income tax paid		(3,345,399,017)	(3,635,698,357)	(2,010,831,796)	(1,929,372,255)
Net cash from operating activities		**34,863,098,959**	**22,014,488,875**	**15,124,365,089**	**10,270,491,604**

The accompanying notes form an integral part of the financial statements.

CP Axtra Public Company Limited and its Subsidiaries (Formerly: Siam Makro Public Company Limited and its Subsidiaries)

Statement of cash flows *(Continued)*

	Note	Consolidated financial statements For the year ended 31 December 2023	2022	Separate financial statements For the year ended 31 December 2023	2022
		(in Baht)			
Cash flows from investing activities					
Dividend received	*4, 8, 9*	510,440,816	458,557,535	1,014,535,937	-
Cash outflow on current investments		(13,920,880)	-	-	-
Acquisition of investment properties		(875,088,721)	(1,263,844,795)	-	-
Proceeds from sale of investment properties		214,356	1,183,989	-	-
Acquisition of property, plant and equipment		(10,669,146,147)	(12,567,157,081)	(5,545,249,503)	(3,623,431,689)
Proceeds from sale of property, plant and equipment		114,202,423	106,498,024	26,747,427	30,375,436
Acquisition of right-of-use assets		(899,132,441)	(188,833,348)	(899,132,441)	(188,833,348)
Proceeds from lease termination		63,968,358	-	-	-
Acquisition of other intangible assets other than goodwill		(2,309,844,120)	(3,584,209,383)	(885,130,770)	(898,088,061)
Proceeds from sale of other intangible assets other than goodwill		1,542	7,405	1,542	-
Cash outflow on short-term loans to subsidiaries		-	-	(134,369,400)	(9,980,042,500)
Proceeds from repayment of short-term loans to subsidiaries		-	-	58,265,000	9,914,328,000
Cash inflow on sale and write-off of investment in subsidiaries	*8*	-	-	207,101,153	-
Cash outflow on investment in subsidiaries	*8*	-	-	(28,500,499,730)	(27,681,832,770)
Cash outflow on investment in associates	*9*	(156,181,125)	-	-	-
Cash outflow on investment in related parties	*25*	(4,800,000)	(126,000,000)	(2,400,000)	-
Net cash used in investing activities		**(14,239,285,939)**	**(17,163,797,654)**	**(34,660,130,785)**	**(32,427,524,932)**
Cash flows from financing activities					
Increase (decrease) in short-term borrowings from financial institutions	*15*	568,124,544	(27,712,114,969)	819,215,411	-
Proceed from short-term borrowings from subsidiaries		-	-	6,870,000,000	-
Repayment of short-term borrowings from subsidiaries		-	-	(6,870,000,000)	-
Proceeds from issue of debentures	*15*	46,431,943,205	23,463,293,451	14,979,707,558	-
Proceeds from long-term borrowings from financial institutions	*15*	5,483,595	2,000,000,000	-	2,000,000,000
Repayment of long-term borrowings from financial institutions	*15*	(61,099,914,682)	(23,940,972,813)	-	(2,000,000,000)
Payment of lease liabilities	*15*	(5,430,861,430)	(5,208,286,548)	(806,571,858)	(895,430,796)
Proceeds from settlement of derivatives		-	5,175,350,000	-	-
Repayment of derivatives		(3,646,190,271)	(1,529,159,729)	-	-
Dividends paid to equity holders of the Company	*24*	(5,395,964,985)	(5,290,161,750)	(5,395,964,985)	(5,290,161,750)
Acquisition of non-controlling interests		15,336,726	86,841,600	-	-
Net cash (used in) from financing activities		**(28,552,043,298)**	**(32,955,210,758)**	**9,596,386,126**	**(6,185,592,546)**

The accompanying notes form an integral part of the financial statements.

Statement of cash flows *(Continued)*

	Note	Consolidated financial statements For the year ended 31 December 2023	2022	Separate financial statements For the year ended 31 December 2023	2022
		(in Baht)			
Net decrease in cash and cash equivalents, before exchange differences on translating financial statements		(7,928,230,278)	(28,104,519,537)	(9,939,379,570)	(28,342,625,874)
Exchange differences on translating financial statements		(467,655,574)	(321,899,048)	-	-
Net decrease in cash and cash equivalents		**(8,395,885,852)**	**(28,426,418,585)**	**(9,939,379,570)**	**(28,342,625,874)**
Cash and cash equivalents as at 1 January		40,103,172,876	68,529,591,461	16,647,001,703	44,989,627,577
Cash and cash equivalents as at 31 December	*5*	**31,707,287,024**	**40,103,172,876**	**6,707,622,133**	**16,647,001,703**
Supplemental disclosures of cash flows information:					
Investment properties purchased during the year are detailed as follows:					
Increases during the year	*10*	2,101,237,343	1,503,054,579	-	-
Less - lease liabilities		(1,226,148,622)	(239,209,784)	-	-
Paid by cash		**875,088,721**	**1,263,844,795**	**-**	**-**
Property, plant and equipment purchased during the year are detailed as follows:					
Increases during the year	*11*	10,022,053,186	10,180,750,706	5,845,139,049	3,724,707,124
Add (less) - changes in payables		746,738,616	2,386,406,375	(200,243,891)	(101,275,435)
Less - lease liabilities		(99,645,655)	-	(99,645,655)	-
Paid by cash		**10,669,146,147**	**12,567,157,081**	**5,545,249,503**	**3,623,431,689**
Right-of-use assets acquired during the year are detailed as follows:					
Increases during the year	*12*	7,462,021,592	5,055,387,761	3,686,341,155	740,079,498
Add - lease modification		6,579,310	40,569,021	6,579,310	40,569,021
Less - lease liabilities		(6,569,468,461)	(4,907,123,434)	(2,793,788,024)	(591,815,171)
Paid by cash		**899,132,441**	**188,833,348**	**899,132,441**	**188,833,348**
Other intangible assets other than goodwill purchased during the year are detailed as follows:					
Increases during the year	*14*	2,238,116,698	3,827,207,569	923,800,140	1,043,986,200
Add (less) - changes in payables		71,727,422	(242,998,186)	(38,669,370)	(145,898,139)
Paid by cash		**2,309,844,120**	**3,584,209,383**	**885,130,770**	**898,088,061**

The accompanying notes form an integral part of the financial statements.

CP Axtra Public Company Limited and its Subsidiaries
(Formerly: Siam Makro Public Company Limited and its Subsidiaries)
Notes to the financial statements
For the year ended 31 December 2023

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 14 February 2024.

1 General information

CP Axtra Public Company Limited (formerly: Siam Makro Public Company Limited), the “Company”, is incorporated in Thailand and has its registered office at 1468, Phatthanakan Road, Phatthanakan, Suan Luang, Bangkok 10250, Thailand.

The Company was listed on the Stock Exchange of Thailand on 11 August 1994.

At the annual general meeting of shareholders held on 20 April 2023, the shareholders approved the resolutions to change the Company’s name from “Siam Makro Public Company Limited” to “CP Axtra Public Company Limited”. The Company registered the name change with Ministry of Commerce on 15 June 2023.

The parent company during the financial year was CP All Public Company Limited which incorporated in Thailand.

The principal business of the Company is the operation of wholesale business throughout Thailand, under the name “Makro”, selling food and non-food products to registered members, predominantly small and medium size businesses, retailers, caterers, professional sectors and institutions. The principal businesses of the subsidiaries of the Company (together with the Company referred to as the “Group”) involve the operation of retail business and mall in Thailand and foreign country, wholesale business in foreign countries, importing and trading of frozen and chilled foods, and operating restaurant and minimart.

As at 31 December 2023, the Company operated 154 Makro stores *(2022: 145 Makro stores)* and 6 frozen shops *(2022: 7 frozen shops)*.

Details of the Company’s subsidiaries as at 31 December 2023 and 2022 are given in note 8 to the financial statements.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies described in note 3 have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Group and the Group's interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group estimates provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss or related other comprehensive income. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combination under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group's interest in a subsidiary that does not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control is accounted for as other surplus/deficit in shareholders' equity.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investee

Associates are entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in associates and joint ventures using the equity method in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent the hedge is effective are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of associates or joint ventures while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity until disposal of the investment.

(c) Financial instruments

(c.1) Classification and measurement

Debt securities issued by the Group are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivable (see note 3 (e)) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group’s right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(c.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c.3) Derivatives

Derivatives are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 3 (c.4)).

(c.4) Hedging

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is recognised in a cash flow hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the cash flow hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

(c.5) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group takes actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

(c.6) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(c.7) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have a maturities of three months or less from the date of acquisition.

(e) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories less purchase discount as specified in the contractual agreements. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(h) Investment properties

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property includes the cost of self-constructed assets.

Depreciation is calculated on a straight-line basis over the estimated useful lives of investment properties of 5 to 99 years or according to lease term and recognised in profit or loss. No depreciation is charged on freehold land under investment properties and assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised on profit or loss. No depreciation is provided on freehold land and assets under construction and installation.

The estimated useful lives are as follows:

Buildings, building improvements and right-of-use assets improvements	3 to 50 years or lease term
Machinery and equipment	2 to 10 years
Furniture, fixtures and office equipment	2 to 15 years
Vehicles	4 to 10 years

(j) Goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

(k) Intangible assets

Intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Computer software	1 to 10 years
Trademark and other	3 years, 10 years and indefinite useful lives
Customer relationship	10 years

(l) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease compenents and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of rental income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date. The Group derecognises the lease receivables as disclosed in note 3(e).

(m) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement immediately occurs.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(q) Revenues

Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue and cost of sale for this transaction and remains recognition of inventory for the estimated products to be returned.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

Customer loyalty programme

For customer loyalty programmes that the Group offers to customers, the consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on the discount provided to customers and the likelihood that the customers will redeem the points. The estimate is reviewed at the end of the reporting period.

Other income

Other operating income is recognised in profit or loss as it accrues.

(r) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Minimum top-up tax

The Group has adopted International Tax Reform - Pillar Two Model Rules - Amendments to TAS 12 Income Taxes dated 28 December 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and accounts for a current tax when it is incurred. In addition, Amendments to TAS 12 Income Taxes require the Group to disclose about the Pillar Two exposure in the financial statements for the year ended 31 December 2024 The mandatory exception applies retrospectively. However, the Group is currently assessing the potential impact on the Group's financial statements from adopting the accounting standards.

(s) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(t) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

(u) Segment reporting

Segment results that are reported to the Executive Committee and Chief Executive Officer - CP Axtra Public Company Limited (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance costs, income tax expenses, goodwill and other assets.

4 Related parties

Relationships with subsidiaries, associates and joint ventures are described in note 8 and 9 to the financial statements. Relationships with key management and other related parties which the Group had significant transactions with during the year were as follows:

Name of parties	Country of incorporation/ nationality	Nature of relationships
Charoen Pokphand Group Company Limited ("CPG")	Thailand	Shareholder of the parent company
CP ALL Public Company Limited	Thailand	Parent company of the Group
CPRAM Co., Ltd.	Thailand	Subsidiary of the parent company
C.P. Retailink Co., Ltd.	Thailand	Subsidiary of the parent company
Gosoft (Thailand) Co., Ltd.	Thailand	Subsidiary of the parent company
C.P. Food Store Co., Ltd.	Thailand	Chearavanont family is a major shareholder
Advance Transport Co., Ltd.	Thailand	Chearavanont family is a major shareholder
All Now Logistics Co., Ltd.	Thailand	Company under CPG Group
All Now Management Co., Ltd.	Thailand	Company under CPG Group
Altervim Co., Ltd	Thailand	Company under CPG Group
Ascend Commerce Co., Ltd.	Thailand	Company under CPG Group
C.P. Consumer Product Co., Ltd.	Thailand	Company under CPG Group
C.P. Merchandising Co., Ltd.	Thailand	Company under CPG Group
C.P. Packaging Industry Co., Ltd.	Thailand	Company under CPG Group
C.P. Land Public Company Limited	Thailand	Company under CPG Group
C.P. Tower Growth Leasehold Property Fund	Thailand	Company under CPG Group
Charoen Pokphand Foods Public Company Limited	Thailand	Company under CPG Group
CP B&F (Thailand) Co., Ltd.	Thailand	Company under CPG Group
CP Sales & Service Co., Ltd.	Thailand	Company under CPG Group
CPF (Thailand) Public Company Limited	Thailand	Company under CPG Group
CPF Food And Beverage Company Limited	Thailand	Company under CPG Group
CPF Global Food Solution Public Company Limited (Formerly: CPF Trading Co., Ltd.)	Thailand	Company under CPG Group
CPF Restaurant And Food Chain Company Limited	Thailand	Company under CPG Group
CP-Meiji Co., Ltd.	Thailand	Company under CPG Group
Dynamic Transport Company Limited	Thailand	Company under CPG Group
Egg Digital Co., Ltd.	Thailand	Company under CPG Group
Freewill Solutions Co., Ltd.	Thailand	Company under CPG Group
International Pet Food Company Limited	Thailand	Company under CPG Group
Leadership Development Charoen Pokphand Group Co., Ltd.	Thailand	Company under CPG Group
Perfect Companion Group Co., Ltd.	Thailand	Company under CPG Group
True Digital Group Co., Ltd.	Thailand	Company under CPG Group
True Distribution & Sales Co., Ltd.	Thailand	Company under CPG Group
True Internet Corporation Co., Ltd.	Thailand	Company under CPG Group
True Internet Data Center Co., Ltd.	Thailand	Company under CPG Group
True Leasing Co., Ltd.	Thailand	Company under CPG Group
True Money Co., Ltd.	Thailand	Company under CPG Group
True Move H Universal Communication Co., Ltd.	Thailand	Company under CPG Group
Wire & Wireless Co., Ltd.	Thailand	Company under CPG Group
Asia Aquaculture (M) Sdn. Bhd.	Malaysia	Company under CPG Group
C.P. Cambodia Co., Ltd.	Cambodia	Company under CPG Group
C.P. Vietnam Corporation	Vietnam	Company under CPG Group
CPF Australia Pty Ltd	Australia	Company under CPG Group
Pk Agro-industrial Product (Malaysia) Sdn.	Malaysia	Company under CPG Group
Key management personnel	Thai/ Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Significant transactions with related parties Year ended 31 December	Consolidated financial statements 2023	Consolidated financial statements 2022	Separate financial statements 2023	Separate financial statements 2022
		(in million Baht)		
Parent company				
Revenue from sale of goods	17	17	17	16
Revenue from rendering of services, rental and other income	17	13	15	11
Distribution costs and administrative expenses	223	197	196	187
Subsidiaries				
Revenue from sale of goods	-	-	822	382
Revenue from rendering of services, rental and other income	-	-	88	184
Dividend income	-	-	1,015	-
Distribution costs and administrative expenses	-	-	150	43
Purchases of goods and services	-	-	796	592
Interest expenses	-	-	51	-
Associates				
Revenue from rendering of services, rental and other income	376	349	-	-
Dividend income	497	448	-	-
Distribution costs and administrative expenses	600	586	-	-
Purchases of goods and services	130	123	-	-
Interest expenses	244	252	-	-
Joint ventures				
Revenue from rendering of services, rental and other income	109	118	-	-
Dividend income	13	10	-	-
Distribution costs and administrative expenses	103	99	-	-
Purchases of goods and services	16	10	-	-
Interest expenses	1	1	-	-
Other related parties				
Revenue from sale of goods	919	1,010	655	639
Revenue from rendering of services, rental and other income	1,035	522	165	130
Distribution costs and administrative expenses	3,402	2,919	1,006	696
Purchases of goods and services	47,256	38,860	25,933	21,060
Purchases of equipment	179	228	32	27
Purchases of other intangible assets other than goodwill	236	358	50	16
Interest expenses	60	36	11	7

Significant transactions with related parties Year ended 31 December	Consolidated financial statements 2023	Consolidated financial statements 2022	Separate financial statements 2023	Separate financial statements 2022
		(in million Baht)		
Key management personnel				
Key management benefit expenses				
Short-term employee benefits	259	279	206	211
Severance pay for employees	13	40	12	37
Total key management benefit expenses	**272**	**319**	**218**	**248**

Balances as at 31 December 2023 and 2022 with related parties were as follows:

	Consolidated financial statements 2023	Consolidated financial statements 2022	Separate financial statements 2023	Separate financial statements 2022
		(in million Baht)		
Trade accounts receivable				
Parent company	3	3	3	3
Subsidiaries	-	-	145	72
Associates	9	13	-	-
Joint ventures	-	1	-	-
Other related parties	157	251	73	73
Total	**169**	**268**	**221**	**148**
Less allowance for expected credit loss	(2)	(9)	-	-
Net	**167**	**259**	**221**	**148**
Other current receivables				
Subsidiaries	-	-	108	45
Associates	25	25	-	-
Joint ventures	61	57	-	-
Other related parties	267	357	43	57
Total	**353**	**439**	**151**	**102**
Less allowance for expected credit loss	-	(2)	-	-
Net	**353**	**437**	**151**	**102**
Short-terms loans to				
Subsidiaries	-	-	219	145
Total	**-**	**-**	**219**	**145**
(Reversal of) expected credit losses for the year ended 31 December				
Trade accounts receivable	(7)	9	-	-
Other current receivables	(2)	2	-	-

Balance as at 31 December	Consolidated financial statements 2023	2022	Separate financial statements 2023	2022
		(in million Baht)		
Investment in related companies				
All Now Management Co., Ltd.	347	447	-	-
Egg Digital Co., Ltd.	119	126	-	-
CP Seeding Social Impact Co., Ltd.	4	-	2	-
Total	**470**	**573**	**2**	**-**
Trade accounts payable				
Subsidiaries	-	-	154	110
Other related parties	6,943	5,951	3,651	3,024
Total	**6,943**	**5,951**	**3,805**	**3,134**
Other current payables				
Parent company	125	104	99	98
Subsidiaries	-	-	35	15
Associates	1	-	-	-
Joint ventures	126	62	-	-
Other related parties	1,457	1,633	668	575
Total	**1,709**	**1,799**	**802**	**688**
Accrued expenses				
Subsidiaries	-	-	4	-
Associates	2	1	-	-
Joint ventures	12	8	-	-
Other related parties	496	445	-	-
Total	**510**	**454**	**4**	**-**
Lease liabilities				
Associates	6,299	6,538	-	-
Joint ventures	18	20	-	-
Other related parties	2,348	1,501	529	250
Total	**8,665**	**8,059**	**529**	**250**
Rental deposit from tenants				
Parent company	3	4	3	4
Total	**3**	**4**	**3**	**4**
Capital commitments				
Property, plant and equipment	24	33	24	33
Computer software	18	27	18	27
Total	**42**	**60**	**42**	**60**

Significant agreements with related parties

As at 31 December 2023, the Group had the following significant agreements with related parties:

a) The Company and the foreign subsidiaries have service agreements with CP ALL Public Company Limited, the parent company. Under the terms of these agreements, the Company and the subsidiaries obtain the right to use of trademarks and services under conditions stipulated in the agreements. In consideration thereof, the Company and the subsidiaries are committed to pay to the parent company fees calculated as percentages of their sales as stipulated in the agreements. These agreements are effective for periods of 1 year to 5 years and will expire on various dates until December 2026.

b) The local subsidiary and foreign subsidiary have service agreement with Charoen Pokphand Group Co., Ltd., a shareholder of the parent company. Under the terms of agreement, the subsidiary obtains the right to use of trademarks and services under conditions stipulated in the agreement. In consideration thereof, the subsidiaries are committed to pay to the related company fees calculated as a percentage of its sales as stipulated in the agreement. The agreement is effective for periods of 3 years and will expire in December 2026.

c) The Company has a service agreement with True Internet Corporation Co., Ltd., a related company. Under the terms of the agreement, the related company agrees to provide services in relation to data center service and disaster recovery site to the Company. In consideration thereof, the Company agrees to pay to the related company a monthly service fee at the rate stipulated in the agreement.

d) The local subsidiary, Ek-Chai Distribution System Co., Ltd. ("ECDS"), has a service agreement with Egg Digital Co., Ltd., a related company. Under the terms of the agreement, the related company agrees to provide advertising and data analytics services to ECDS. In consideration thereof, ECDS agrees to pay a service fee to the related company and entitle to receive revenue sharing from advertising and data analytics services to ECDS's business partner at the rate stipulated in the agreement. This agreement is effective for a period of 3 years and will expire in February 2025.

e) The Company entered into sublease building and service agreements with Ek-Chai Distribution System Co., Ltd. ("ECDS"), a local subsidiary. In consideration thereof, the Company agrees to pay to ECDS monthly rental and service fees at the rate stipulated in the agreements. These agreements are effective for a period of 3 years and will expire on various dates until November 2026.

5 Cash and cash equivalents

	Consolidated financial statements 2023	2022	Separate financial statements 2023	2022
		(in million Baht)		
Cash on hand	6,777	4,930	2,235	1,393
Cash at banks	13,642	22,963	4,473	15,254
Highly liquid short-term investments	11,288	12,210	-	-
Total	**31,707**	**40,103**	**6,708**	**16,647**

6 Trade accounts receivable

	Consolidated financial statements		
	Trade accounts receivable - other parties	Trade accounts receivable - related parties *(Note 4)*	Total carrying amounts
		(in million Baht)	
As at 31 December 2023			
Within credit terms	1,661	123	1,784
Overdue:			
Less than 3 months	491	26	517
3 - 6 months	30	17	47
6 - 12 months	30	3	33
Over 12 months	100	-	100
Total	**2,312**	**169**	**2,481**
Less allowance for expected credit loss	(175)	(2)	(177)
Net	**2,137**	**167**	**2,304**
As at 31 December 2022			
Within credit terms	1,543	194	1,737
Overdue:			
Less than 3 months	641	65	706
3 - 6 months	52	4	56
6 - 12 months	63	3	66
Over 12 months	156	2	158
Total	**2,455**	**268**	**2,723**
Less allowance for expected credit loss	(283)	(9)	(292)
Net	**2,172**	**259**	**2,431**

	Separate financial statements		
	Trade accounts receivable - other parties	Trade accounts receivable - related parties *(Note 4)*	Total carrying amounts
		(in million Baht)	
As at 31 December 2023			
Within credit terms	516	205	721
Overdue:			
Less than 3 months	50	4	54
3 - 6 months	2	1	3
6 - 12 months	-	2	2
Over 12 months	-	9	9
Total	**568**	**221**	**789**
Less allowance for expected credit loss	(21)	-	(21)
Net	**547**	**221**	**768**
As at 31 December 2022			
Within credit terms	406	104	510
Overdue:			
Less than 3 months	124	26	150
3 - 6 months	1	7	8
6 - 12 months	1	10	11
Over 12 months	1	1	2
Total	**533**	**148**	**681**
Less allowance for expected credit loss	(17)	-	(17)
Net	**516**	**148**	**664**

Allowance for expected credit loss	**Consolidated financial statements**		**Separate financial statements**	
	2023	2022	2023	2022
		(in million Baht)		
As at 1 January	292	379	17	9
Increase	44	106	4	8
Reversal	(152)	(124)	-	-
Write-off	(1)	(65)	-	-
Exchange differences on translating financial statements	(6)	(4)	-	-
As at 31 December	**177**	**292**	**21**	**17**

Information of credit risk is disclosed in note 25 (b.1).

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			
Finished goods	37,207	39,180	15,720	15,165
Work in process	1	1	-	-
Goods in transit	810	762	374	387
Total	**38,018**	**39,943**	**16,094**	**15,552**
Less allowance for losses on decline in value of inventories	(2,134)	(2,123)	(156)	(219)
Net	**35,884**	**37,820**	**15,938**	**15,333**
Cost of inventories recognised in cost of sale of goods for the year ended 31 December				
- Cost of sales	401,882	383,663	218,605	204,352
- Allowance (reversal of allowance) for losses on decline in value of inventories	11	(57)	(63)	(154)
Total	**401,893**	**383,606**	**218,542**	**204,198**

8 Investments in subsidiaries

Movements during the years ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			
Net book value as at 1 January	-	-	260,331	232,649
Increase	-	-	28,500	27,682
Decrease	-	-	(210)	-
Net book value as at 31 December	**-**	**-**	**288,621**	**260,331**

Details of the increases and decreases in investments in subsidiaries during the years ended 31 December 2023 and 2022 were as follows:

	Separate financial statements	
	2023	2022
	(in million Baht)	
C.P. Retail Development Company Limited	27,719	26,440
Makro ROH Company Limited	687	985
Siam Food Services Limited	94	210
Indoguna Vina Food Service Company Limited	(207)	47
ProMart Co., Ltd.	(3)	-
Total	**28,290**	**27,682**

Investments in subsidiaries as at 31 December 2023 and 2022, and dividend income for the years then ended were as follows:

			Separate financial statements							
Name of party	Type of business	Country of operation	Ownership interest		Paid-up capital		At cost		Dividend income	
			2023	2022	2023	2022	2023	2022	2023	2022
			(%)		*(in million Baht)*					
Local direct subsidiaries										
Siam Food Services Limited	Importing and trading of food products from international and domestic sources and providing freight, delivery rental and storage services	Thailand	99.99	99.99	3,487	3,393	3,712	3,618	-	-
Makro ROH Company Limited	Providing technical and supporting services to the Group	Thailand	99.99	99.99	6,634	5,947	6,634	5,947	-	-
C.P. Retail Development Company Limited	Investing in retail business and mall	Thailand	99.99	99.99	253,634	225,915	278,275	250,556	1,015	-
ProMart Co., Ltd.	Trading of non-food products	Thailand	-	99.99	-	3	-	3	-	-
Total							**288,621**	**260,124**	**1,015**	**-**

			Separate financial statements							
Name of party	Type of business	Country of operation	Ownership interest		Paid-up capital		At cost		Dividend income	
			2023	2022	2023	2022	2023	2022	2023	2022
			(%)		*(in million U.S. Dollar)*		*(in million Baht)*			
Foreign direct subsidiary										
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	-	100	-	6	-	207	-	-
Total							**-**	**207**	**-**	**-**
Grand total							**288,621**	**260,331**	**1,105**	**-**

Additional investments in direct subsidiaries during the year

a) On 26 January 2023, a local subsidiary, C.P. Retail Development Company Limited ("CPRD")'s Board of Directors and shareholders approved to call for the remaining of additional paid-up share capital at 73.55% amounting to Baht 27,719 million. The additional paid-up share capital was completed in January 2023, paid-up share capital totaling Baht 253,634 million.

b) On 27 February 2023, a local subsidiary, Makro ROH Company Limited ("MROH")'s Board of Directors approved to call for additional paid-up share capital of Baht 10 per share amounting to Baht 100 million. The additional paid-up share capital was completed in March 2023.

Later on 27 February 2023 and 14 March 2023, MROH's Board of Directors and shareholders, respectively, approved to increase the authorised share capital of Baht 2,350 million (increase from Baht 6,047 million to Baht 8,397 million) and to call for paid-up share capital at 25% amounting to Baht 587 million. In this regard, the Company has a 99.99% investment in the subsidiary's paid-up share capital. The registration of the increased authorised share capital with the Ministry of Commerce and the additional paid-up share capital were completed in March 2023, paid-up share capital totaling Baht 6,634 million.

c) On 27 February 2023 and 14 March 2023, a local subsidiary, Siam Food Services Limited ("SFS")'s Board of Directors and shareholders, respectively, approved to increase the authorised share capital of Baht 94 million (increase from Baht 3,393 million to Baht 3,487 million) and to call for paid-up share capital at 100% amounting to Baht 94 million. In this regard, the Company has a 99.99% investment in the subsidiary's paid-up share capital. The registration of the increase authorised share capital with the Ministry of Commerce and the additional paid-up share capital were completed in March 2023, paid-up share capital totaling Baht 3,487 million.

Disposal of investment in direct subsidiary during the year

On 25 November 2022, the Company's Board of Directors approved the business restructuring of the Group. The Company disposed its interests in Indoguna Vina Food Service Company Limited ("INDV"), a direct foreign subsidiary, to Siam Food Service Limited ("SFS"), a direct local subsidiary.

Later on 3 January 2023, the Company entered into a share purchase agreement with SFS to sell the entire investment in INDV of USD 6.3 million or equivalent to Baht 208 million. In this regard, SFS paid VND 139,701 million or equivalent to Baht 205 million to the Company. The interest in INDV in the consolidated financial statements remains 100%. The transaction was considered as a business combination under common control.

Decrease in investment in direct subsidiary during the year

During 2023, a local subsidiary, ProMart Co., Ltd. ("PRO") has filed and completed the registration for dissolution and liquidation with the Ministry of Commerce in August 2023.

Details of the Company's indirect subsidiaries as at 31 December 2023 and 2022 were as follows:

Name of party	Type of business	Country of operation	Ownership interests 2023	Ownership interests 2022
			(%)	
Local indirect subsidiaries				
Lotus's Stores (Thailand) Co., Ltd.	Investing in retail businesses	Thailand	99.99	99.99
Ek-Chai Distribution System Co., Ltd.	Retail operator and related businesses	Thailand	99.99	99.99
Lotus's Mobile (Thailand) Co., Ltd.	Telecommunication business	Thailand	99.99	99.99
Foreign indirect subsidiaries				
ARO Commercial Company Limited	Wholesale and retail operator and related businesses	Republic of the Union of Myanmar	99.99	99.99
ARO Company Limited	Providing marketing and consulting services	Republic of the Union of Myanmar	-	99.99
CP Wholesale India Private Limited	Wholesale and related business	India	99.99	99.99
Guangzhou Huadu Makro Food Supermarket Company Limited	Wholesale and retail operator and related businesses	The People's Republic of China	99.99	99.99
Indoguna (Cambodia) Company Limited	Importing and trading of food related products	Cambodia	99.99	99.99
Indoguna (Singapore) Pte Ltd	Manufacturing, trading, importing and exporting of food related products	Singapore	80.00	80.00
Indoguna Dubai L.L.C	Importing and trading of food related products	United Arab Emirates	80.00	80.00
Indoguna Lordly Company Limited	Manufacturing, trading, importing and exporting of food related products	Hong Kong Special Administrative Region of the People's Republic of China	80.00	80.00
Indoguna Muscat LLC	Importing and trading of food related products	Sultanate of Oman	80.00	-
Indoguna Vina Food Service Company Limited	Trading and distribution, and import and export food products	Vietnam	100.00	-
Just Meat Company Limited	Importing and trading of food related products	Hong Kong Special Administrative Region of the People's Republic of China	80.00	80.00
Lotuss Stores (Malaysia) Sdn. Bhd.	Retail operator and related businesses	Malaysia	100.00	100.00
Makro (Cambodia) Company Limited	Wholesale and retail operator and related businesses	Cambodia	70.00	70.00
Makro (Guangzhou) Food Company Limited	Wholesale and retail operator and related businesses	The People's Republic of China	99.99	99.99
MAXZI GLOBAL FZCO	Managing the franchise business in relation to restaurants	United Arab Emirates	80.00	-
MAXZI THE GOOD FOOD RESTAURANT & CAFE L.L.C	Restaurant and minimart	United Arab Emirates	80.00	80.00

Additional investments in indirect subsidiaries during the year

a) On 28 February 2023 and 1 March 2023, a foreign subsidiary, CP Wholesale India Private Limited ("CPWI")'s Board of Directors and shareholders, respectively, approved to increase the authorised share capital of INR 210 million (increase from INR 950 million to INR 1,160 million).

Later on 6 March 2023 and 16 March 2023, CPWI's Board of Directors approved to call for additional paid-up share capital of INR 70 per share (with the par value of INR 10 per share and the share premium of INR 60 per share) totaling INR 100 million and INR 300 million respectively. The registration of the increase authorised share capital and the additional paid-up share capital were completed in March 2023.

Later on 18 August 2023, CPWI's Board of Directors approved to call for additional paid-up share capital of INR 70 per share (with the par value of INR 10 per share and the share premium of INR 60 per share) totaling INR 400 million. The registration of the increase authorised share capital and the additional paid-up share capital were completed in August 2023, paid-up share capital totaling INR 1,059 million and the share premium of INR 5,751 million.

b) On 27 February 2023, a foreign subsidiary, Makro (Guangzhou) Food Company Limited ("MGZ")'s Board of Directors and shareholder approved to increase the authorised share capital of RMB 20 million (increase from RMB 178 million to RMB 198 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in March 2023.

Later on 4 September 2023, MGZ's Board of Directors and shareholder approved to increase the authorised share capital of RMB 7 million (increase from RMB 198 million to RMB 205 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in September 2023.

c) On 5 May 2023, a foreign subsidiary, Indoguna (Cambodia) Company Limited ("INDC")'s Board of Directors and shareholder approved to increase the authorised share capital of USD 1.0 million (increase from USD 3.5 million to USD 4.5 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in May 2023.

d) On 7 July 2023, a foreign subsidiary, Indoguna Lordly Company Limited ("INDHK")'s Board of Directors and shareholders approved to increase the authorised share capital of HKD 10.10 million (increase from HKD 0.01 million to HKD 10.11 million). The registration of the increase authorised share capital and the additional paid-up share capital were completed in July 2023.

e) On 23 August 2023, a foreign subsidiary, ARO Commercial Company Limited ("MM")'s Board of Directors approved to increase the authorised share capital of USD 0.7 million (increase from USD 31.3 million to USD 32.0 million) and to call for paid-up share capital amounting to Baht 23 million. The registration of the increase authorised share capital was completed in October 2023.

f) On 27 February 2023, a local subsidiary, Siam Food Services Limited ("SFS")'s Board of Directors approved to set up a new subsidiary in the Sultanate of Oman, Indoguna Muscat LLC ("INDM"), with an initial registered share capital of OMR 0.3 million, which is owned 80% by SFS. The registration of a subsidiary and the paid-up share capital were completed in August 2023.

g) On 3 October 2022, a local subsidiary, Siam Food Services Limited ("SFS")'s Board of Directors approved to set up a new subsidiary in a free zone area of the United Arab Emirates, MAXZI GLOBAL FZCO ("MAXZIG") with an initial registered share capital of AED 0.5 million, which is owned 80% by SFS. The registration of a subsidiary and the paid-up share capital were completed in August 2023.

9 Investments in associates and joint ventures

Movements during the years ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		**Separate financial statements**	
	2023	2022	2023	2022
	(in million Baht)			
Net book value as at 1 January	14,388	14,015	-	-
Increase	156	-	-	-
Add share of profit of investment using equity method	746	831	-	-
Less dividend income	(510)	(458)	-	-
Add share of other comprehensive income using equity method	3	-	-	-
Net book value as at 31 December	**14,783**	**14,388**	**-**	**-**

Investments in associates and joint ventures as at 31 December 2023 and 2022, and dividend income for the years then ended were as follows:

		Consolidated financial statements											
Name of party	Type of business	Ownership interest		Paid-up capital		At cost		At equity method		Dividend income			
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
		(%)		*(in million Baht)*									
Indirect associates													
Lotus's Retail Growth Freehold and Leasehold Property Fund	Real estate rental	25.00	25.00	23,828	23,828	6,373	6,373	8,944	9,053	497	448		
Sukhumvit Living Co., Ltd.	Real estate development	37.50	-	189	-	71	-	56	-	-	-		
Sukhumvit Mixed-Use Co., Ltd.	Real estate development for rental as an office building and commercial office	37.50	-	227	-	85	-	81	-	-	-		
Total						**6,529**	**6,373**	**9,081**	**9,053**	**497**	**448**		

		Consolidated financial statements									
Name of party	Type of business	Ownership interest		Paid-up capital		At cost		At equity method		Dividend income	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		(%)		*(in million Baht)*							
Indirect joint ventures											
Retail Properties Co., Ltd.	Mall rental services and related utilities service	50.00	50.00	210	210	248	248	505	504	13	10
Lotus's Money Services Limited	Credit card services	50.00	50.00	2,080	2,080	1,040	1,040	4,879	4,512	-	-
Synergistic Property Development Co., Ltd.	Real estate development	49.99	49.99	465	465	256	256	318	319	-	-
Total						**1,544**	**1,544**	**5,702**	**5,335**	**13**	**10**

All associates and joint ventures are registered and operate in Thailand.

Additional investments during the year

a) On 22 February 2023, a local subsidiary, Ek-Chai Distribution System Co., Ltd. ("ECDS") invested in Sukhumvit Living Co., Ltd. ("SKL"), an associate. In this regard, ECDS has a 37.5% investment in SKL's paid-up share capital. The paid-up share capital totaling Baht 0.4 million was completed in March 2023.

During the first quarter of 2023, ECDS invested in additional share capital in SKL, proportionately, amounting to Baht 50.9 million (increase from Baht 0.4 million to Baht 51.3 million).

During the second quarter of 2023, ECDS paid for additional paid-up share capital amounting to Baht 5.2 million (increase from Baht 51.3 million to Baht 56.5 million).

During the third quarter of 2023, ECDS paid for additional paid-up share capital amounting to Baht 4.9 million (increase from Baht 56.5 million to Baht 61.4 million).

During the fourth quarter of 2023, ECDS paid for additional paid-up share capital amounting to Baht 9.7 million (increase from Baht 61.4 million to Baht 71.1 million).

b) On 20 March 2023, ECDS invested in Sukhumvit Mixed-Use Co., Ltd. ("SKM"), an associate. In this regard, ECDS has a 37.5% investment in SKM's paid-up share capital. The paid-up share capital totaling Baht 0.4 million was completed in June 2023.

During the second quarter of 2023, ECDS invested in additional share capital in SKM, proportionately, amounting to Baht 69.0 million (increase from Baht 0.4 million to Baht 69.4 million).

During the third quarter of 2023, ECDS paid for additional paid-up share capital amounting to Baht 7.5 million (increase from Baht 69.4 million to Baht 76.9 million).

During the fourth quarter of 2023, ECDS paid for additional paid-up share capital amounting to Baht 8.2 million (increase from Baht 76.9 million to Baht 85.1 million).

Lotus's Retail Growth Freehold and Leasehold Property Fund is listed on the Stock Exchange of Thailand. The fair value of this investment was calculated from its closing price at 28 December 2023, amounting to Baht 7,830 million *(2022: Baht 7,421 million)*.

The Group has considered that none of associate and joint ventures is regarded as individually material to the Group.

Immaterial associates and joint ventures

The following summarises the financial information of the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associates		**Immaterial joint ventures**	
	2023	2022	2023	2022
		(in million Baht)		
Carrying amount of interests in immaterial associates and joint ventures	**9,081**	**9,053**	**5,702**	**5,335**
Group's share of:				
- Profit from continuing operations	369	362	377	469
- Other comprehensive income	-	-	3	-
- Total comprehensive income	**369**	**362**	**380**	**469**

10 Investment properties

	Consolidated financial statements				
	Land	Buildings, building improvements and right-of-use improvements	Right-of-use assets	Assets under construction	Total
			(in million Baht)		
Cost					
As at 1 January 2022	**12,662**	**24,778**	**8,575**	**-**	**46,015**
Additions	34	30	239	1,200	1,503
Transfers	-	984	-	(984)	-
Reclassification	352	(1,060)	139	-	(569)
Disposals and write-off	-	(62)	(1)	-	(63)
Lease modification	-	-	41	-	41
Exchange differences on translating financial statements	(75)	(177)	(52)	-	(304)
As at 31 December 2022 and 1 January 2023	**12,973**	**24,493**	**8,941**	**216**	**46,623**
Additions	-	47	1,226	828	2,101
Transfers	-	822	-	(822)	-
Reclassification	(67)	1,331	(322)	-	942
Disposals and write-off	-	(31)	(15)	-	(46)
Exchange differences on translating financial statements	(168)	(399)	(128)	(1)	(696)
As at 31 December 2023	**12,738**	**26,263**	**9,702**	**221**	**48,924**

	Consolidated financial statements *(Continued)*				
	Land	Buildings, building improvements and right-of-use improvements	Right-of-use assets	Assets under construction	Total
			(in million Baht)		
Accumulated depreciation and accumulated impairment losses					
As at 1 January 2022	**(15)**	**(645)**	**(87)**	**-**	**(747)**
Depreciation charge for the year	-	(1,543)	(541)	-	(2,084)
Impairment losses	-	(2)	-	-	(2)
Reclassification	-	93	(9)	-	84
Disposals and write-off	-	44	1	-	45
Lease modification	-	-	(18)	-	(18)
Exchange differences on translating financial statements	-	5	4	-	9
As at 31 December 2022 and 1 January 2023	**(15)**	**(2,048)**	**(650)**	**-**	**(2,713)**
Depreciation charge for the year	-	(1,417)	(473)	-	(1,890)
Impairment losses	-	(1)	(18)	-	(19)
Reclassification	-	(3)	(50)	-	(53)
Disposals and write-off	-	27	7	-	34
Exchange differences on translating financial statements	-	22	9	-	31
As at 31 December 2023	**(15)**	**(3,420)**	**(1,175)**	**-**	**(4,610)**

	Consolidated financial statements *(Continued)*				
	Land	Buildings, building improvements and right-of-use improvements	Right-of-use assets	Assets under construction	Total
			(in million Baht)		
Net book value					
As at 1 January 2022	**12,647**	**24,133**	**8,488**	**-**	**45,268**
As at 31 December 2022 and 1 January 2023	**12,958**	**22,445**	**8,291**	**216**	**43,910**
As at 31 December 2023	**12,723**	**22,843**	**8,527**	**221**	**44,314**

	Separate financial statements			
	Land	Buildings, building improvements and right-of-use improvements	Right-of-use assets	Total
	(in million Baht)			
Cost				
As at 1 January 2022	**127**	**-**	**-**	**127**
As at 31 December 2022 and 1 January 2023	**127**	**-**	**-**	**127**
Reclassification	13	32	21	66
As at 31 December 2023	**140**	**32**	**21**	**193**
Accumulated depreciation and accumulated impairment losses				
As at 1 January 2022	**(15)**	**-**	**-**	**(15)**
As at 31 December 2022 and 1 January 2023	**(15)**	**-**	**-**	**(15)**
Depreciation charge for the year	-	(1)	-	(1)
Reclassification	-	(9)	(5)	(14)
As at 31 December 2023	**(15)**	**(10)**	**(5)**	**(30)**
Net book value				
As at 1 January 2022	**112**	**-**	**-**	**112**
As at 31 December 2022 and 1 January 2023	**112**	**-**	**-**	**112**
As at 31 December 2023	**125**	**22**	**16**	**163**

The gross amount of the Group's fully depreciated investment properties that were still in use as at 31 December 2023 amounted to Baht 306 million in the consolidated financial statements *(2022: Baht 100 million)*.

The fair value of investment properties as at 31 December 2023 of Baht 64,579 million *(2022: Baht 45,690 million)* in the consolidated financial statements and Baht 253 million *(2022: Baht 204 million)* in separate financial statements, were determined by independent professional valuers. The fair value of investment property has been categorised as level 3 fair value.

11 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings, building improvements and right-of-use improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in million Baht)			
Cost							
As at 1 January 2022	**36,145**	**65,801**	**18,110**	**18,091**	**267**	**3,055**	**141,469**
Additions	690	464	1,176	3,736	39	4,076	10,181
Transfers	-	2,654	719	759	-	(4,132)	-
Reclassification	(352)	1,060	-	-	-	-	708
Disposals and write-off	-	(583)	(487)	(2,076)	(49)	-	(3,195)
Exchange differences on translating financial statements	(230)	(195)	(17)	(212)	(4)	(7)	(665)
As at 31 December 2022 and 1 January 2023	**36,253**	**69,201**	**19,501**	**20,298**	**253**	**2,992**	**148,498**
Additions	1,322	509	1,484	3,167	72	3,468	10,022
Transfers	-	1,259	648	1,989	3	(3,899)	-
Reclassification	231	(1,489)	(6)	-	-	-	(1,264)
Disposals and write-off	-	(1,381)	(638)	(3,841)	(23)	(23)	(5,906)
Exchange differences on translating financial statements	(319)	(463)	(1)	42	(2)	(11)	(754)
As at 31 December 2023	**37,487**	**67,636**	**20,988**	**21,655**	**303**	**2,527**	**150,596**

Consolidated financial statements *(Continued)*

	Land	Buildings, building improvements and right-of-use improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in million Baht)			
Accumulated depreciation and accumulated impairment losses							
As at 1 January 2022	**-**	**(7,512)**	**(13,025)**	**(2,430)**	**(58)**	**-**	**(23,025)**
Depreciation charge for the year	-	(3,780)	(1,361)	(4,971)	(99)	-	(10,211)
Reclassification	-	(93)	-	-	-	-	(93)
Disposals and write-off	-	556	471	1,961	45	-	3,033
Impairment losses	-	(3)	-	(67)	-	(25)	(95)
Exchange differences on translating financial statements	-	(6)	6	5	3	-	8
As at 31 December 2022 and 1 January 2023	**-**	**(10,838)**	**(13,909)**	**(5,502)**	**(109)**	**(25)**	**(30,383)**
Depreciation charge for the year	-	(3,693)	(1,453)	(4,783)	(60)	-	(9,989)
Reclassification	-	(1)	4	-	-	-	3
Disposals and write-off	-	1,224	569	3,657	21	23	5,494
Impairment losses	-	(97)	(14)	(57)	-	(51)	(219)
Exchange differences on translating financial statements	-	30	5	37	-	-	72
As at 31 December 2023	**-**	**(13,375)**	**(14,798)**	**(6,648)**	**(148)**	**(53)**	**(35,022)**

	Consolidated financial statements *(Continued)*						
	Land	Buildings, building improvements and right-of-use improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in million Baht)			
Net book value							
As at 1 January 2022	**36,145**	**58,289**	**5,085**	**15,661**	**209**	**3,055**	**118,444**
As at 31 December 2022 and 1 January 2023	**36,253**	**58,363**	**5,592**	**14,796**	**144**	**2,967**	**118,115**
As at 31 December 2023	**37,487**	**54,261**	**6,190**	**15,007**	**155**	**2,474**	**115,574**

	Separate financial statements						
	Land	Buildings, building improvements and right-of-use improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in million Baht)			
Cost							
As at 1 January 2022	**12,350**	**17,973**	**17,316**	**2,996**	**52**	**346**	**51,033**
Additions	593	170	1,127	395	10	1,430	3,725
Transfers	-	594	485	15	-	(1,094)	-
Disposals and write-off	-	(29)	(469)	(121)	(13)	-	(632)
As at 31 December 2022 and 1 January 2023	**12,943**	**18,708**	**18,459**	**3,285**	**49**	**682**	**54,126**
Additions	1,322	374	1,444	520	27	2,158	5,845
Transfers	-	808	648	87	-	(1,543)	-
Reclassification	(13)	(26)	(6)	-	-	-	(45)
Disposals and write-off	-	(40)	(575)	(130)	(11)	-	(756)
As at 31 December 2023	**14,252**	**19,824**	**19,970**	**3,762**	**65**	**1,297**	**59,170**
Accumulated depreciation and accumulated impairment losses							
As at 1 January 2022	**-**	**(7,047)**	**(12,699)**	**(2,375)**	**(25)**	**-**	**(22,146)**
Depreciation charge for the year	-	(494)	(1,246)	(319)	(9)	-	(2,068)
Disposals and write-off	-	20	456	120	10	-	606
Impairment losses	-	(6)	-	-	-	-	(6)
As at 31 December 2022 and 1 January 2023	**-**	**(7,527)**	**(13,489)**	**(2,574)**	**(24)**	**-**	**(23,614)**
Depreciation charge for the year	-	(519)	(1,312)	(360)	(12)	-	(2,203)
Disposals and write-off	-	29	541	124	11	-	705
Reclassification	-	5	4	-	-	-	9
Reversal of impairment losses (impairment losses)	-	3	(14)	-	-	-	(11)
As at 31 December 2023	**-**	**(8,009)**	**(14,270)**	**(2,810)**	**(25)**	**-**	**(25,114)**

	Separate financial statements *(Continued)*						
	Land	Buildings, building improvements and right-of-use improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets construction and installation	Total
				(in million Baht)			
Net book value							
As at 1 January 2022	**12,350**	**10,926**	**4,617**	**621**	**27**	**346**	**28,887**
As at 31 December 2022 and 1 January 2023	**12,943**	**11,181**	**4,970**	**711**	**25**	**682**	**30,512**
As at 31 December 2023	**14,252**	**11,815**	**5,700**	**952**	**40**	**1,297**	**34,056**

The gross amount of the Group's and the Company's fully depreciated plant and equipment that were still in use as at 31 December 2023 amounted to Baht 14,503 million *(2022: Baht 11,830 million)* in the consolidated financial statements and Baht 11,050 million *(2022: Baht 10,431 million)* in the separate financial statements.

Security

As at 31 December 2023, the Group's property, plant and equipment with total net book value of Baht 12,711 million *(2022: Baht 13,906 million)* were pledged under long-term borrowings from financial institutions.

12 Right-of-use assets

	Consolidated financial statements					
	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
			(in million Baht)			
Cost						
As at 1 January 2022	**21,990**	**15,156**	**2,318**	**732**	**672**	**40,868**
Additions	2,264	1,342	874	266	309	5,055
Reclassification	(464)	(69)	539	(146)	1	(139)
Write-off	(161)	(355)	(82)	(15)	(59)	(672)
Lease modification	22	(387)	3	(3)	-	(365)
Exchange differences on translating financial statements	(34)	(105)	1	(12)	1	(149)
As at 31 December 2022 and 1 January 2023	**23,617**	**15,582**	**3,653**	**822**	**924**	**44,598**
Additions	5,670	544	998	68	182	7,462
Reclassification	(103)	425	-	-	-	322
Write-off	(411)	(683)	(74)	(24)	(205)	(1,397)
Lease modification	(209)	(244)	-	-	-	(453)
Exchange differences on translating financial statements	(128)	(75)	-	(31)	-	(234)
As at 31 December 2023	**28,436**	**15,549**	**4,577**	**835**	**901**	**50,298**

Consolidated financial statements *(Continued)*

	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
			(in million Baht)			
Accumulated depreciation and accumulated impairment losses						
As at 1 January 2022	**(2,028)**	**(860)**	**(821)**	**(214)**	**(114)**	**(4,037)**
Depreciation charge for the year	(1,716)	(1,621)	(269)	(42)	(258)	(3,906)
Reclassification	10	(1)	-	-	-	9
Write-off	79	251	82	15	58	485
Lease modification	(19)	-	6	2	-	(11)
Reversal of impairment losses	-	12	-	-	-	12
Exchange differences on translating financial statements	4	15	(1)	-	(1)	17
As at 31 December 2022 and 1 January 2023	**(3,670)**	**(2,204)**	**(1,003)**	**(239)**	**(315)**	**(7,431)**
Depreciation charge for the year	(1,796)	(1,580)	(290)	(48)	(268)	(3,982)
Reclassification	6	44	-	-	-	50
Write-off	173	308	73	20	177	751
Lease modification	63	-	-	-	-	63
Impairment losses	(6)	(18)	-	-	-	(24)
Exchange differences on translating financial statements	12	12	-	2	-	26
As at 31 December 2023	**(5,218)**	**(3,438)**	**(1,220)**	**(265)**	**(406)**	**(10,547)**
Net book value						
As at 1 January 2022	**19,962**	**14,296**	**1,497**	**518**	**558**	**36,831**
As at 31 December 2022 and 1 January 2023	**19,947**	**13,378**	**2,650**	**583**	**609**	**37,167**
As at 31 December 2023	**23,218**	**12,111**	**3,357**	**570**	**495**	**39,751**

	Separate financial statements					
	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
			(in million Baht)			
Cost						
As at 1 January 2022	**8,018**	**1,703**	**2,177**	**248**	**191**	**12,337**
Additions	368	281	19	11	61	740
Write-off	-	(132)	(27)	(15)	(17)	(191)
Lease modification	(18)	-	2	(9)	-	(25)
As at 31 December 2022 and 1 January 2023	**8,368**	**1,852**	**2,171**	**235**	**235**	**12,861**
Additions	3,114	190	261	22	99	3,686
Reclassification	-	(21)	-	-	-	(21)
Write-off	(158)	(32)	(20)	(11)	(31)	(252)
Lease modification	(128)	-	-	-	-	(128)
As at 31 December 2023	**11,196**	**1,989**	**2,412**	**246**	**303**	**16,146**
Accumulated depreciation						
As at 1 January 2022	**(1,685)**	**(382)**	**(802)**	**(205)**	**(77)**	**(3,151)**
Depreciation charge for the year	(382)	(257)	(183)	(15)	(50)	(887)
Write-off	-	132	27	15	17	191
Lease modification	4	-	5	2	-	11
As at 31 December 2022 and 1 January 2023	**(2,063)**	**(507)**	**(953)**	**(203)**	**(110)**	**(3,836)**
Depreciation charge for the year	(460)	(229)	(167)	(14)	(60)	(930)
Reclassification	-	5	-	-	-	5
Write-off	56	24	20	11	31	142
Lease modification	63	-	-	-	-	63
As at 31 December 2023	**(2,404)**	**(707)**	**(1,100)**	**(206)**	**(139)**	**(4,556)**

	Separate financial statements *(Continued)*					
	Land	Buildings	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
			(in million Baht)			
Net book value						
As at 1 January 2022	**6,333**	**1,321**	**1,375**	**43**	**114**	**9,186**
As at 31 December 2022 and 1 January 2023	**6,305**	**1,345**	**1,218**	**32**	**125**	**9,025**
As at 31 December 2023	**8,792**	**1,282**	**1,312**	**40**	**164**	**11,590**

13 Goodwill

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			
As at 1 January	234,736	234,736	-	-
As at 31 December	**234,736**	**234,736**	**-**	**-**

Cash generating units ("CGUs") containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			
C.P. Retail Development Company Limited and its subsidiaries ("Lotus's group")	232,545	232,545	-	-
Indoguna group*	2,023	2,023	-	-
Siam Food Services Limited	168	168	-	-
Total	**234,736**	**234,736**	**-**	**-**

*Indoguna group comprised Indoguna (Singapore) Pte Ltd, Indoguna Dubai L.L.C, Just Meat Company Limited and Indoguna Lordly Company Limited.

Impairment testing for carrying amount of goodwill and other intangible assets within indefinite useful lives

The recoverable amount was based on its value in use, determined by discounting future cash flows to be generated from the going concern and the continuing use of assets of (1) Lotus's group (2) Indoguna group and (3) Siam Food Services Limited.

The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and have been based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as cost of debt and cost of equity which ranging from 6% to 7% *(2022 : 6% to 7%).*

Terminal value growth rate

Terminal value growth rates were determined based on average consumer price index in the country of operation, inflation rates and growth rates of historical earnings before income tax, depreciation and amortisation ("EBITDA") at the rate from 3% *(2022: 3%).*

Budgeted EBITDA

Budgeted EBITDA were based on expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. Revenue growth was projected from past experience and estimate sale growth.

Management has identified that a reasonably possible change in three key assumptions, discount rate, terminal value growth rate and estimate sale growth rate, which in 2023 if discount rate increases by 1% to 3% *(2022: 1% to 3%)* or terminal value growth rate decreases by 2% to 4% *(2022: 2% to 4%)* or estimate sale growth rate decreases by 7% to 13% *(2022: 7% to 14%)* could cause the recoverable amount to be equal to the carrying amount of (1) Lotus's group (2) Indoguna group and (3) Siam Food Services Limited.

Based on the impairment testing, the recoverable amount was estimated to be higher than its carrying amount and no impairment was required to the consolidated financial statements.

14 Other intangible assets other than goodwill

	Consolidated financial statements				
	Computer software	Trademarks and other	Customer relationship	Computer software under development and other	Total
			(in million Baht)		
Cost					
As at 1 January 2022	**7,673**	**471**	**1,137**	**772**	**10,053**
Additions	641	-	-	3,186	3,827
Transfers	3,059	-	-	(3,059)	-
Disposals and write-off	(2)	-	-	(4)	(6)
Exchange differences on translating financial statements	(20)	-	-	(1)	(21)
As at 31 December 2022 and 1 January 2023	**11,351**	**471**	**1,137**	**894**	**13,853**
Additions	393	2	-	1,843	2,238
Transfers	971	1	-	(972)	-
Disposals and write-off	(98)	-	-	-	(98)
Exchange differences on translating financial statements	(24)	-	-	(3)	(27)
As at 31 December 2023	**12,593**	**474**	**1,137**	**1,762**	**15,966**

	Consolidated financial statements *(Continued)*				
	Computer software	Trademarks and other	Customer relationship	Computer software under development and other	Total
			(in million Baht)		
Accumulated amortisation and accumulated impairment losses					
As at 1 January 2022	**(1,944)**	**(7)**	**(42)**	**-**	**(1,993)**
Amortisation charge for the year	(1,225)	(3)	(121)	-	(1,349)
Disposals and write-off	2	-	-	-	2
(Impairment losses) reversal of impairment losses	(3)	-	1	-	(2)
Exchange differences on translating financial statements	10	-	-	-	10
As at 31 December 2022 and 1 January 2023	**(3,160)**	**(10)**	**(162)**	**-**	**(3,332)**
Amortisation charge for the year	(1,629)	(2)	(121)	-	(1,752)
Disposals and write-off	93	-	-	-	93
Reversal of impairment losses	1	-	-	-	1
Exchange differences on translating financial statements	7	-	-	-	7
As at 31 December 2023	**(4,688)**	**(12)**	**(283)**	**-**	**(4,983)**
Net book value					
As at 1 January 2022	**5,729**	**464**	**1,095**	**772**	**8,060**
As at 31 December 2022 and 1 January 2023	**8,191**	**461**	**975**	**894**	**10,521**
As at 31 December 2023	**7,905**	**462**	**854**	**1,762**	**10,983**

	Separate financial statements		
	Computer software	Computer software under development	Total
		(in million Baht)	
Cost			
As at 1 January 2022	**2,804**	**286**	**3,090**
Additions	484	560	1,044
Transfers	766	(766)	-
Write-off	-	(4)	(4)
As at 31 December 2022 and 1 January 2023	**4,054**	**76**	**4,130**
Additions	371	553	924
Transfers	489	(489)	-
Disposals and write-off	(96)	-	(96)
As at 31 December 2023	**4,818**	**140**	**4,958**
Accumulated amortisation and accumulated impairment losses			
As at 1 January 2022	**(1,663)**	**-**	**(1,663)**
Amortisation charge for the year	(465)	-	(465)
Impairment losses	(3)	-	(3)
As at 31 December 2022 and 1 January 2023	**(2,131)**	**-**	**(2,131)**
Amortisation charge for the year	(674)	-	(674)
Disposals and write-off	91	-	91
Reversal of impairment losses	1	-	1
As at 31 December 2023	**(2,713)**	**-**	**(2,713)**
Net book value			
As at 1 January 2022	**1,141**	**286**	**1,427**
As at 31 December 2022 and 1 January 2023	**1,923**	**76**	**1,999**
As at 31 December 2023	**2,105**	**140**	**2,245**

The gross amount of the Group's and the Company's fully amortised other intangible assets other than goodwill that were still in use as at 31 December 2023 amounted to Baht 997 million *(2022: Baht 751 million)* in the consolidated financial statements and Baht 708 million *(2022: Baht 651 million)* in the separate financial statements.

15 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(in million Baht)		
Short-term borrowings from financial institutions				
Liabilities under trust receipts - unsecured	1,347	1,624	-	-
Short-term borrowings - unsecured	1,035	13	996	-
Debentures - unsecured	69,919	23,466	14,982	-
Long-term borrowings from financial institutions				
- secured	16,884	17,751	-	-
- unsecured	7,000	68,808	7,000	7,000
Lease liabilities	51,740	48,879	8,756	6,567
Total interest-bearing liabilities	**147,925**	**160,541**	**31,734**	**13,567**

As at 31 December 2023, the Group and the Company had unutilised credit facilities totaling Baht 24,336 million (2022: Baht 28,340 million) in the consolidated financial statements and Baht 13,610 million (2022: Baht 12,993 million) in the separate financial statements.

Movements during the years ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(in million Baht)		
Short-term borrowings from financial institutions				
As at 1 January	1,637	29,198	-	-
Increases	155,688	5,696	145,479	1,000
Decreases	(155,120)	(33,408)	(144,660)	(1,000)
Interest paid calculated using effective interest rate method	177	158	177	-
Other movement	-	(7)	-	-
As at 31 December	**2,382**	**1,637**	**996**	**-**
Debentures				
As at 1 January	23,466	-	-	-
Increases, net of debentures issuance cost	46,432	23,463	14,980	-
Interest paid calculated using effective interest rate method	21	3	2	-
As at 31 December	**69,919**	**23,466**	**14,982**	**-**

1) The Company issued unsubordinated and unsecured debentures in registered name form with debenture holder representative offered to public investors which has the objective to repay bill of exchange and borrowings from financial institutions. Detail of debentures were as follows:

No.	Date	Amount *(in million Baht)*	Debentures term *(year)*	Fixed rate *(% per annum)*	Maturity and repayment date
1/2023	13 September 2023	10,000	1.5	3.04	13 March 2025
1/2023	13 September 2023	3,000	3	3.20	13 September 2026
1/2023	13 September 2023	1,000	5	3.55	13 September 2028
1/2023	13 September 2023	1,000	7	3.80	13 September 2030

The Company must comply with the specific covenants such as maintaining a net interest bearing debt to equity ratio of the consolidated financial statements as specified in terms and condition of the debentures, etc.

2) A local subsidiary, Ek-Chai Distribution System Co., Ltd ("ECDS"), issued debentures which has the objective to repay borrowings from financial institutions. Detail of debentures were as follows:

2.1) Unsubordinated and unsecured debentures in registered name form with debenture holder representative offered to public investors.

No.	Date	Amount *(in million Baht)*	Debentures term *(year)*	Fixed rate *(% per annum)*	Maturity and repayment date
1/2023	20 April 2023	7,455	1.5	2.80	20 October 2024
1/2023	20 April 2023	10,375	3	3.20	20 April 2026
1/2023	20 April 2023	5,356	5	3.54	20 April 2028
1/2023	20 April 2023	1,111	8	3.83	20 April 2031
1/2023	20 April 2023	5,803	10	4.00	20 April 2033

2.2) Unsubordinated and unsecured debentures in registered name form with no debenture holder representative offered to institutional investors.

No.	Date	Amount *(in million Baht)*	Debentures term *(year)*	Fixed rate *(% per annum)*	Maturity and repayment date
1/2023	20 April 2023	350	1.5	2.80	20 October 2024
1/2023	20 April 2023	1,050	10	4.00	20 April 2033

ECDS must comply with the specific covenants such as maintaining a net debt to equity ratio of ECDS's consolidated financial statements as specified in terms and condition of the debentures, etc.

	Consolidated financial statements		**Separate financial statements**	
	2023	2022	2023	2022
	(in million Baht)			
Long-term borrowings from financial institutions				
As at 1 January	86,559	107,121	7,000	7,000
Increases	5	2,000	-	2,000
Decreases	(61,100)	(23,941)	-	(2,000)
Interest paid calculated using effective interest rate method	611	626	-	-
Other movement	(2,191)	753	-	-
As at 31 December	**23,884**	**86,559**	**7,000**	**7,000**

As at 31 December 2023, the Group had long-term borrowings agreements with a local branch and oversea branches of foreign financial institutions and a local financial institution. Details of significant agreements are as follows:

Borrowing agreement	Approved credit facilities	Interest rate (% per annum)	Term of payment
The first agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2024
The second agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in November 2024
The third agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in December 2024
The fourth agreement	Baht 1,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2025
The fifth agreement	Baht 2,000 million	Fixed interest rate as stipulated in the agreement	Entire principal of borrowing in January 2026
The sixth agreement	Malaysian Ringgit 2,300 million	Variable interest rate as stipulated in the agreement	Installment until October 2026

In this regard, the Group must comply with the specified covenants in each long-term borrowings agreements, such as to maintain debt to equity ratio and the shareholdings of the parent company as stipulated in the agreements, etc.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			
Lease liabilities				
As at 1 January	48,879	47,974	6,567	6,700
Purchase of assets under lease liabilities	7,796	5,146	2,794	592
Payment of lease liabilities	(5,431)	(5,208)	(807)	(895)
Write-off	(734)	(337)	(8)	(1)
Finance costs under lease	2,016	1,886	282	225
Lease modification	(397)	(385)	(72)	(54)
Other movement	(389)	(197)	-	-
As at 31 December	**51,740**	**48,879**	**8,756**	**6,567**

16 Provisions for employee benefits

Defined benefit plan

The Group operates defined benefit plans which have characteristics as follows:

Pension fund benefit

The Group operates a pension scheme for employees who joined before 1 January 2003 and choose to retain the benefits of the original scheme. Employees, upon resignation or retirement from the Group after having completed 3 years of service, shall be entitled to receive cash payment equivalent to their prevailing salary multiplied by the number of years of service, but not exceeding the equivalent of 10 months of final salary.

Severance benefit

Under Thai Labour Protection Act B.E 2541 (1998) and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60 years. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of final salary.

Additional benefit related to provident fund

The Company operates an employee benefit scheme under which employees who joined before 1 April 2016 and are members of the Company's provident fund for at least 9 years are entitled to receive additional contribution from the Company on their resignation or retirement from employment with the Company. Employees, who are member of the provident fund for at least 9 years, shall be entitled to receive an additional 50% of the contributions made by the Company on their behalf.

Other long-term employee benefit plan

The subsidiary provides other long-term employee benefit plan, namely long service awards.

The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, future salary growth risk and employee turnover risk.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in million Baht)			
As at 1 January	2,550	2,570	1,083	1,116
Included in profit or loss:				
Current service costs	205	242	89	126
Past service costs	(36)	1	(36)	-
Interest on obligation	56	33	31	14
Actuarial gain on other long-term employee benefit plan	(4)	(6)	-	-
	221	270	84	140
Included in other comprehensive income:				
Actuarial (gain) loss				
- Changes in assumptions	(22)	(191)	-	(131)
- Experience adjustments	52	92	21	88
	30	(99)	21	(43)
Other:				
Benefits paid by the plan	(121)	(190)	(56)	(130)
Transfer in provisions for employee benefits from subsidiary	-	-	18	-
Transfer out provisions for employee benefits to related parties	(14)	-	-	-
Exchange differences on translating financial statements	-	(1)	-	-
As at 31 December	**2,666**	**2,550**	**1,150**	**1,083**

Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(%)		
Discount rate	2.5 - 4.0	1.9 - 4.0	3.0	3.0
Future salary growth	2.5 - 8.0	3.0 - 8.0	4.0	4.0
Employee turnover	0.0 - 50.0	0.0 - 50.0	0.0 - 50.0	0.0 - 50.0

Assumptions regarding future mortality have been based on published statistics and mortality table.

As at 31 December 2023, the weighted average duration of the defined benefit obligations were 2 to 15 years *(2022: 6 to 15 years).*

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts increase (decrease) as follows:

	Consolidated financial statements Assumption changes by 0.5%		Separate financial statements Assumption changes by 0.5%	
Effect to the defined benefit obligation increase (decrease)	Increase	Decrease	Increase	Decrease
		(in million Baht)		
At 31 December 2023				
Discount rate	(73)	78	(34)	36
Future salary growth	70	(66)	29	(28)
Employee turnover	(71)	60	(28)	16
At 31 December 2022				
Discount rate	(78)	83	(35)	38
Future salary growth	72	(68)	29	(28)
Employee turnover	(75)	65	(28)	16

17 Other non-current provisions

	Consolidated financial statements							
	2023				2022			
	Dismantling provision	Provision for litigation claim	Other	Total	Dismantling provision	Provision for litigation claim	Other	Total
	(in million Baht)							
As at 1 January	2,245	97	-	2,342	2,239	91	65	2,395
Provision made	161	8	-	169	90	7	-	97
Provision used	(56)	(3)	-	(59)	(71)	(1)	-	(72)
Provision reversed	(23)	(3)	-	(26)	(13)	-	(65)	(78)
As at 31 December	**2,327**	**99**	**-**	**2,426**	**2,245**	**97**	**-**	**2,342**

	Separate financial statements	
	Provision for litigation claim	
	2023	2022
	(in million Baht)	
As at 1 January and 31 December	**65**	**65**

18 Share premium and legal reserve

Share premium

Section 51 of the Public Limited Company Act B.E. 2535 (1992) requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

As at 31 December 2023 and 2022, the Company's legal reserve was equal to 10% of the registered authorised capital.

19 Segment information and disaggregation of revenue

Revenue

The Group's operations is derived from sale of goods from wholesale business, retail and mall business, and rendering of services related to those businesses.

Segment information

Segment information is taken from internal reports of the Group which are reviewed by the Chief Operating Decision Maker (CODM). CODM is the Executive Committee and Chief Executive Officer - CP Axtra Public Company Limited, who makes decisions about resource allocation and assesses the segment performance.

The CODM considers the following to be the Group's reportable segments:

Segment 1: Wholesale
Segment 2: Retail and mall

The Group did not have single external customer that contributed 10% or more of the Group's total revenues.

The CODM considers the monthly performance of each reporting segment based upon profit before finance costs and income tax expense.

Disaggregation of revenues, timing of revenue recognition and results, based on segments, for the years ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements					
	Wholesale		Retail and mall		Total	
Year ended 31 December	2023	2022	2023	2022	2023	2022
	(in million Baht)					
Type of revenues						
Revenue from sale of goods	259,811	242,437	206,423	204,745	466,234	447,182
Revenue from rendering of services	4,806	4,241	1,129	1,181	5,935	5,422
Revenue from rental and rendering retail services	517	443	13,786	13,034	14,303	13,477
External revenues	265,134	247,121	221,338	218,960	486,472	466,081
Total income	**266,057**	**248,079**	**223,892**	**221,052**	**489,949**	**469,131**
Timing of revenue						
At a point in time	259,822	242,451	207,997	205,833	467,819	448,284
Overtime	5,312	4,670	13,341	13,127	18,653	17,797
Total	**265,134**	**247,121**	**221,338**	**218,960**	**486,472**	**466,081**
Profit before finance costs and and income tax expense	8,723	9,600	8,730	7,933	17,453	17,533
Finance costs					(6,319)	(7,122)
Income tax expense					(2,535)	(2,729)
Profit for the year					**8,599**	**7,682**

	Separate financial statements	
	Wholesale	
Year ended 31 December	2023	2022
	(in million Baht)	
Type of revenues		
Revenue from sale of goods	243,754	227,435
Revenue from rendering of services	4,768	4,210
Revenue from rental and rendering retail services	482	409
External revenues	249,004	232,054
Total income	**250,825**	**233,014**
Timing of revenue recognition		
At a point in time	243,765	227,447
Overtime	5,239	4,607
Total	**249,004**	**232,054**
Profit before finance costs and income tax expense	9,968	9,722
Finance costs	(870)	(377)
Income tax expense	(1,625)	(1,879)
Profit for the year	**7,473**	**7,466**

Details of assets and liabilities, based on segments, in the consolidated financial statements as at 31 December 2023 and 2022 were as follows:

	Wholesale		Retail and mall		Total	
	2023	2022	2023	2022	2023	2022
			(in million Baht)			
Property, plant and equipment	35,937	32,552	79,637	85,563	115,574	118,115
Goodwill	2,191	2,191	232,545	232,545	234,736	234,736
Other assets	49,775	56,051	140,286	139,741	190,061	195,792
Total segment assets	**87,903**	**90,794**	**452,468**	**457,849**	**540,371**	**548,643**
Total segment liabilities	**81,389**	**57,947**	**165,510**	**199,765**	**246,899**	**257,712**

Information about geographical areas

In presenting information on the basis of information about geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

Detail of the geographic segment financial information of the geographical area of the Group as at 31 December and for the year then ended were as follows:

	Consolidated financial statements			
	Revenue		Non-current assets (excluded goodwill)	
	2023	2022	2023	2022
	(in million Baht)			
Thailand	439,670	418,344	191,549	186,538
Malaysia	36,837	38,502	32,945	34,979
Others	13,442	12,285	4,402	5,035
Total	**489,949**	**469,131**	**228,896**	**226,552**

20 Leases

As a lessee

The Group has entered into a number of various assets categories primarily on respect of land and building lease agreements. These agreements are effective for periods of 1 year to 99 years and will expire on various dates until September 2089 with extension options at the end of lease term. The rental is payable as specified in the contract.

		Consolidated financial statements		Separate financial statements	
For the year ended 31 December	*Note*	2023	2022	2023	2022
		(in million Baht)			
Included in profit or loss					
Sub-lease income		4,562	4,537	14	10
Depreciation of right-of-use assets	*12*	3,982	3,906	930	887
Interest on lease liabilities	*15*	2,016	1,886	282	225
Expenses relating to short-term leases		351	319	150	144
Expenses relating to leases of low-value assets		475	320	299	127
Variable lease payments based on sales		149	143	-	-

In 2023, total cash outflow for leases of the Group and the Company were Baht 6,406 million and Baht 1,256 million respectively. (2022: Baht 5,990 million and Baht 1,166 million respectively)

Extension options

The Group has extension options on property leases exercisable before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

As a lessor

The Group has entered into a number of land and building spaces lease agreements which were classified as operating leases. These lease agreements are effective for periods of 1 year to 30 years and will expire on various dates until May 2048.

Lease payments to be received from operating leases as at 31 December	Consolidated financial statements 2023	Consolidated financial statements 2022	Separate financial statements 2023	Separate financial statements 2022
	(in million Baht)			
1st year	5,067	5,063	130	129
2nd year	2,680	2,698	65	108
3rd year	828	1,071	9	44
4th year	62	62	-	-
5th year	62	64	-	-
After 5th year	1,290	1,354	-	-
Total	**9,989**	**10,312**	**204**	**281**

21 Expenses by nature

The statement of income includes an analysis of expenses by function. Expenses by nature are as follows:

	Note	Consolidated financial statements 2023	Consolidated financial statements 2022	Separate financial statements 2023	Separate financial statements 2022
		(in million Baht)			
Changes in inventories of finished goods		1,936	(5,853)	(605)	(1,341)
Purchase of raw materials, finished goods and other related costs		399,957	389,459	219,147	205,539
Depreciation - investment properties	*10*	1,890	2,084	1	-
Depreciation - property, plant and equipment	*11*	9,989	10,211	2,203	2,068
Depreciation - right-of-use assets	*12*	3,982	3,906	930	887
Amortisation - other intangible assets other than goodwill	*14*	1,752	1,349	674	465
Employee benefit expenses		25,693	24,534	8,595	7,406
Utilities expenses		11,609	10,454	3,230	2,813
Advertising and sale promotion expenses		3,204	3,474	894	946
Computer expenses		2,453	2,980	780	718
Maintenance and repair expenses		1,351	1,364	373	314
Lease-related expenses	*20*	975	782	449	271
Trademark fees		245	208	194	186
Other		8,206	7,478	3,992	3,020
Total cost of sale of goods, cost of rental and rendering of services, distribution costs and administrative expenses		**473,242**	**452,430**	**240,857**	**223,292**

22 Income tax

Income tax recognised in profit or loss

	Consolidated financial statements 2023	Consolidated financial statements 2022	Separate financial statements 2023	Separate financial statements 2022
	(in million Baht)			
Current income tax				
Current year	2,612	3,498	2,034	1,927
Under (over) provided in prior years	46	(31)	31	(27)
	2,658	**3,467**	**2,065**	**1,900**
Deferred income tax				
Movements in temporary differences	(123)	(738)	(440)	(21)
	(123)	**(738)**	**(440)**	**(21)**
Total	**2,535**	**2,729**	**1,625**	**1,879**

Income tax recognised in other comprehensive income

	Consolidated financial statements 2023 Before income tax	2023 Tax income	2023 Net of income tax	2022 Before income tax	2022 Tax expense	2022 Net of income tax
	(in million Baht)					
Loss (gain) on remeasurement of defined benefit plans	30	(11)	19	(99)	20	(79)
Cashflow hedges reserve	155	(45)	110	(290)	58	(232)
Loss (gain) on investment in equity instrument designated at FVOCI	107	(21)	86	(152)	30	(122)
Total	**292**	**(77)**	**215**	**(541)**	**108**	**(433)**

	Separate financial statements 2023 Before income tax	2023 Tax income	2023 Net of income tax	2022 Before income tax	2022 Tax expense	2022 Net of income tax
	(in million Baht)					
Loss (gain) on remeasurement of defined benefit plans	21	(4)	17	(42)	8	(34)
Total	**21**	**(4)**	**17**	**(42)**	**8**	**(34)**

Reconciliation of effective tax rate

	Consolidated financial statements			
Applicable tax rate *(%)*	0%	20%	Other	Total
		(in million Baht)		
2023				
Accounting profit (loss) before income tax expense	86	11,424	(376)	11,134
Income tax at the applicable tax rates	-	2,285	(121)	2,164
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	(37)	362	325
Under (over) provided in prior years	-	52	(6)	46
Net	**-**	**2,300**	**235**	**2,535**
2022				
Accounting profit before income tax expense	56	9,941	414	10,411
Income tax at the applicable tax rates	-	1,988	63	2,051
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	-	361	348	709
(Over) under provided in prior years	-	(42)	11	(31)
Net	**-**	**2,307**	**422**	**2,729**

	Separate financial statements	
Applicable tax rate *(%)*	20%	20%
	2023	2022
	(in million Baht)	
Accounting profit before income tax expense	9,098	9,345
Income tax at the applicable tax rate	1,820	1,869
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit	(226)	37
Under (over) provided in prior years	31	(27)
Net	**1,625**	**1,879**

Deferred income tax

Deferred tax assets and liabilities as at 31 December 2023 and 2022 were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
		(in million Baht)		
Deferred tax assets	1,034	566	961	517
Deferred tax liabilities	(3,971)	(3,803)	-	-

Movements in deferred tax assets and liabilities during the years ended 31 December 2023 and 2022 were as follows:

	Consolidated financial statements				
		(Charged)/credited to			
	At 1 January 2023	profit or loss	other comprehensive income	Exchange differences on translating financial statements	**At 31 December 2023**
			(in million Baht)		
Deferred tax assets (liabilities)					
Inventories	560	24	-	(8)	576
Investment in associates	(1,311)	-	-	-	(1,311)
Property, plant and equipment and other intangible assets other than goodwill	(6,306)	116	-	117	(6,073)
Right-of-use assets	(3,774)	(4,093)	-	50	(7,817)
Derivative liabilities	571	(604)	45	-	12
Lease liabilities	5,687	4,282	-	(40)	9,929
Provisions for employee benefits	485	16	11	-	512
Other non-current provisions	443	(1)	-	-	442
Other	408	383	21	(19)	793
Total	**(3,237)**	**123**	**77**	**100**	**(2,937)**

	Consolidated financial statements				
		(Charged)/credited to			
	At 1 January 2022	profit or loss	other comprehensive income	Exchange differences on translating financial statements	**At 31 December 2022**
			(in million Baht)		
Deferred tax assets (liabilities)					
Inventories	568	(5)	-	(3)	560
Investment in associate	(1,311)	-	-	-	(1,311)
Property, plant and equipment and other intangible assets other than goodwill	(6,063)	(299)	-	56	(6,306)
Right-of-use assets	(4,501)	702	-	25	(3,774)
Derivative liabilities	175	454	(58)	-	571
Lease liabilities	5,777	(70)	-	(20)	5,687
Provisions for employee benefits	491	14	(20)	-	485
Other non-current provisions	442	1	-	-	443
Other	505	(59)	(30)	(8)	408
Total	**(3,917)**	**738**	**(108)**	**50**	**(3,237)**

	Separate financial statements			
		(Charged)/credited to		
	At 1 January 2023	profit or loss	other comprehensive income	**At 31 December 2023**
		(in million Baht)		
Deferred tax assets (liabilities)				
Inventories	98	(1)	-	97
Property, plant and equipment	43	16	-	59
Right-of-use assets	(1,180)	(380)	-	(1,560)
Lease liabilities	1,313	438	-	1,751
Provisions for employee benefits	217	6	4	227
Other	26	361	-	387
Total	**517**	**440**	**4**	**961**

	Separate financial statements			
		(Charged)/credited to		
	At 1 January 2022	profit or loss	other comprehensive income	**At 31 December 2022**
		(in million Baht)		
Deferred tax assets (liabilities)				
Inventories	88	10	-	98
Property, plant and equipment	40	3	-	43
Right-of-use assets	(1,211)	31	-	(1,180)
Lease liabilities	1,340	(27)	-	1,313
Provisions for employee benefits	223	2	(8)	217
Other	25	1	-	26
Total	**505**	**20**	**(8)**	**517**

23 Basic earnings per share

	Consolidated financial statements		**Separate financial statements**	
	2023	2022	2023	2022
	(in million Baht /in million share)			
Profit attributable to equity holders of the Company for the year ended 31 December	**8,640**	**7,697**	**7,473**	**7,466**
Ordinary shares outstanding				
Weighted average number of ordinary shares outstanding at 31 December	**10,580**	**10,580**	**10,580**	**10,580**
Basic earnings per share *(in Baht)*	**0.82**	**0.73**	**0.71**	**0.71**

24 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate *(Baht/Share)*	Amount *(in million Baht)*
Year 2023				
Annual dividend	20 April 2023	17 May 2023	0.33	3,492
Interim dividend	7 August 2023	6 September 2023	0.18	1,904
Total				**5,396**
Year 2022				
Annual dividend	20 April 2022	19 May 2022	0.32	3,386
Interim dividend	8 August 2022	6 September 2022	0.18	1,904
Total				**5,290**

25 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but it does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statements								
	Carrying amount					Fair value			
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
					(in million Baht)				
31 December 2023									
Financial assets									
Investment in related companies	-	-	470	-	470	-	-	470	470
Financial liabilities									
Debentures	-	-	-	69,919	69,919	-	69,409	-	69,409
Long-term borrowings from financial institutions	-	-	-	23,884	23,884	-	23,818	-	23,818
Forward exchange contracts	-	58	-	-	58	-	58	-	58
31 December 2022									
Financial assets									
Investment in related companies	-	-	573	-	573	-	-	573	573
Financial liabilities									
Debentures	-	-	-	23,466	23,466	-	23,795	-	23,795
Long-term borrowings from financial institutions	-	-	-	86,559	86,559	-	90,287	-	90,287
Forward exchange contracts	2,873	19	-	-	2,892	-	2,892	-	2,892

	Separate financial statements							
	Carrying amount				Fair value			
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
	(in million Baht)							
31 December 2023								
Financial assets								
Investment in related company	-	2	-	2	-	-	2	2
Financial liabilities								
Debentures	-	-	14,982	14,982	-	14,833	-	14,833
Long-term borrowings from financial institutions	-	-	7,000	7,000	-	6,821	-	6,821
Forward exchange contracts	58	-	-	58	-	58	-	58
31 December 2022								
Financial liabilities								
Long-term borrowings from financial institutions	-	-	7,000	7,000	-	6,808	-	6,808
Forward exchange contracts	19	-	-	19	-	19	-	19

The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Financial instruments measured at fair value for level 2

Type	Valuation technique
Forward exchange contracts	*Forward pricing:* The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Financial instruments measured at fair value for level 3

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in related companies	Discounted cash flows	Discount rate: (2023: 9.8% - 10.7% and 2022: 11.0% - 12.8%)	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

Reconciliation of fair value level 3

	Note	Consolidated financial statements 2023	Consolidated financial statements 2022	Separate financial statements 2023	Separate financial statements 2022
			(in million Baht)		
Investments in related companies					
At 1 January		573	295	-	-
Additions		4	126	2	-
Change in fair value					
- Recognised in other comprehensive income	*22*	(107)	152	-	-
At 31 December	*4*	**470**	**573**	**2**	**-**

Sensitivity analysis

For the fair values of financial assets measured at fair value Level 3, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Effect to other comprehensive income increase (decrease)	Consolidated financial statements 1% increase in assumption	Consolidated financial statements 1% decrease in assumption
	(in million Baht)	
At 31 December 2023		
Investment in related companies		
Discount rate	(39)	52
At 31 December 2022		
Investment in related companies		
Discount rate	(65)	84

Financial instruments not measured at fair value

The following tables present valuation technique of financial instruments measured at amortised costs in the statements of financial position:

Type	Valuation technique
Debentures and long-term borrowings from financial institutions	Discounted cash flows

(b) Financial risk management policies

Risk management framework

The Group's Board of directors has overall responsibility for the establishment of the Group's risk management by established the risk management committee, which is responsible for presenting risk management framework in accordance with the COSO standard *(Committee of Sponsoring Organisation of The Treadway Commission)* to cover entire business activities and associates with the Group's strategies, and also including assessing and monitoring the Group's risk management which covers financial risk management. The risk management committee reports to the audit committee and the Board of directors on its activities every year.

The Group's risk management policies are established to identify and analyse the risks assessed by the Group, to set up the standard risk level, to control and to monitor risk management in order to limit the risks to acceptable level. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit who verify whether the Group's risk management practices complied with risk management framework. Also, the risk management committee reports the risk management results to the audit committee every year.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(b.1.1) Trade accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established credit sale strategies and policies, including the credit policy which analyses the customers financial position to determine credit limits for each customer and will be reviewed by annually.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 90 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to credit risk and expected credit loss of trade accounts receivable are disclosed in note 6.

(b.1.2) Cash and cash equivalents

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Group considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Consolidated financial statements					
		Contractual cash flows				
As at 31 December 2023	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
			(in million Baht)			
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	2,382	2,382	-	-	-	2,382
Trade accounts payable to other parties	60,193	60,193	-	-	-	60,193
Trade accounts payable to related parties	6,943	6,943	-	-	-	6,943
Other current payables to other parties	10,164	10,164	-	-	-	10,164
Other current payables to related parties	1,709	1,709	-	-	-	1,709
Debentures	69,919	20,076	19,273	24,100	14,367	77,816
Long-term borrowings from financial institutions	23,884	7,039	3,825	15,332	-	26,196
Lease liabilities	51,740	6,235	5,581	12,235	54,768	78,819
Rental deposit from tenants	1,536	-	615	367	554	1,536
	228,470	**114,741**	**29,294**	**52,034**	**69,689**	**265,758**
Derivative financial liability						
Forward exchange contracts	58	58	-	-	-	58
	58	**58**	**-**	**-**	**-**	**58**

Consolidated financial statements

As at 31 December 2022	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
		Contractual cash flows (in million Baht)				
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	1,637	1,637	-	-	-	1,637
Trade accounts payable to other parties	55,867	55,867	-	-	-	55,867
Trade accounts payable to related parties	5,951	5,951	-	-	-	5,951
Other current payables to other parties	10,070	10,070	-	-	-	10,070
Other current payables to related parties	1,799	1,799	-	-	-	1,799
Debentures	23,466	753	10,453	10,577	4,242	26,025
Long-term borrowings from financial institutions	86,559	4,529	72,907	20,075	-	97,511
Lease liabilities	48,879	5,019	4,788	12,587	52,070	74,464
Rental deposit from tenants	1,825	-	889	492	444	1,825
	236,053	**85,625**	**89,037**	**43,731**	**56,756**	**275,149**
Derivative financial liabilities						
Forward exchange contracts	19	19	-	-	-	19
Forward exchange contracts used for hedging:	2,873	2,665	208	-	-	2,873
	2,892	**2,684**	**208**	**-**	**-**	**2,892**

Separate financial statements

As at 31 December 2023	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
		Contractual cash flows (in million Baht)				
Non-derivative financial liabilities						
Short-term borrowings from financial institutions	996	996	-	-	-	996
Trade accounts payable to other parties	30,811	30,811	-	-	-	30,811
Trade accounts payable to related parties	3,805	3,805	-	-	-	3,805
Other current payables to other parties	3,129	3,129	-	-	-	3,129
Other current payables to related parties	802	802	-	-	-	802
Debentures	14,982	475	10,320	4,317	1,076	16,188
Long-term borrowings from financial institutions	7,000	4,158	1,050	2,021	-	7,229
Lease liabilities	8,756	786	705	2,079	8,486	12,056
Rental deposit from tenants	21	-	9	12	-	21
	70,302	**44,962**	**12,084**	**8,429**	**9,562**	**75,037**
Derivative financial liability						
Forward exchange contracts	58	58	-	-	-	58
	58	**58**	**-**	**-**	**-**	**58**
As at 31 December 2022						
Non-derivative financial liabilities						
Trade accounts payable to other parties	26,549	26,549	-	-	-	26,549
Trade accounts payable to related parties	3,134	3,134	-	-	-	3,134
Other current payables to other parties	2,217	2,217	-	-	-	2,217
Other current payables to related parties	688	688	-	-	-	688
Long-term borrowings from financial institutions	7,000	158	4,158	3,071	-	7,387
Lease liabilities	6,567	770	634	1,529	5,834	8,767
Rental deposit from tenants	21	-	9	12	-	21
	46,176	**33,516**	**4,801**	**4,612**	**5,834**	**48,763**
Derivative financial liability						
Forward exchange contracts	19	19	-	-	-	19
	19	**19**	**-**	**-**	**-**	**19**

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

As at 31 December 2023 and 2022, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies.

	Consolidated financial statements										
Exposure to foreign currency as at 31 December 2023	Yen	Euro	Australian Dollar	Thai Baht	Yuan Renminbi	United Arab Emirates Dirham	Pound Sterling	Singapore Dollar	Cambodia Riel	U.S. Dollar	Total
						(in million Baht)					
Cash and cash equivalents	-	-	1	1	-	-	-	-	58	20	80
Trade accounts receivable and other current receivables	-	-	-	-	-	-	-	-	-	5	5
Trade accounts payable and other current payables	(329)	(83)	(71)	(12)	(12)	(7)	(6)	(2)	-	(621)	(1,143)
Other current liabilities	-	-	-	(34)	-	-	-	-	-	(20)	(54)
Net statement of financial position exposure	**(329)**	**(83)**	**(70)**	**(45)**	**(12)**	**(7)**	**(6)**	**(2)**	**58**	**(616)**	**(1,112)**
Forward exchange purchase contracts	-	-	-	2	-	-	-	-	-	2,159	2,161
Net exposure	**(329)**	**(83)**	**(70)**	**(43)**	**(12)**	**(7)**	**(6)**	**(2)**	**58**	**1,543**	**1,049**

	Consolidated financial statements									
Exposure to foreign currency as at 31 December 2022	Yen	Euro	Australian Dollar	Thai Baht	Yuan Renminbi	Pound Sterling	Singapore Dollar	Cambodia Riel	U.S. Dollar	Total
					(in million Baht)					
Cash and cash equivalents	-	-	4	4	-	-	6	289	38	341
Trade accounts payable and other current payables	(225)	(86)	(82)	(1)	(30)	(8)	(3)	-	(1,589)	(2,024)
Long-term borrowings from financial institutions	-	-	-	-	-	-	-	-	(42,840)	(42,840)
Net statement of financial position exposure	**(225)**	**(86)**	**(78)**	**3**	**(30)**	**(8)**	**3**	**289**	**(44,391)**	**(44,523)**
Forward exchange purchase contracts	-	-	-	-	-	-	-	-	43,561	43,561
Net exposure	**(225)**	**(86)**	**(78)**	**3**	**(30)**	**(8)**	**3**	**289**	**(830)**	**(962)**

Exposure to foreign currency as at 31 December	Separate financial statements										
	2023					2022					
	U.S. Dollar	Australian Dollar	Yuan Renminbi	Euro	Total	U.S. Dollar	Australian Dollar	Yuan Renminbi	Euro	Yen	Total
	(in million Baht)										
Trade accounts receivable and other current receivables	29	-	-	-	29	37	-	-	-	-	37
Short-term loans to subsidiaries	219	-	-	-	219	145	-	-	-	-	145
Trade accounts payable and other current payables	(606)	(42)	(12)	(8)	(668)	(902)	(70)	(31)	(39)	(1)	(1,043)
Net statement of financial position exposure	**(358)**	**(42)**	**(12)**	**(8)**	**(420)**	**(720)**	**(70)**	**(31)**	**(39)**	**(1)**	**(861)**
Forward exchange purchase contracts	2,156	-	-	-	2,156	327	-	-	-	-	327
Net exposure	**1,798**	**(42)**	**(12)**	**(8)**	**1,736**	**(393)**	**(70)**	**(31)**	**(39)**	**(1)**	**(534)**

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because some of loan interest rates (Note 15) are variable.

Exposure to interest rate risk as at 31 December	**Consolidated financial statements** 2023	2022	**Separate financial statements** 2023	2022
	(in million Baht)			
Financial instruments with variable interest rates				
Financial liabilities	16,879	79,559	-	-
Net statement of financial position exposure	**16,879**	**79,559**	**-**	**-**
Interest rate swaps	-	-	-	-
Net exposure	**16,879**	**79,559**	**-**	**-**

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date for the next 12 months; this analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Effect to profit or loss increase (decrease) of financial instruments as at 31 December	**Consolidated financial statements** 1% increase in interest rate	1% decrease in interest rate	**Separate financial statements** 1% increase in interest rate	1% decrease in interest rate
	(in million Baht)			
2023				
Financial instruments with variable interest rate	(175)	175	-	-
2022				
Financial instruments with variable interest rate	(812)	812	-	-

(c) Hedging accounting

(c.1) Cash flow hedges

The amounts at the reporting date relating to items designated as hedged items were as follows.

	Consolidated financial statements			
At 31 December 2022	Change in value used for calculating hedges ineffectiveness	Cash flow hedges reserve	Costs of hedging reserve	Balance remaining in the cash flow hedges reserve from hedging relationships for which hedge accounting is no longer applied
	(in million Baht)			
Foreign currency risk				
Long-term borrowings	-	153	79	-

At 31 December 2022, the Group held the following financial instruments to hedge exposures to changes in foreign currency.

	Consolidated financial statements Maturity		
	1 - 6 months	6 -12 months	More than 1 year
	(in million Baht)		
At 31 December 2022			
Foreign currency risk			
Forward exchange contracts			
Net exposure	20,823	17,525	6,787
Average forward exchange rate contracts of U.S. Dollars to Thai Baht	36.3	36.8	33.9

The amounts at the reporting date relating to items designated as hedged items were as follows.

	Consolidated financial statements 2023	2022
	(in million Baht)	
At 31 December		
Forward exchange contracts - nominal amount	-	45,135
Carrying amount included in:		
- Derivative liabilities	-	2,873
Year ended 31 December		
Recognised in OCI		
- Changes in the value of hedging instruments	(1,380)	1,322
- Costs of hedging	32	79
Recognised in profit or loss		
- The amount reclassified from hedging reserve included foreign exchange gains (losses)	1,237	(1,169)

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

Cash flow hedges	**Consolidated financial statements** 2023 Hedging reserve	Costs of hedging reserve	2022 Hedging reserve	Costs of hedging reserve
		(in million Baht)		
Balances at 1 January	**142**	**(32)**	**(10)**	**(111)**
Change in fair value:				
- Borrowings	(1,432)	40	1,359	99
The amount reclassified to profit or loss				
- Borrowings	1,237	-	(1,169)	-
Tax on movements on reserve during the year	53	(8)	(38)	(20)
Balances at 31 December	**-**	**-**	**142**	**(32)**

26 Capital managements

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns to the Group's shareholders and benefits to other stakeholders. The management sets strategies to support the Group's operations for more efficiency, and better performance and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

27 Commitments with non-related parties

As at 31 December	**Consolidated financial statements** 2023	2022	**Separate financial statements** 2023	2022
		(in million Baht)		
Capital commitments				
Property, plant and equipment	2,681	2,157	2,214	1,781
Right-of-use assets	12	605	-	15
Computer software	124	437	98	169
Total	**2,817**	**3,199**	**2,312**	**1,965**
Letters of guarantee				
Letters of guarantee issued by financial institutions (mainly for guarantees of electricity, rental and service agreements and sale of goods)	1,819	1,877	499	502
Total	**1,819**	**1,877**	**499**	**502**

28 Events after the reporting period

a) At the Board of Directors' meeting of the Company held on 14 February 2024, the Company's Board of Directors approved to propose to the annual general shareholders' meeting of the Company for approval to

1) Declare the final dividends from the profit attributable to equity holders of the Company for the year 2023 of Baht 0.39 per share for 10,580,323,500 ordinary shares, totaling Baht 4,127 million. Such declaration of final dividend payment must be approved by the shareholders' meeting.

2) Restructure the group internal business with key details as follows:

2.1) Accept the Entire Business Transfer (EBT) of a local subsidiary (Lotus's Stores (Thailand) Co., Ltd. ("Lotus's Thailand")) including assets, obligations, rights, duties and responsibilities of Lotus's Thailand existing at present and will occurred in the future as of the EBT date. The main assets of Lotus's Thailand are shares in a local subsidiary (Ek-Chai Distribution System Company Limited ("ECDS")) for the total consideration of Baht 7,680 million ("EBT Transaction"). After completion of the EBT Transaction, Lotus's Thailand will proceed with the dissolution and liquidation in accordance with the rules, procedures and conditions of the EBT under the Notification of the Director - General of the Revenue Department Re: Rules, Procedures and Conditions in Amalgamation or Entire Business Transfer amongst Public Limited Companies or Limited Companies for the Purpose of Tax Exemption, as well as other relevant laws.

2.1) After the EBT Transaction has been completed, the Company will proceed with the amalgamation between the Company and ECDS under the provisions specified in the Public Limited Company Act B.E. 2535, as amended ("PLCA"), in which the two companies will cease their status as juristic persons and a new company will be formed ("NewCo") as a result of the amalgamation ("Amalgamation"). NewCo will assume all assets, obligations, rights, duties and responsibilities of the Company and ECDS after the Amalgamation is completed by operation of law under the PLCA. The Amalgamation is expected to be completed by fourth quarter of year 2024.

3) Reduce the Company's authorised share capital by Baht 296,000,000, from the existing authorised share capital of Baht 5,586,161,750 comprising 11,172,323,500 ordinary shares with a par value of Baht 0.50 per share, to the new authorised share capital of Baht 5,290,161,750 comprising 10,580,323,500 shares with a par value of Baht 0.50 per share, by cancelling 592,000,000 unissued shares with a par value of Baht 0.50 per share. Such reduction of authorised share capital is to ensure that the authorised and paid-up share capital of NewCo is equal to the aggregate of the authorised and paid-up share capital of the Company and ECDS.

b) In January 2024, a local subsidiary, Ek-Chai Distribution System Co., Ltd. ("ECDS") paid for additional paid-up share capital in Sukhumvit Living Co., Ltd. ("SKL") and Sukhumvit Mixed-Use Co., Ltd. ("SKM"), associates, amounting to Baht 6.4 million and 1.1 million, respectively.

c) On 19 January 2024, a foreign subsidiary, CP Wholesale India Private Limited ("CPWI")'s Board of Directors approved to call for additional paid-up share capital of INR 70 per share (with the par value of INR 10 per share and the share premium of INR 60 per share) totaling INR 400 million. The registration of the increase authorised share capital and the additional paid-up share capital were completed in January 2024, paid-up share capital totaling INR 1,116 million and the share premium of INR 6,094 million.

About the Report

TOPIC 3: Business Sustainability Development
SECTION 1: Business Operation and Operating Results

CP Axtra Public Company Limited annual sustainability performance is disclosed in the company's annual report, the sustainability report and the official website, www.cpaxtra.com, under Sustainability. which covers environmental, social and governance performances, is disclosed on a yearly basis in Topic 3: Business Sustainability Development, Section 1: Business Operation and Operating Results, as well as the company's website.

Reporting Scope

As presented in Topic 3: Business Sustainability Development, Section 1: Business Operation and Operating Results, covers sustainability performance between January 1 to December 31, 2023, for CP Axtra Public Company Limited and its subsidiaries including wholesale business and retail business. The relevant domestic and international reporting guidelines have been applied to determine the materiality and the presentation of content, as follows:

56-1 One Report Sustainability reporting in accordance with the Securities and Exchange Commission (SEC) Guidelines for Preparing the Annual Registration Statement/ Annual Report (Form 56-1 One Report).

GRI Comprehensive sustainability reporting in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standard 2016; in line with the In Accordance criteria and Core option.

UN Global Compact Communication of Progress on Ten Principles of the United Nations Global Compact.

SDGs Progress reporting that contributes to the United Nations Sustainable Development Goals (SDGs).

For any suggestion, question or inquiry, please contact the company

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Sustainability Performance Report (GRI)

Workforce Data during 2020-2023

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
102-8	1. Workforce data								
	1.1 By Gender								
	Total Employee (Full-time employee)								
	- Male	Person	7,242	7,579	19,275	11,129	18,488	10,560	15,882
	- Female	Person	8,866	9,341	31,901	12,151	29,823	12,998	25,205
	by business unit	Person	16,108	16,920	51,176	23,280	48,311	23,558	41,087
	The company	Person	16,108	68,096		71,591		64,645	
	Ratio Male:Female	Ratio	45:55	39:61		41:59		41:59	
	Contract Workers/Temporary/Part-Time								
	- Male	Person	215	288	n/a	2,467	n/a	3,393	3,725
	- Female	Person	167	245	n/a	1,361	n/a	2,266	4,327
	by business unit	Person	382	533	n/a	3,828	n/a	5,659	8,052
	The company	Person	382	533		3,828		13,711	
	1.2 Employee by domicile								
	Thailand								
	- Male	Person	n/a	7,272	19,275	11,072	18,488	10,480	15,882
	- Female	Person	n/a	9,094	31,901	12,145	29,823	12,961	25,205
	by business unit	Person	n/a	16,366	51,176	23,217	48,311	23,441	41,087
	The company	Person	n/a	67,542		71,528		64,528	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Other								
	- Male	Person	n/a	19	n/a	57	n/a	34	n/a
	- Female		n/a	2	n/a	6	n/a	5	n/a
	by business unit		n/a	21	n/a	63	n/a	39	n/a
	The company		n/a	21		63		39	
405-1	2. Employee diversity								
	2.1 By level								
	Top management								
	- Male	Person	10	26	57	16	58	37	60
	- Female		18	36	33	20	28	45	47
	The company		28	152		122		189	
	Ratio Male:Female	Ratio	36:64	55:45		61:39		51:49	
	Middle management								
	- Male	Person	93	90	821	429	812	114	798
	- Female		117	108	1,115.00	574	1,154	127	1,110
	The company		210	2,134		2,969		2,149	
	Ratio Male:Female	Ratio	44:56	43:57		42:58		42:58	
	Junior Management								
	- Male	Person	571	597	1,348	1,084	1,382	883	1,259
	- Female		781	853	2,400.0	1,450	2,522	1,191	2,460
	The company		1,352	5,198		6,438		5,793	
	Ratio Male:Female	Ratio	42:58	37:63		38:62		37:63	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Officer								
	- Male	Person	6,353	6,578	17,049	6,498	16,236	9,526	14,476
	- Female		7,783	8,099	28,353	8,010	26,119	11,635	22,030
	The company		14,136	60,079		56,863		57,667	
	Ratio Male:Female	Ratio	45:55	39:61		40:60		42:58	
	2.2 By race								
	Thailand								
	- Male	Person	n/a	7,272	19,271	8,003	18,485	10,526	15,879
	- Female		n/a	9,094	31,901.00	10,052	29,823	12,993	25,204
	The company		n/a	67,538		66,363		64,602	
	Percent by total employee	%	n/a	99.96		99.96		99.93	
	Cambodia								
	- Male	Person	n/a	0	0	0	0	0	361
	- Female		n/a	0	0	0	0	0	250
	The company		n/a	0		0		611	
	Percent by total employee	%	n/a	0		0		0.95	
	India								
	- Male	Person	n/a	0	0	8	0	10	0
	- Female		n/a	0	0	1	0	1	0
	The company		n/a	0		9		11	
	Percent by total employee	%	n/a	0		0.01		0.02	

GRI Standard	Performance	Unit	2020 Makro	2021 Makro	2021 Lotus's	2022 Makro	2022 Lotus's	2023 Makro	2023 Lotus's
	China								
	- Male	Person	n/a	0	0	0	0	2	0
	- Female		n/a	0	0	0	0	1	0
	The company		n/a	0		0		3	
	Percent by total employee	%	n/a	0		0		0	
	Myanmar								
	- Male	Person	n/a	0	0	0	0	0	350
	- Female		n/a	0	0	0	0	0	192
	The company		n/a	0		0		542	
	Percent by total employee	%	n/a	0		0		0.84	
	Malaysia								
	- Male	Person	n/a	0	0	0	0	1	0
	- Female		n/a	0	0	0	0	0	0
	The company		n/a	0		0		1	
	Percent by total employee	%	n/a	0		0		0	
	Lao								
	- Male	Person	n/a	0	0	0	0	0	0
	- Female		n/a	0	0	0	0	0	0
	The company (Makro-TH and Lotus's-TH)		n/a	0		0		0	
	Percent by total employee	%	n/a	0		0		0	
	Australia								
	- Male	Person	n/a	0	0	2	0	2	0
	- Female		n/a	0	0	1	0	1	0
	The company (Makro-TH and Lotus's-TH)		n/a	0		3		3	
	Percent by total employee	%	n/a	0		0		0	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Korea								
	- Male	Person	n/a	0	0	1	0	1	0
	- Female		n/a	0	0	0	0	1	0
	The company (Makro-TH and Lotus's-TH)		n/a	0		1		2	
	Percent by total employee	%	n/a	0		0		0	
	Other								
	- Male	Person	n/a	19	4	16	3	18	3
	- Female		n/a	2	0.00	1	0	1	1
	The company		n/a	25		20		23	
	Percent by total employee	%	n/a	0.04		0.03		0.04	
	2.3 By age								
	Under 30 years old								
	- Male	Person	2,670	2,734	11,651	3,121	10,888	4,597	9,211
	- Female		2,912	2,875	18,725.00	3,312	16,757	4,871	13,126
	The company		5,582	35,985		34,078		31,805	
	Percent by total employee	%	35.50	53.26		51.33		49.20	
	30-50 years old								
	- Male	Person	4,152	4,331	7,246	4,660	7,172	5,656	6,883
	- Female		5,484	5,854	12,717.00	6,336	12,520	7,673	11,880
	The company		9,636	30,148		30,688		32,092	
	Percent by total employee	%	61.27	44.62		46.22		49.64	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Over 50 years old								
	- Male	Person	205	226	378	246	428	307	499
	- Female		303	367	459.00	406	546	454	641
	The company		508	1,430		1,626		1,901	
	Percent by total employee	%	3.23	2.12		2.45		2.94	
	2.4 By Religion								
	Buddhist								
	- Male	Person	n/a	n/a	n/a	7,554	n/a	9,921	n/a
	- Female		n/a	n/a	n/a	9,537	n/a	12,321	n/a
	The company		n/a	n/a	n/a	17,091		22,242	
	Percent by total employee	%	n/a	n/a	n/a	25.74		34.41	
	Christian								
	- Male	Person	n/a	n/a	n/a	60	n/a	58	n/a
	- Female		n/a	n/a	n/a	58	n/a	85	n/a
	The company		n/a	n/a	n/a	118		143	
	Percent by total employee	%	n/a	n/a	n/a	0.18		0.22	
	Islamic								
	- Male	Person	n/a	n/a	n/a	338	n/a	443	n/a
	- Female		n/a	n/a	n/a	378	n/a	474	n/a
	The company		n/a	n/a	n/a	716		917	
	Percent by total employee	%	n/a	n/a	n/a	1.08		1.42	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Hinduism								
	- Male	Person	n/a	n/a	n/a	6	n/a	6	n/a
	- Female	Person	n/a	n/a	n/a	3	n/a	3	n/a
	The company	Person	n/a	n/a	n/a	9		9	
	Percent by total employee	%	n/a	n/a	n/a	0.01		0.01	
	Other								
	- Male	Person	n/a	n/a	n/a	2	n/a	12	n/a
	- Female	Person	n/a	n/a	n/a	0	n/a	3	n/a
	The company	Person	n/a	n/a	n/a	2		15	
	Percent by total employee	%	n/a	n/a	n/a	0.00		0.02	
	Undisclosed								
	- Male	Person	n/a	n/a	19,275	67	18,488	120	15,882
	- Female	Person	n/a	n/a	31,901	78	29,823	112	25,205
	The company	Person	n/a	51,176		48,456		41,319	
	Percent by total employee	%	n/a	75.75		72.98		63.92	
	2.5 By physical characteristics and etc.								
	Number of local middle management or above								
	- Male	Person	n/a	0	n/a	11	n/a	11	n/a
	- Female	Person	n/a	0	n/a	14	n/a	14	n/a
	The company	Person	n/a	0	n/a	25	n/a	25	n/a
	Percent by total employee	%	n/a	0.00		0.04		0.04	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Employee with disability								
	- Male	Person	n/a	13	104	12	133	13	94
	- Female		n/a	13	94	13	112	14	82
	The company		22	26	198	25	245	27	176
	Percent by total employee	%	0.00	0.33		0.41		0.31	
	Number of indigenous, migrant, and vulnerable groups employed in the workforce (both employees and contractors)								
	- Male	Person	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	- Female		n/a	n/a	n/a	n/a	n/a	n/a	n/a
	The company		n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Percent by total employee	%	n/a	n/a		n/a		n/a	
	3. Revenue Generating Functions Workforce								
	3.1 Number of employees								
	- Male	Person	n/a	6,212	19,079	6,972	18,287	8,805	16,356
	- Female		n/a	6,093	31,596	7,405	29,508	10,901	25,302
	The company		n/a	62,980		62,172		61,364	
	Percent by female	%	n/a	59.84		59.37		59.00	
	3.2 By level								
	Top management								
	- Male	Person	n/a	1	53	2	53	13	56
	- Female		n/a	1	27	5	22	16	41
	The company		n/a	82		82		126	
	Percent by female	%	n/a	34.15		32.93		45.24	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Middle management								
	- Male	Person	n/a	187	694	280	693	64	669
	- Female		n/a	198	975	389	1,009	85	958
	The company		n/a	2,054		2,371		1,776	
	Percent by female	%	n/a	57.11		58.96		58.73	
	Junior Management								
	- Male	Person	n/a	713	1,348	779	1,382	517	1,259
	- Female		n/a	550	2,400	722	2,522	786	2,460
	The company		n/a	5,011		5,405		5,022	
	Percent by female	%	n/a	58.87		60.02		64.64	
	Officer								
	- Male	Person	n/a	5,311	16,984	5,911	16,159	8,211	325
	- Female		n/a	5,344	28,194	6,289	25,955	10,014	745
	The company		n/a	55,833		54,314		19,295	
	Percent by female	%	n/a	60.07		59.37		55.76	
	3.3 By age								
	Under 30 years old								
	- Male	Person	n/a	2,372	11,618	2,691	10,846	3,907	9,156
	- Female		n/a	1,941	18,659	2,385	16,693	4,078	13,049
	The company		n/a	34,590		32,615		30,190	
	Percent by female	%	n/a	59.55		58.49		56.73	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	30-50 years old								
	- Male	Person	n/a	3,658	7,096	4,076	7,032	4,659	6,722
	- Female		n/a	3,911	12,497.00	4,731	12,292	6,442	11,644
	The company		n/a	27,162		28,131		29,467	
	Percent by female	%	n/a	60.41		60.51		61.38	
	Over 50 years old								
	- Male	Person	n/a	182	365	205	409	239	478
	- Female		n/a	241	440.00	289	523	381	609
	The company		n/a	1,228		1,426		1,707	
	Percent by female	%	n/a	55.46		56.94		58.00	
	4. Nuber of employee in STEM position								
	Under 30 years old								
	- Male	Person	n/a	261	30	566	55	740	54
	- Female		n/a	604	65	780	85	818	62
	The company		n/a	960		1,486		1,674	
	Percent by female	%	n/a	69.69		58.21		52.57	
	30-50 years old								
	- Male	Person	n/a	686	120	1,095	117	1,259	72
	- Female		n/a	1,488	139.00	1,931	140	1,531	31
	The company		n/a	2,433		3,283		2,893	
	Percent by female	%	n/a	66.87		63.08		53.99	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Over 50 years old								
	- Male	Person	n/a	33	8	54	11	50	2
	- Female	Person	n/a	87	9	122	6	85	0
	The company	Person	n/a	137		193		137	
	Percent by female	%	n/a	70.07		66.32		62.04	
405-2	5. Ratio of average salary and remuneration of female to male								
	Payment Ratio by gender (Female:Male)	Ratio	n/a	n/a		n/a		1.01:1.00	
	CEO per employee compensation	Ratio	n/a	n/a		n/a		52	
	5.1 By level								
	Executive level (Average based salary)								
	Payment Ratio by gender (Female:Male)	Ratio	n/a	1.14:1.00	1.06:1.00	0.71:1.00	1.09:1.00	0.67:1.00	0.84:1.00
	The Company	Ratio	n/a	1.09:1.00		0.88:1.00		0.72:1.00	
	Executive level (Average based salary + other cash incentives)								
	Payment Ratio by gender (Female:Male)	Ratio	n/a	1.32:1.00	1.02:1.00	0.81:1.00	0.96:1.00	0.72:1.00	0.84:1.00
	The Company	Ratio	n/a	1.09:1.00		0.91:1.00		0.75:1.00	
	Management level (Average base salary)								
	Payment Ratio by gender (Female:Male)	Ratio	n/a	1.11:1.00	1.12:1.00	1.01:1.00	1.12:1.00	0.99:100	0.88:1.00
	The Company	Ratio	n/a	0.95:1.00		0.93:1.00		0.93:1.00	
	Management level (Average base salary + other cash incentives)								
	Payment Ratio by gender (Female:Male)	Ratio	n/a	1.12:1.00	1.12:1.00	1.03:1.00	1.13:1.00	1.00:1.00	0.87:1.00
	The Company	Ratio	n/a	0.95:1.00		0.93:1.00		0.93:1.00	
	Non-management level (Average based salary)								
	Payment Ratio by gender (Female:Male)	Ratio	n/a	1.08:1.00	0.99:1.00	1.05:1.00	1.00:1.00	1.05:1.00	1.03:1.00
	The Company	Ratio	n/a	1.03:1.00		1.02:1.00		1.04:1.00	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Non-management level (Average based salary + other cash incentives)								
	Payment Ratio by gender (Female:Male)	Ratio	n/a	1.09:1.00	1.00:1.00	1.05:1.00	1.00:1.00	1.05:1.00	1.00:1.00
	The Company	Ratio	n/a	1.02:1.00		1.02:1.00		1.05:1.00	
	- Mean gender pay gap	%	n/a	-5.6	7.0	-3.4	6.3	-1.3	0.034
			n/a	3.84		3.13		-0.45	
	- Medium gender pay gap	%	n/a	-5.9	1.4	-6.0	1.9	-7.1	0.002
			n/a	-0.46		-0.11		-3.55	
	- Mean bonus gap	%	n/a	-10.5	3.9	-9.2	2.9	-5.4	0.068
			n/a	0.32		-0.16		-1.90	
	- Medium bonus gap	%	n/a	-7.9	-1.8	-5.7	-7.2	-6.3	0.004
			n/a	-3.33		-6.83		-3.15	
	6. Employee entering provident fund								
	- Male	Person	13,389	13,850	12,715	6,017	12,083	8,662	10,493
	- Female	Person			21,142	7,537	20,216	6,723	17,365
	The company	Person	13,389	47,707		45,853		43,243	
	Percent by total employee	%	85.14	70.61		69.06		66.89	
401-1	**7. New hires**								
	7.1 By Gender								
	New hires								
	- Male	Person	1,652	2,171	17,303	4,529	13,660	5,119	9,082
	- Female	Person	1,618	2,364	30,632	4,621	22,640	6,096	14,990
	by business unit	Person	3,270	4,535	47,935	9,150	36,300	11,215	24,072
	The company	Person	3,270	52,470		45,450		35,287	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Rate of new hires								
	- Male	%	10.50	13.25	33.81	25.05	28.28	21.73	22.10
	- Female		10.29	14.43	59.86	25.56	46.86	25.88	36.48
	by business unit		20.79	27.67	93.67	50.61	75.14	47.61	58.59
	The company		20.79	77.66		68.46		54.59	
	7.2 By level								
	Top management								
	- Male	Person	5	8	4	5	3	6	3
	- Female			2	4	2	2	8	5
	The company		5	18		12		22	
	Percent by total employee	%	0.15	0.03		0.03		0.06	
	Middle management								
	- Male	Person	10	12	131	97	140	15	85
	- Female			8	153	111	193	9	98
	The company		10	304		541		207	
	Percent by total employee	%	0.31	0.58		1.19		0.59	
	Junior Management								
	- Male	Person	215	66	48	212	74	220	40
	- Female			88	196	292	116	197	68
	The company		215	398		694		525	
	Percent by total employee	%	6.57	0.76		1.53		1.49	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Officer								
	- Male	Person	3,040	2085	17,120	4,215	13,443	4,878	8,750
	- Female			2266	30,279.00	3,856	22,329	5,882	14,819
	The company		3,040	51,750		43,843		34,329	
	Percent by total employee	%	92.97	98.63		96.46		97.29	
	7.3 By age								
	Under 30 years old								
	- Male	Person	1,070	1,522	13,496	3,273	11,236	3,329	7,428
	- Female		990	1,493	22,068	2,735	17,391	3,736	11,370
	The company		2,060	38,579		14,509		10,757	
	Percent by total employee	%	63.00	73.53		31.92		30.48	
	30-50 years old								
	- Male	Person	579	641	3,766	1,214	2,391	1,775	1,642
	- Female		624	867	8,446.00	1,489	5,209	2,348	3,601
	The company		1,203	13,720		10,303		9,366	
	Percent by total employee	%	36.79	26.15		22.67		26.54	
	Over 50 years old								
	- Male	Person	3	8	41	42	33	15	12
	- Female		4	4	118	37	40	12	19
	The company		7	171		152		58	
	Percent by total employee	%	0.21	0.33		0.33		0.16	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	7.4 By race								
	Thailand								
	- Male	Person	3,268	2,160	17,302	4,485	13,660	5,106	8,761
	- Female			2,364	30,632	4,256	22,640	6,094	14,780
	The company		3,268	52,458		45,041		34,741	
	Percent by total employee	%	99.94	99.98		99.10		98.45	
	Cambodia								
	- Male	Person	n/a	n/a	n/a	0	0	0	171
	- Female		n/a	n/a	n/a	0	0	0	107
	The company		n/a	n/a	n/a	0		278	
	Percent by total employee	%	n/a	n/a	n/a	0		0.79	
	India								
	- Male	Person	n/a	n/a	n/a	30	0	3	0
	- Female		n/a	n/a	n/a	3	0	0	0
	The company		n/a	n/a	n/a	33		3	
	Percent by total employee	%	n/a	n/a	n/a	0.08		0.01	
	China								
	- Male	Person	n/a	n/a	n/a	0	0	2	0
	- Female		n/a	n/a	n/a	0	0	1	0
	The company		n/a	n/a	n/a	0		3	
	Percent by total employee	%	n/a	n/a	n/a	0		0.01	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Myanmar								
	- Male	Person	n/a	n/a	n/a	0	0	0	150
	- Female		n/a	n/a	n/a	0	0	0	103
	The company		n/a	n/a	n/a	0		253	
	Percent by total employee	%	n/a	n/a	n/a	0		0.72	
	Malaysia								
	- Male	Person	n/a	n/a	n/a	0	0	0	0
	- Female		n/a	n/a	n/a	0	0	0	0
	The company		n/a	n/a	n/a	0		0	
	Percent by total employee	%	n/a	n/a	n/a	0		0	
	Other								
	- Male	Person	n/a	11	1	14	0	8	0
	- Female		n/a	0	0	2	0	1	0
	The company		n/a	12		16		9	
	Percent by total employee	%	n/a	0.00		0.04		0.03	
	7.5 By physical characteristics								
	Total nuber of employee with disability								
	- Male	Person	11	13	104	12	133	1	n/a
	- Female		11	13	94	13	112	3	n/a
	The company		22	224		270		4	
	Percent by total employee	%	0.14	0.33		0.41		0.01	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	8. Average hiring cost								
	- Male	Baht per employee equivalent	1,680	2,681	869	4,095	1,310	2,570	738
	- Female								
	by business unit		1,680	2,681	869	4,095	1,310	2,570	738
	The company		1,680	1,775		2,703		1,677	
401-1	9. Filled by internal hires								
	Total number of open job positions filled by internal candidates								
	- Male	Person	993	1,095	9,594	1,820	10,320	2,548	8,888
	- Female			1,393	17,019	2,143	17,851	3,342	15,215
	by business unit		993	2,488	26,613	3,963	28,171	5,890	24,103
	The company		993	29,101		32,134		29,993	
	Percent by total employee	%	6.31	43.07		48.40		46.40	
	Total number of total open job positions (both internal and external candidates)								
	by business unit	Position	n/a	7,153	74,548	12,753	64,471	17,000	50,446
	The company		n/a	81,701		77,224		67,446	
	9.1 By level								
	Top management								
	- Male	Person	n/a	4	29	8	6	4	47
	- Female		n/a	3	12	15	3	8	39
	The company		n/a	48		32		98	
	Percent by total open positions	%	n/a	0.06		0.04		0.15	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Middle management								
	- Male	Person	n/a	11	223	149	162	30	281
	- Female	Person	n/a	17	333	187	239	38	441
	The company	Person	n/a	584		737		790	
	Percent by total open positions	%	n/a	0.71		0.95		1.17	
	Junior Management								
	- Male	Person	n/a	83	923	331	1,057	260	1,112
	- Female	Person	n/a	113	1,841	483	2,099	355	2,315
	The company	Person	n/a	2,960		3,970		4,042	
	Percent by total open positions	%	n/a	3.62		5.14		5.99	
	Officer								
	- Male	Person	n/a	997	8,419	1,332	9,095	2,254	7,448
	- Female	Person	n/a	1260	14,833	1,458	15,510	2,941	12,420
	The company	Person	n/a	25,509		27,395		25,063	
	Percent by total open positions	%	n/a	31.22		35.47		37.16	
	9.2 By age								
	Under 30 years old								
	- Male	Person	n/a	480	5,731	755	7,110	1,053	5,516
	- Female	Person	n/a	590	9,204	830	11,040	1,355	8,425
	The company	Person	n/a	16,005		19,735		16,349	
	Percent by total open positions	%	n/a	19.59		25.56		24.24	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	30-50 years old								
	- Male	Person	n/a	599	3,724	1,019	3,148	1,451	3,244
	- Female		n/a	774	7,604.00	1,263	6,677	1,911	6,580
	The company		n/a	12,701		12,107		13,186	
	Percent by total open positions	%	n/a	15.55		15.68		19.55	
	Over 50 years old								
	- Male	Person	n/a	16	139	46	62	44	128
	- Female		n/a	29	211	50	134	76	210
	The company		n/a	395		292		458	
	Percent by total open positions	%	n/a	0.48		0.38		0.68	
	9.3 By race								
	Thailand								
	- Male	Person	n/a	1,067	9,594	1,815	10,320	2,543	8,882
	- Female		n/a	1,330	17,019	2,143	17,851	3,338	15,211
	The company		n/a	29,010		32,129		29,974	
	Percent by total open positions	%	n/a	35.51		41.60		44.44	
	Cambodia								
	- Male	Person	n/a	0	0	0	0	0	2
	- Female		n/a	0	0	0	0	0	0
	The company		n/a	0		0		2	
	Percent by total open positions	%	n/a	0.00		0.00		0.00	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	India								
	- Male	Person	n/a	0	0	3	0	1	0
	- Female		n/a	0	0	0	0	2	0
	The company		n/a	0		3		3	
	Percent by total open positions	%	n/a	0.00		0.00		0.00	
	China								
	- Male	Person	n/a	0	0	0	0	1	0
	- Female		n/a	0	0	0	0	1	0
	The company		n/a	0		0		2	
	Percent by total open positions	%	n/a	0.00		0.00		0.00	
	Myanmar								
	- Male	Person	n/a	0	0	0	0	0	4
	- Female		n/a	0	0	0	0	0	4
	The company		n/a	0		0		8	
	Percent by total open positions	%	n/a	0.00		0.00		0.01	
	Malaysia								
	- Male	Person	n/a	0	0	0	0	0	0
	- Female		n/a	0	0	0	0	0	0
	The company		n/a	0		0		0	
	Percent by total open positions	%	n/a	0.00		0.00		0.00	
	Other								
	- Male	Person	n/a	0	0	2	0	3	0
	- Female		n/a	0	0	0	0	1	0
	The company		n/a	0		2		4	
	Percent by total open positions	%	n/a	0.00		0.01		0.01	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	10. Turnover								
	Total number of turnover (Both voluntary and involuntary turnover)								
	- Male	Person	1334	1,315	14,960	7,407	15,658	2,702	8,888
	- Female		1297	1,357	25,799	6,202	26,547	3,412	15,215
	by business unit		2,631	2,672	40,759	13,609	42,205	6,114	24,103
	The company		2,631	43,431		55,814		30,217	
	Rate of turnover								
	- Male	%	8.48	8.02	22.62	24.14	24.48	20.44	34.77
	- Female		8.25	8.28	33.52	21.04	35.46	20.83	37.66
	by business unit		16.73	16.31	56.14	45.17	59.96	20.66	36.97
	The company		16.73	38.94		43.81		31.88	
	10.1 By level								
	Top management								
	- Male	Person	n/a	1	3	8	8	0	9
	- Female		n/a	2	1	7	9	0	7
	The company		n/a	7		32		16	
	Percent by total number of turnover	%	7.84	0.01		0.04		0.02	
	Middle management								
	- Male	Person	n/a	11	120	84	173	13	159
	- Female		n/a	7	160.00	120	222	16	206
	The company		n/a	298		599		394	
	Percent by total number of turnover	%	5.88	0.44		0.83		0.61	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Junior Management								
	- Male	Person	n/a	63	205	189	399	139	358
	- Female	Person	n/a	52	425	193	735	161	636
	The company	Person	n/a	745		1,516		1,294	
	Percent by total number of turnover	%	12.56	1.08		2.07		1.96	
	Officer								
	- Male	Person	n/a	1240	14,632	7,126	15,078	2,550	12,481
	- Female	Person	n/a	1296	25,213	5,882	25,581	3,235	20,397
	The company	Person	n/a	42,381		53,667		38,663	
	Percent by total number of turnover	%	17.30	38.36		42.85		37.42	
	10.2 By age								
	Under 30 years old								
	- Male	Person	745	739	11,992	5,281	12,250	1,553	9,850
	- Female	Person	671	715	19,622	3,803	19,509	1,852	15,159
	The company	Person	1,416	33,068		40,843		28,414	
	Percent by total number of turnover	%	8.08	32.69		36.33		30.53	
	30-50 years old								
	- Male	Person	569	555	2,913	2,026	3,337	1,120	3,087
	- Female	Person	609	626	6,084	2,302	6,950	1,505	5,991
	The company	Person	1,178	10,178		14,615		11,703	
	Percent by total number of turnover	%	6.81	13.00		16.95		15.33	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Over 50 years old								
	- Male	Person	20	21	55	100	71	29	70
	- Female		17	16	93	97	88	55	96
	The company		37	185		356		250	
	Percent by total number of turnover	%	0.23	0.27		0.49		0.39	
	11. Employees with a new job after leaving the Company								
	Employees with a new job less than 1 year after leaving company in reporting year (Sustainable employability)								
	- Male	Person	n/a	1,214	12,689	5,226	11,554	2,663	n/a
	- Female		n/a	1,283	22,109	4,555	20,274	3,363	n/a
	by business unit		n/a	2,497	34,798	9,781	31,828	6,026	n/a
	The company		n/a	37,295		41,609		6,026	
	Percent by total number of turnover	%	n/a	85.87		74.55		n/a	
	12. Voluntary Turnover								
	Number of cumulative voluntary turnover								
	- Male	Person	n/a	1,214	12,689	5,226	11,554	2,455	6,221
	- Female		n/a	1,283	22,109	4,555	20,274	3,163	10,784
	by business unit		n/a	2,497	34,798	9,781.00	31,828.00	5,618	17,005
	The company		n/a	37,295		41,609		22,623	
	Voluntary turnover rate	%	14.96	35.39		36.76		25.92	
	12.1 By level								
	Top management								
	- Male	Person	n/a	0	3	6	6	0	5
	- Female		n/a	2	1	7	9	0	4
	The company		n/a	6		28		9	
	Percent by total number of voluntary turnover	%	3.92	0.01		0.04		0.01	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Middle management								
	- Male	Person	n/a	9	111	77	160	13	99
	- Female		n/a	6	156	103	212	16	139
	The company		n/a	282		552		267	
	Percent by total number of voluntary turnover	%	5.88	0.41		0.77		0.41	
	Junior Management								
	- Male	Person	n/a	57	184	181	334	136	238
	- Female		n/a	50	371	186	626	160	421
	The company		n/a	662		1,327		955	
	Percent by total number of voluntary turnover	%	12.06	0.96		1.82		1.46	
	Officer								
	- Male	Person	n/a	1,148	12,391	4,962	11,054	2,306	5,879
	- Female		n/a	1,225	21,518	4,259	19,427	2,987	10,220
	The company		n/a	36,282		39,702		21,392	
	Percent by total number of voluntary turnover	%	15.39	34.76		35.67		24.86	
	12.2 By age								
	Under 30 years old								
	- Male	Person	n/a	694	10,165	3,688	9,020	1,424	4,637
	- Female		n/a	682	16,843	2,728	14,887	1,707	7,745
	The company		n/a	28,384		30,323		15,513	
	Percent by total number of voluntary turnover	%	22.72	29.42		29.75		19.35	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	30-50 years old								
	- Male	Person	n/a	511	2,481	1,458	2,474	1,002	1,569
	- Female		n/a	595	5,181	1,746	5,313	1,401	3,009
	The company		n/a	8,768		10,991		6,981	
	Percent by total number of voluntary turnover	%	11.05	11.41		13.31		9.75	
	Over 50 years old								
	- Male	Person	n/a	9	43	80	60	29	15
	- Female		n/a	6	85	81	74	55	30
	The company		n/a	143		295		129	
	Percent by total number of voluntary turnover	%	3.74	0.21		0.41		0.20	
	13. Parental leave of employee								
	Number of employees taking parental leave in the reporting year								
	- Male	Person	n/a	0	556	0	571	0	398
	- Female		n/a	373	1,420	223	1,601	304	1,328
	by business unit		n/a	373	1,976	223	2,172	304	1,726
	The company		n/a	2,349		2,395		2,030	
	Percent by total employee	%	n/a	3.48		3.61		3.14	
	Number of employees who returned to work after parental leave ended in the reporting year								
	- Male	Person	n/a	0	518	0	565	0	398
	- Female		n/a	351	1,321	223	1,478	304	1,246
	by business unit		n/a	351	1,839	223	2,043	304	1,644
	The company		n/a	2,190		2,266		1,948	
	Percent by total employee	%	n/a	93.23		94.61		95.96	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Number of employees who returned to work after parental leave ended and were still employed up to 12 months or over after their return to work								
	- Male	Person	n/a	0	n/a	0	413	0	261
	- Female		n/a	334	n/a	223	1,041	304	795
	by business unit		n/a	334	n/a	223	1,454	304	1,056
	The company		n/a	334		1,677		1,360	
	Percent by total employee	%	n/a	14.22		70.02		67.00	
	14. Human capital ROI (published finance statement)								
	Net Profit								
	by business unit	milloin Baht	n/a	6,576	397	7,074	623	5,975	2,665
	The company		n/a	6,973		7,697		8,640	
	ROI per training investment								
	by business unit	Ratio	n/a	100.92	5.48	86.64	2.23	147.61	95.97
	The company		n/a	39.88		27.83		111.26	
	ROI per O2O training investment								
	by business unit	Ratio	10.42	10.42	0.49	10.48	0.42	24.12	54.27
	The company		n/a	5.45		5.45		39.15	
404-1	**15. Employee Training and Development**								
	Average hours of training for all employees								
	- Male	Hour/ person/ year	14.03	13.16	34.96	34.17	30.00	69.75	25.71
	- Female		14.60	16.34	37.69	32.66	32.00	64.36	29.38
	by business unit		14.32	14.75	36.32	33.42	31.00	67.06	27.55
	The company		14.32	25.54		32.21		47.30	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	15.1 By level								
	Top management								
	- Male	Hour/ person/ year	60.59	98.52	21.00	52.00	27.00	92.14	23.91
	- Female		114.21	167.79	20.00	59.00	35.00	112.71	23.90
	The company		87.40	76.83		43.25		63.17	
	Middle management								
	- Male	Hour/ person/ year	45.41	37.55	88.00	40.00	25.00	38.36	23.76
	- Female		56.97	19.69	96.00	37.00	29.00	51.92	26.38
	The company		51.19	60.31		32.75		35.11	
	Junior Management								
	- Male	Hour/ person/ year	31.77	30.85	71.00	119.33	47.00	84.04	41.27
	- Female		35.47	34.95	79.00	119.12	49.00	58.69	48.91
	The company		33.62	53.95		83.61		58.23	
	Officer								
	- Male	Hour/ person/ year	13.00	9.37	46.00	23.00	80.00	69.75	24.48
	- Female		13.21	12.15	52.00	20.00	62.00	64.36	27.37
	The company		13.11	29.88		46.25		46.49	
	15.2 By age								
	Under 30 years old								
	- Male	Hour/ person/ year	n/a	10.88	33.00	43.63	32.00	83.95	27.09
	- Female		n/a	15.14	34.00	46.24	33.00	84.64	29.65
	The company		n/a	23.26		38.72		56.33	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	30-50 years old								
	- Male	Hour/ person/ year	n/a	14.22	39.00	28.00	24.00	59.03	24.41
	- Female		n/a	16.64	43.00	26.00	27.00	51.98	29.53
	The company		n/a	28.21		26.25		41.24	
	Over 50 years old								
	- Male	Hour/ person/ year	n/a	21.93	40.00	36.27	26.00	29.31	18.27
	- Female		n/a	21.57	47.00	34.36	28.00	28.65	1.01
	The company		n/a	32.62		31.16		19.31	
	15.3 By race								
	Thailand								
	- Male	Hour/ person/ year	n/a	13.09	35.00	34.22	30.12	69.71	26.78
	- Female		n/a	16.34	38.00	32.66	31.96	64.34	29.86
	The company		n/a	25.61		32.24		47.67	
	Cambodia								
	- Male	Hour/ person/ year	n/a	0	0	0.00	0.00	0.00	2.69
	- Female		n/a	0	0	0.00	0.00	0.00	2.39
	The company		n/a	0.00		0.00		2.54	
	India								
	- Male	Hour/ person/ year	n/a	0	0	4.13	0.00	2.73	0.00
	- Female		n/a	0	0	9.00	0.00	0.50	0.00
	The company		n/a	0.00		3.28		1.62	
	China								
	- Male	Hour/ person/ year	n/a	0	0	0.00	0.00	13.50	0.00
	- Female		n/a	0	0	0.00	0.00	9.00	0.00
	The company		n/a	0.00		0.00		11.25	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Myanmar								
	- Male	Hour/ person/ year	n/a	0	0	0.00	0.00	3.00	0.94
	- Female		n/a	0	0	0.00	0.00	3.00	1.18
	The company		n/a	0.00		0.00		2.03	
	Malaysia								
	- Male	Hour/ person/ year	n/a	0	0	0.00	0.00	0.00	0.00
	- Female		n/a	0	0	0.00	0.00	0.00	0.00
	The company		n/a	0.00		0.00		0.00	
	Lao								
	- Male	Hour/ person/ year	n/a	0.00	0.00	0.00	0.00	96.04	0.00
	- Female		n/a	0.00	0.00	0.00	0.00	96.00	0.00
	The company		n/a	0.00		0.00		96.02	
	Australia								
	- Male	Hour/ person/ year	n/a	0	0	68.50	0.00	58.50	0.00
	- Female		n/a	0	0	3.50	0.00	3.00	0.00
	The company		n/a	0.00		18.00		30.75	
	Korea								
	- Male	Hour/ person/ year	n/a	0	0	9.00	0.00	9.00	0.00
	- Female		n/a	0	0	0.00	0.00	9.00	0.00
	The company		n/a	0.00		2.25		9.00	
	Other								
	- Male	Hour/ person/ year	n/a	36.12	7.00	21.35	53.00	80.31	49.33
	- Female		n/a	54.00	7.00	72.00	25.00	88.96	15.25
	The company		n/a	26.03		42.84		58.46	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	15.4 By Function								
	Operation								
	- Male	Hour/ person/ year	n/a	12.00	59.00	24.06	32.00	74.13	29.30
	- Female		n/a	15.00	20.00	22.04	34.00	69.11	32.29
	by business unit		n/a	13.50	39.50	23.05	33.00	71.62	30.80
	The company		n/a	26.50		28.03		51.21	
	Distribution and logistic								
	- Male	Hour/ person/ year	n/a	8.00	1.00	12.95	4.00	2.84	3.53
	- Female		n/a	6.00	0.00	11.15	3.00	3.33	2.57
	by business unit		n/a	7.00	0.50	12.05	3.50	3.09	3.05
	The company		n/a	3.75		7.78		3.07	
	Head office								
	- Male	Hour/ person/ year	n/a	38.00	2.00	188.23	15.00	19.90	16.04
	- Female		n/a	35.00	1.00	146.18	16.00	21.71	16.94
	by business unit		n/a	36.50	1.50	167.21	15.50	20.81	16.49
	The company		n/a	19.00		91.35		18.65	
	15.5 By Type								
	Leadership training								
	- ชาย Male	Hour/ person/ year	n/a	n/a	n/a	n/a	n/a	0.72	0.40
	- Female		n/a	n/a	n/a	n/a	n/a	0.93	0.55
	by business unit		n/a	n/a	n/a	n/a	n/a	0.83	0.48
	The company		n/a	n/a		n/a		0.65	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Compliance training								
	- Male	Hour/ person/ year	n/a	n/a	n/a	n/a	n/a	8.90	1.25
	- Female		n/a	n/a	n/a	n/a	n/a	6.54	1.27
	by business unit		n/a	n/a	n/a	n/a	n/a	7.72	1.26
	The company		n/a	n/a		n/a		4.49	
	IT Security & Cyber Security training								
	- Male	Hour/ person/ year	n/a	n/a	n/a	n/a	n/a	0.02	0.69
	- Female		n/a	n/a	n/a	n/a	n/a	0.02	0.72
	by business unit		n/a	n/a	n/a	n/a	n/a	0.02	0.71
	The company		n/a	n/a		n/a		0.36	
	Occupational Health and Safety								
	- Male	Hour/ person/ year	n/a	n/a	n/a	n/a	n/a	3.31	6.20
	- Female		n/a	n/a	n/a	n/a	n/a	1.45	4.74
	by business unit		n/a	n/a	n/a	n/a	n/a	2.38	5.47
	The company		n/a	n/a		n/a		3.93	
	Other								
	- Male	Hour/ person/ year	n/a	n/a	n/a	n/a	n/a	56.81	17.17
	- Female		n/a	n/a	n/a	n/a	n/a	55.43	22.10
	by business unit		n/a	n/a	n/a	n/a	n/a	56.12	19.64
	The company		n/a	n/a		n/a		37.88	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	16. Employee Training and Development Cost								
	Average training costs per employee equivalent								
	- Male	Baht per employee equivalent	n/a	3,086.11	1,146	3,466.36	4,407.00	1,589.03	610.05
	- Female		n/a	4,540.33	1,246	3,468.18	3,573.00	1,835.57	727.75
	by business unit		2,366.41	3,813.22	1,196.29	3,467.27	3,990.00	1,712.30	668.90
	The company		2,366.41	2,504.76		3,728.64		1,190.60	
	16.1 By level								
	Top management								
	- Male	Baht per employee equivalent	n/a	121,908.87	2,950.00	450,787.00	225,736.00	174,484.85	53,483.43
	- Female		n/a	147,592.27	2,468.00	510,875.00	314,481.00	266,066.72	20,722.96
	The company		n/a	68,729.78		375,469.75		128,698.49	
	Middle management								
	- Male	Baht per employee equivalent	n/a	69,744.52	7,265.00	26,281.00	11,078.00	26,311.41	4,710.38
	- Female		n/a	72,319.92	7,484.00	19,755.00	13,651.00	39,543.48	5,458.64
	The company		n/a	39,203.36		17,691.25		19,005.98	
	Junior Management								
	- Male	Baht per employee equivalent	n/a	12,622.69	3,378.00	17,340.10	1,312.00	5,714.74	1,825.06
	- Female		n/a	18,703.17	3,875.00	17,055.20	1,108.00	8,475.39	2,108.15
	The company		n/a	9,644.71		9,203.82		4,530.84	
	Officer								
	- Male	Baht per employee equivalent	n/a	799.28	2,153	1,140.00	132,507.00	789.34	662.97
	- Female		n/a	1,073.79	2,578	724.00	87,297.00	590.60	1,124.86
	The company		n/a	1,651.02		55,417.00		791.94	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	16.2 By age								
	Under 30 years old								
	- Male	Baht per employee equivalent	n/a	5,530.01	759	5,541	5,883	678	339
	- Female		n/a	10,321.85	881	6,238	5,427	636	402
	The company		n/a	4,372.91		5,772.13		513.69	
	30-50 years old								
	- Male	Baht per employee equivalent	n/a	1,355.30	1,780.18	3,497.00	2,768.00	2,000.00	453.27
	- Female		n/a	1,502.91	1,806.04	3,200.00	3,003.00	2,238.00	444.23
	The company		n/a	1,611.11		3,117.00		1,283.88	
	Over 50 years old								
	- Male	Baht per employee equivalent	n/a	4,727.36	1,784	7,420	2,538	9,330	1,685
	- Female		n/a	5,539.66	1,689	10,963	2,247	9,636	1,974
	The company		n/a	3,435.02		5,791.83		5,656.23	
	17. Employee training and development in Sustainability								
	Employee trained and developed in Sustainability								
	- Male	Person	n/a	674.00	2,038	6,816	16,196	7,214	32,954
	- Female		n/a	1,194	4,170	9,121	24,295	8,872	
	by business unit		n/a	1,868	6,208	15,937	40,491	16,086	32,954
	The company		n/a	8,076		56,428		49,040	
	Percent by total employee	%	n/a	11.95		84.99		75.86	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Employee engaged in corporate shared value program(s)								
	- Male	Person	n/a	2,930	0	5,100	0	8,700	4,909
	- Female		n/a						
	by business unit		n/a	2,930	0	5,100	0	8,700	4,909
	The company		n/a	2,930		5,100		13,609	
	Percent by total employee	%	n/a	4.34		7.68		21.05	
	Employee engaged in initiatives/ leadership development programs								
	- Male	Person	n/a	557	5,886	734	2,716	618	n/a
	- Female		n/a	877	11,396	1,112	2,223	927	n/a
	by business unit		n/a	1,434	17,282	1,846	4,939	1,545	0
	The company		n/a	18,716		6,785		1,545	
	Percent by total employee	%	n/a	27.70		10.04		2.39	
	Employee trained the governance and other related topics								
	- Male	Person	n/a	n/a	n/a	7,348	n/a	9,877	n/a
	- Female		n/a	n/a	n/a	8,661	n/a	9,812	n/a
	by business unit		n/a	n/a	n/a	16,009	n/a	19,689	n/a
	The company		n/a	n/a	n/a	16009		19689	
	Percent by total employee	%	n/a	n/a	n/a	23.69		30.46	
	Number of hous volunteered by employees								
	- Male	Hour	n/a	4,358	0	5,080	0	74,081	17,384
	- Female		n/a						
	by business unit		n/a	4,358	0	5,080	0	74,081	17,384
	The company		n/a	4,358		5,080		91,465	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
-	18. Employee Engagement Score								
	Employee engagement result								
	- Male	%	82.70	85.00	92.00	84.00	91.00	82.00	90.00
	- Female			84.00		82.00	92.00	81.00	92.00
	by business unit		82.70	84.50	92.00	83.00	91.50	81.50	91.00
	The company		82.70	87.00		87.25		86.25	
	Employee engagement target		>80	>80		>80		>80	
	Total number of employee engagement survey participants								
	- Male	Person	15726	7,291	19,275	8,027	18,488	12,190	15,772
	- Female			9,096	31,901	10,054	29,823	13,920	25,418
	by business unit			16,387	51,176	18,081	48,311	26,110	41,190
	The company			67,563		66,392		67,300	
	Percent by total employee	%	100	100		100		100	
	Total number of disable employee engagement survey participants								
	- Male	Person	n/a	13	104	12	97	12	0
	- Female		n/a	13	94	13	88	13	0
	by business unit		n/a	26	198	25	185	25	0
	The company		n/a	224		210		25	
	Percent by total employee	%	n/a	0.33		0.32		0.04	
	18.1 Total number of employee survey participants by level								
	Top management								
	- Male	Person	n/a	26	57	16	58	99	40
	- Female		n/a	36	33	20	28	99	31
	Percent by total employee	%	n/a	0.22		0.18		0.42	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Middle management								
	- Male	Person	n/a	90	821	429	812	494	590
	- Female		n/a	108	1,115	574	1,154	593	821
	Percent by total employee	%	n/a	3.16		4.47		3.86	
	Junior Management								
	- Male	Person	n/a	597	1,348	1,084	1382	2,781	1,133
	- Female		n/a	853	2,400	1,450	2,522	4,088	2,239
	Percent by total employee	%	n/a	7.69		9.70		15.84	
	Officer								
	- Male	Person	n/a	6,578	17,049	6,498	16,236	8,816	13,028
	- Female		n/a	8,099	28,353	8,010	26,119	9,140	20,268
	Percent by total employee	%	n/a	88.92		85.65		79.28	
	18.2 Total number of employee survey participants by age								
	Under 30 years old								
	- Male	Person	n/a	2,734.00	11,651	3,121	3,312	6,548	8,290
	- Female		n/a	2,875.00	18,725	10,888	16,757	6,391	12,076
	The company		n/a	35,985		34,078		33,305	
	Percent by total employee	%	n/a	53.26		51.33		51.52	
	30-50 years old								
	- Male	Person	n/a	4,331	7,246	4,660	6,336	5,349	6,126
	- Female		n/a	5,854	12,717	7,172	12,520	7,095	10,930
	The company		n/a	30,148		30,688		29,500	
	Percent by total employee	%	n/a	44.62		46.22		45.63	

GRI Standard	Performance	Unit	2020	2021		2022		2023	
			Makro	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Over 50 years old								
	- Male	Person	n/a	226	378	246	406	293	414
	- Female	Person	n/a	367	459	428	546	434	577
	The company	Person	n/a	1,430		1,626		1,718	
	Percent by total employee	%	n/a	2.12		2.45		2.66	
-	19. Employee entering welfare committee								
	- Male	Person	700	926	479	262	491	292	300
	- Female	Person			718	483	736	522	916
	by business unit	Person			1,197	745	1,227	814	1,216
	The company	Person		2,123		1,972		2,030	
	Percent by total employee	%	4.35	3.12		2.97		3.14	
	20. Non-binary (LGBTQ+)								
	The company	Person	n/a	n/a	n/a	656	n/a	876	n/a
	Percent by total employee	%	n/a	n/a		3.63		3.72	

Notes :
- n/a means not available
- Total employees covers permanent employee, contract and temporary under Siam Makro Public Company Limited and Lotus's Stores (Thaoland) Co.,Ltd, Thailand only.
- Scope of GRI 401-1, 404-1, and 405-1 cover only permanent employee.
- Makro mean Makro Thailand Business
- Lotus's mean Lotus's Stores (Thailand) Co., Ltd., and subsidiaries
- In 2021 included Lotus's-TH
- In 2022 initial disclosure of the combined data Makro and Lotus's

Occupational Health and Safety Data during 2020-2023

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
403-9 (a) (2018)	1. The number of fatalities as a result of work-related injuries									
	Employees									
	- Male	Person	0		0	n/a	0	0	0	0
	- Female	Person	0		0	n/a	0	0	0	0
	by business	Person	0		0	n/a	0	0	0	0
	The Company	Person	0		0		0		0	
	Contractors									
	- Male	Person	0		2	n/a	1	0	1	0
	- Female	Person	0		0	n/a	0	0	0	0
	by business	Person	0		2	n/a	1	0	1	0
	The Company	Person	0		2		1		1	
	2. Rate of fatalities as a result of work-related injuries									
	Employees									
	- Male	Case/ million hours worked	0		0.00	n/a	0.00	0.00	0.00	0.00
	- Female	Case/ million hours worked	0		0.00	n/a	0.00	0.00	0.00	0.00
	by business	Case/ million hours worked	0		0.00	n/a	0.00	0.00	0.00	0.00
	The Company	Case/ million hours worked	0		0.00		0.00		0.00	
	Contractors									
	- Male	Case/ million hours worked	0		0.08	n/a	0.03	0.00	0.03	0.00
	- Female	Case/ million hours worked	0		0.00	n/a	0.00	0.00	0.00	0.00
	by business	Case/ million hours worked	0		0.04	n/a	0.02	0.00	0.02	0.00
	The Company	Case/ million hours worked	0		0.04		0.01		0.01	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	3. Number of high-severity work-related injuries; including fatalities									
	Employees									
	- Male	Person	n/a		67	n/a	67	17	72	31
	- Female	Person	n/a		30	n/a	30	17	61	13
	by business	Person	n/a		97	n/a	97	34	133	44
	The Company	Person	n/a		97		131		177	
	Contractors									
	- Male	Person	n/a		33	n/a	40	3	35	3
	- Female	Person	n/a		22	n/a	28	5	33	5
	by business	Person	n/a		55	n/a	68	8	68	8
	The Company	Person	n/a		55		76		76	
	4. Rate of high-severity work-related injuries; including fatalities									
	Employees									
	- Male	Case/ million hours worked	n/a		4.07	n/a	3.77	0.39	3.34	0.57
	- Female	Case/ million hours worked	n/a		1.48	n/a	1.36	0.26	2.32	0.16
	by business	Case/ million hours worked	n/a		2.64	n/a	2.44	0.31	2.78	0.33
	The Company	Case/ million hours worked	n/a		2.64		0.88		0.97	
	Contractors									
	- Male	Case/ million hours worked	n/a		1.30	n/a	1.24	0.20	0.90	0.42
	- Female	Case/ million hours worked	n/a		1.16	n/a	1.25	0.33	1.20	0.60
	by business	Case/ million hours worked	n/a		1.24	n/a	1.24	0.26	1.03	0.12
	The Company	Case/ million hours worked	n/a		1.24		0.89		0.83	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	5. Number of recordable work-related injuries									
	Employees									
	- Male	Person	n/a		82	n/a	78	40	89	44
	- Female		n/a		43	n/a	37	43	70	25
	by business		n/a		125	n/a	115	83	159	69
	The Company		n/a		125		198		228	
	Contractors									
	- Male	Person	n/a		73	n/a	44	17	51	7
	- Female		n/a		29	n/a	31	19	41	14
	by business		n/a		102	n/a	75	36	92	21
	The Company		n/a		102		111		113	
	6. Total Recordable Injury Frequency Rate : TRIFR									
	Employees									
	- Male	Case/ million hours worked	4.56		4.98	n/a	4.38	0.91	4.13	0.81
	- Female		1.9		2.12	n/a	1.68	0.66	2.66	0.31
	by business		3.09		3.40	n/a	2.89	0.76	3.32	0.51
	The Company		3.09		3.40		1.33		1.25	
	Contractors									
	- Male	Case/ million hours worked	2.34		2.87	n/a	1.37	1.11	1.32	0.59
	- Female		1.45		1.53	n/a	1.38	1.24	1.49	1.04
	by business		1.93		2.29	n/a	1.37	1.18	1.39	0.83
	The Company		1.93		2.29		1.30		1.23	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	7. Number of Lost Time Injuries									
	Employees									
	- Male	Person	n/a		67	n/a	67	17	72	31
	- Female	Person	n/a		30	n/a	30	17	61	13
	by business	Person	n/a		97	n/a	97	34	133	44
	The Company	Person	n/a		97		131		177	
	Contractors									
	- Male	Person	n/a		31	n/a	39	3	34	3
	- Female	Person	n/a		22	n/a	28	5	33	5
	by business	Person	n/a		53	n/a	67	8	67	8
	The Company	Person	n/a		53		75		75	
	8. Lost Time Injuries Frequency Rate: LTIFR									
	Employees									
	- Male	Case/million hours worked	3.80		4.07	n/a	3.77	0.39	3.34	0.57
	- Female	Case/million hours worked	1.66		1.48	n/a	1.36	0.26	2.32	0.16
	by business	Case/million hours worked	2.62		2.64	n/a	2.44	0.31	2.78	0.33
	The Company	Case/million hours worked	2.62		2.64		0.88		0.97	
	Contractors									
	- Male	Case/million hours worked	1.47		1.22	n/a	1.21	0.20	0.88	0.25
	- Female	Case/million hours worked	1.14		1.16	n/a	1.25	0.33	1.20	0.37
	by business	Case/million hours worked	1.305		1.19	n/a	1.22	0.26	1.01	0.32
	The Company	Case/million hours worked	1.305		1.19		0.88		0.82	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
403-10 (a) (2018)	9. The number of fatalities as a result of work-related ill health									
	Employees									
	- Male		0		0	n/a	0	0	0	0
	- Female	Person	0		0	n/a	0	0	0	0
	by business		0		0	n/a	0	0	0	0
	The Company		0		0		0		0	
	Contractors									
	- Male		0		0	n/a	0	0	0	0
	- Female	Person	0		0	n/a	0	0	0	0
	by business		0		0	n/a	0	0	0	0
	The Company		0		0		0		0	
	10. Number of cases of recordable work-related ill health									
	Employees									
	- Male		n/a		0	n/a	0	0	0	0
	- Female	Person	n/a		0	n/a	0	0	0	0
	by business		n/a		0	n/a	0	0	0	0
	The Company		n/a		0		0		0	
	Contractors									
	- Male		n/a		0	n/a	0	0	0	0
	- Female	Person	n/a		0	n/a	0	0	0	0
	by business		n/a		0	n/a	0	0	0	0
	The Company		n/a		0		0		0	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	11. Occupational Illness Frequency Rate: OIFR									
	Employees									
	- Male	Case/million hours worked	0		0.00	n/a	0.00	0.00	0.00	0.00
	- Female		0		0.00	n/a	0.00	0.00	0.00	0.00
	by business		0		0.00	n/a	0.00	0.00	0.00	0.00
	The Company		0		0.00		0.00		0.00	
	Contractors									
	- Male	Case/million hours worked	0		0.00	n/a	0.00	0.00	0.00	0.00
	- Female		0		0.00	n/a	0.00	0.00	0.00	0.00
	by business		0		0.00	n/a	0.00	0.00	0.00	0.00
	The Company		0		0.00		0.00		0.00	
-	**12. Fleet safety accident rate**									
	Employees									
	- Male	Case/million kilometers	n/a		0.00	n/a	0.00	3.28	0.00	0.51
	- Female		n/a							
	by business		n/a		0.00	n/a	0.00	3.28	0.00	0.51
	The Company		n/a		0.00		3.28		0.51	
	Contractors									
	- Male	Case/million kilometers	n/a		0.32	n/a	0.71	0.00	0.61	0.19
	- Female		n/a							
	by business		n/a		0.32	n/a	0.71	0.00	0.61	0.19
	The Company		n/a		0.32		0.71		0.40	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	13. Number of fatalities as a result of work-related fleet accident									
	Employees									
	- Male	Person	n/a		0	n/a	0	0	0	0
	- Female									
	by business				0	n/a	0		0	
	The Company				0		0		0	
	Contractors									
	- Male	Person	n/a		2	n/a	1	0	1	0
	- Female									
	by business				2	n/a	1		1	
	The Company				2		1		1	
-	14. Worker covered by an occupational health and safety management system									
	Employee covered by an occupational health and safety management system									
	- Male	%	n/a		100	n/a	100	100	100	100
	- Female									
	by business									
	The Company				100		100		100	
	Employee covered by such a system that has been internally audited									
	- Male	%	n/a		100	n/a	100	100	100	100
	- Female									
	by business									
	The Company				100		100		100	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Employee covered by such a system that has been internally audited or certified by an external party									
	- Male	%	n/a		100	n/a	100	100	100	100
	- Female									
	by business									
	The Company				100		100		100	
	15. Other worker covered by an occupational health and safety management system									
	Contractor covered by an occupational health and safety management system									
	- Male	%	n/a		n/a	n/a	100	100	100	100
	- Female									
	by business									
	The Company						100		100	
	Contractor covered by such a system that has been internally audited									
	- Male	%	n/a		n/a	n/a	100	100	100	100
	- Female									
	by business									
	The Company						100		100	
	Contractor covered by such a system that has been internally audited or certified by an external party									
	- Male	%	n/a		n/a	n/a	100	100	100	100
	- Female									
	by business									
	The Company						100		100	

GRI Standard	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
-	16. Total costs of workplace accidents including property damage									
	Direct cost									
	- Male	Baht	n/a		n/a	n/a	0	5,000	1,936,439	n/a
	- Female									
	by business						0	5000	1,936,439	n/a
	The Company						5000		1,936,439	
	Indirect cost									
	- Male	Baht	n/a		n/a	n/a	0	0	0	0
	- Female									
	by business						0	0	0	0
	The Company						0		0	
-	17. Number of incident									
	Employees									
	Number of unsafe act	Case	n/a		n/a	n/a	n/a		12,934	1,642,666
	Number of unsafe condition								5,950	1,321,750
	Number of near miss incident								11,875	663
	Contractors									
	Nember of unsafe act	Case	n/a		n/a	n/a	n/a		5,247	2,381.0
	Nember of unsafe condition								4,733	24,843.0
	Number of near miss incident								2	295

Notes:
- n/a = Not Available
- Contractor covers regular contractor, contractors entering the area, transportation suppliers, security officers and housewives.
- Lost-Time Injuries Frequency Rate (LTIFR) = Total number of lost time injuries (cases) over the reporting period x 1,000,000 hours worked / Total hours worked (over the reporting period)
- Occupational Illness Frequency Rate (OIFR) = Total number of occupational diseases (cases) over the reporting period x 1,000,000 hours worked / Total hours worked (over the reporting period)

Environmental Performance

Energy

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
302-1 (E)	Total energy consumption within the organization	GJ	4,441,956.42		4,415,051.67		4,891,882.78		5,671,158.44	
			1,420,701.02	3,021,255.40	1,508,488.76	2,906,562.91	1,590,832.74	3,301,050.05	1,682,363.08	3,988,795.36
		MWh	1,216,217.48		1,226,404.22		1,358,857.42		1,575,323.05	
			376,979.84	839,237.64	419,024.99	807,379.23	441,898.34	916,959.08	467,323.45	1,107,999.60
302-1(A)	Total non-renewable energy	GJ	98,000.81		186,023.68		214,818.04		945,071.32	
			34,634.86	63,365.95	43,914.25	142,109.42	44,334.23	170,483.80	56,821.59	888,249.73
		MWh	27,222.47		51,673.28		59,671.72		262,520.02	
			9,620.80	17,601.67	12,198.41	39,474.87	12,315.07	47,356.65	15,783.79	246,736.23
	- Diesel	GJ	29,763.08		78,781.82		117,505.99		82,361.34	
			23,332.52	6,430.56	31,909.05	46,872.77	31,092.85	86,413.14	39,328.77	43,032.57
		MWh	8,267.53		21,883.86		32,640.58		22,878.17	
			6,481.26	1,786.27	8,863.63	13,020.22	8,636.91	24,003.67	10,924.67	11,953.50
	- Diesel	GJ	6,430.56		46,872.77		86,413.14		773,140.84	
			-	6,430.56	-	46,872.77	-	86,413.14	-	773,140.84
		MWh	1,786.27		13,020.22		24,003.67		214,761.52	
			-	1,786.27	-	13,020.22	-	24,003.67	-	214,761.52
	- Gasoline 91	GJ	n/a		14,739.29		16,627.39		16,018.64	
			n/a	n/a	2,124.16	12,615.13	2,376.07	14,251.32	2,957.45	13,061.19
		MWh	n/a		4,094.25		4,618.72		4,449.62	
			n/a	n/a	590.04	3,504.21	660.02	3,958.70	821.51	3,628.11

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	- Gasoline 95	GJ	10,869.17		28,521.88		28,900.32		32,510.04	
			10,869.17	n/a	5,343.96	23,177.92	5,877.03	23,023.29	8,442.43	24,067.61
		MWh	3,019.22		7,922.75		8,027.87		9,030.57	
			3,019.22	n/a	1,484.43	6,438.32	1,632.51	6,395.36	2,345.12	6,685.45
	- E20	GJ	-		10,097.84		12,957.14		14,037.21	
			0	-	1,862.50	8,235.35	1,890.14	11,067.00	2,285.27	11,751.94
		MWh	-		2,804.96		3,599.21		3,899.23	
			-	-	517.36	2,287.60	525.04	3,074.17	634.80	3,264.43
	- E85	GJ	-		116.02		169.25		21.33	
			-	-	116.02	-	169.25	-	21.33	-
		MWh	-		32.23		47.01		5.93	
			-	-	32.23	-	47.01	-	5.93	-
	- LPG	GJ	57,368.56		53,766.82		38,657.94		26,981.93	
			433.17	56,935.39	2,558.56	51,208.26	2,928.89	35,729.05	3,786.34	23,195.59
		MWh	15,935.72		14,935.24		10,738.33		7,494.99	
			120.33	15,815.40	710.71	14,224.53	813.58	9,924.75	1,051.76	6,443.22
302-1(B)	Total generate renewable energy	GJ	8,317.03		10,616.83		32,082.63		47,787.17	
			0	8,317.03	284.60	10,332.23	283.82	31,798.80	298.01	47,489.16
		MWh	2,310.29		2,949.12		8,911.84		13,274.21	
			0	2,310.29	79.06	2,870.06	78.84	8,833.00	82.78	13,191.43
	- Solar cell	GJ	8,317.03		10,332.23		31,798.80		47,503.35	
			0	8,317.03	0	10,332.23	0	31,798.80	14.19	47,489.16
		MWh	2,310.29		2,870.06		8,833.00		13,195.38	
			0	2,310.29	0	2,870.06	0	8,833.00	3.94	13,191.43

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	- Solar thermal	GJ	0		284.60		283.82		283.82	
			0	0	284.60	0	283.82	0	283.82	0
		MWh	0		79.06		78.84		78.84	
			0	0	79.06	0	78.84	0	78.84	0
302-1(C)	Total electricity purchased	GJ	4,343,955.62		4,228,743.39		4,644,982.12		4,678,299.95	
			1,386,066.16	2,957,889.46	1,464,289.90	2,764,453.49	1,546,214.68	3,098,767.44	1,625,243.48	3,053,056.47
		MWh	1,204,381.52		1,171,781.18		1,290,273.12		1,299,528.13	
			385,055.83	819,325.69	406,747.49	765,033.69	429,504.39	860,768.73	451,456.88	848,071.24
	Total electricity purchased from grid	GJ	4,197,210.62		3,997,610.85		4,330,434.87		4,093,388.74	
			1,322,491.46	2,874,719.16	1,336,479.62	2,661,131.23	1,404,006.82	2,926,428.05	1,445,373.81	2,648,014.93
		MWh	1,165,892.13		1,110,447.75		1,202,898.89		1,137,052.75	
			367,359.03	798,533.10	371,244.64	739,203.12	390,002.21	812,896.68	401,493.05	735,559.70
	Total electricity purchased from solar cell	GJ	146,744.99		231,417.14		346,629.88		584,911.22	
			63,574.70	83,170.30	127,810.28	103,322.26	142,207.86	172,339.39	179,869.67	405,041.55
		MWh	40,799.68		64,282.54		87,374.24		162,475.38	
			17,696.80	20,792.59	35,502.86	25,830.57	39,502.18	47,872.05	49,963.84	112,511.54
	Total Spent for Energy	million THB	5,012.99		5,122.34		6,310.70		6,326.30	
			1,392.28	3,620.71	1,695.83	3,426.51	1,781.83	4,528.87	1,892.22	4,434.08
302-3	Energy intensity	GJ per million THB of revenue	10.16		8.85		9.76		12.58	
			6.49	13.96	5.18	13.56	5.84	14.15	6.32	21.61
302-2	Total Energy consumption outside of the organization"	GJ	n/a		n/a		1,892,395.87		1,768,527.58	
			n/a	n/a	n/a	n/a	860,868.79	1,031,527.08	938,818.93	829,708.65
		MWh	n/a		n/a		525,665.94		491,258.05	
			n/a	n/a	n/a	n/a	239,130.41	286,535.53	260,783.24	230,474.81

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	- Upstream transportation and distribution	GJ	n/a		n/a		1,780,476.95		1,520,035.91	
			n/a	n/a	n/a	n/a	750,190.19	1,030,286.76	752,789.24	767,246.67
		MWh	n/a		n/a		494,577.33		422,232.54	
			n/a	n/a	n/a	n/a	208,386.33	286,191.00	209,108.29	213,124.25
	- Downstream Transportation and distribution	GJ	n/a		n/a		111,918.92		248,491.67	
			n/a	n/a	n/a	n/a	110,678.60	1,240.32	186,029.69	62,461.98
		MWh	n/a		n/a		31,088.61		69,025.52	
			n/a	n/a	n/a	n/a	30,744.08	344.53	51,674.96	17,350.56

Note: • n/a means not available
• Energy consumption (Joules) is calculated by multiplying the volume of fuel with a conversion factor, based on the type of fuel used (reference from The Department of Alternative Energy Development and Efficiency).
1. Total energy consumption within the organization covers total non-renewable energy consumption, total renewable energy anf total electricity purchased.
2. In 2020, scope covers distribution center
3. 2019-2020 Benzence 91&95 did not Separately telling
4. 2022 Disclosed the Consolidate Makro and Lotus's and Readjust to 2020 Baseline
5. Revenue for intensity calculation during 2020-2023 for Makro are 216,760 million Baht, 266,435 million Baht, 248,079 million Baht, and 266,057 million Baht. While Lotus'a are 211,107 million Baht, 207,467 million Baht, 221,052 million Baht, and 184,610 million Baht.

Greenhouse Gas Emissions

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
305(A)	Total GHG emissions (Scope 1 + Scope 2)	tons of CO2eq.	636,736.65		639,276.08		748,082.80		743,727.12	
			233,476.16	403,260.49	251,517.52	387,758.56	243,733.68	504,349.12	250,064.01	493,663.10
305-1 (A)	- Direct (scope 1) GHG emissions Direct GHG emissions (Scope 1)	tons of CO2eq.	53,907.17		84,163.25		146,753.65		175,314.45	
			49,833.38	4,073.79	65,932.33	18,230.92	48,771.58	97,982.07	49,357.64	125,956.81
	- Scope 1: Refrigerant	tons of CO2eq.	48,728.59		70,214.10		132,795.68		113,911.33	
			48,494.31	234.28	63,934.38	6,279.72	45,503.39	87,292.29	46,638.51	67,272.83
	- Scope 1: Feul	tons of CO2eq.	5,178.58		13,949.15		13,957.97		62,909.12	
			1,339.07	3,839.52	1,997.95	11,951.20	3,268.18	10,689.78	4,225.14	58,683.98
305-2 (A)	- Iindirect GHG emissions scope 2: (Market based	tons of CO2eq.	582,829.48		555,112.83		601,329.15		568,412.67	
			183,642.78	399,186.70	185,585.19	369,527.64	194,962.10	406,367.05	200,706.37	367,706.30
305-2 (A)	- Indirect GHG emissions scope 2 : Location Based	tons of CO2eq.	602,070.32		585,773.41		645,007.53		649,634.11	
			192,489.41	409,580.91	203,333.07	382,440.34	214,709.24	430,298.29	225,683.30	423,950.81
	Data Coverage (Scope 1 & 2)	% by revenue	100		100		100		100	

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
305-3 (A)	Other indirect (scope 3) GHG emissions	tons of CO2e	57,540.03		58,943.72		6,876,080.64		7,818,154.25	
			57,540.03	n/a	58,943.72	162,739.68	3,594,707.85	3,281,372.78	3,310,735.58	4,507,418.67
	- Purchases of goods and services		n/a	n/a	n/a	n/a	3,528,509.08	3,203,294.93	3,162,088.82	4,098,929.55
	- Capital goods		n/a	n/a	n/a	n/a	n/a	n/a	540.00	n/a
	- Upstream transportation and distribution		57,284.40	n/a	58,921.83	n/a	56,591.51	77,518.16	56,749.77	53,990.23
	- Downstream Transportation and distribution		n/a	n/a	n/a	n/a	8,319.15	92.70	14,015.06	4,487.21
	- Business travel (by airplane)		255.63	n/a	21.89	n/a	1,288.11	467.00	359.63	364.48
	- Employee commuting		50,008.68	n/a	52,110.66	162,739.68	57,497.58	153,628.98	74,666.40	134,530.18
	- Downstream leased assets		n/a	n/a	n/a	n/a	n/a	n/a	2,315.90	215,117.02
305-4 (A)	GHG emissions intensity	tons of CO2e million THB of revenue	1.48		1.35		1.59		1.65	
			1.07	1.91	0.94	1.87	0.98	2.28	0.94	2.67

Note:
- n/a means not available
- Scope 3 covers greenhouse gas emissions from product transportation and distribution (upstream level) and business travel.
- The greenhouse gas emissions above include CO2, CH4, N2O, CFCs, HFCs and PFCs — calculated and converted to the equivalent amount of carbon dioxide with similar global warming potentials (GWP) as defined by the IPCC (Intergovernmental Panel on Climate Change). The Emission Factor is based on data from Thailand Greenhouse Gas Management Organisation (Public Organisation) and the Energy Policy and Planning Office, the Ministry of Energy.

1. 2022 Disclosed the Consoridate Makro and Lotus's and Readjust to 2020 Baseline
2. 2023 Disclose GHG scope 2 both Market based and Location based. The target to carbon neutralization in 2023 is reference to Market based data.
3. Revenue for intensity calculation during 2020-2023 for Makro are 216,760 million Baht, 266,435 million Baht, 248,079 million Baht, and 266,057 million Baht. While Lotus'a are 211,107 million Baht, 207,467 million Baht, 221,052 million Baht, and 184,610 million Baht.

Refrigerant

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
-	R141B	kg	142.90		87.45		1,491.58		9.30	
			142.90	0	87.45	0	1,491.58	0	9.30	0
	R22		13,704.60		10,918.51		8,737.63		12,121.34	
			13,680.60	24.00	10,878.91	39.60	8,227.43	510.20	10,792.30	1,329.04
	R290		43.72		821.89		374.15		604.84	
			43.72	0	821.89	0	204.65	169.50	195.04	409.80
	R32		19.00		511.63		306.00		1,128.20	
			5.00	14.00	511.63	0	283.00	23.00	207.00	921.20
	R134, 134A		2,365.90		2,701.66		2,429.84		2,352.09	
			2,337.90	28.00	2,691.66	10.00	2,344.94	84.90	1,670.38	681.71
	R404A		2,673.23		8,922.57		16,658.82		14,027.50	
			2,673.23	0	7,620.27	1,302.30	4,674.21	11,984.61	2,908.70	11,118.80
	R407C		832.40		955.24		235.40		625.20	
			832.40	0	955.24	0	235.40	0	625.20	0
	R407F		4,497.29		4,626.15		11,783.68		14,469.69	
			4,427.29	70.00	4,105.85	520.30	3,973.84	7,809.84	5,704.59	8,765.10
	R410A		31.50		339.00		385.80		1,134.80	
			31.50	0	339.00	0	342.50	43.30	427.90	706.90
	R717 (ammonia)		0		2,100.00		4,800.00		0	
			0	0	2,100.00	0	0	4,800.00	0	0
	CO2		0		1,038.20		2,238.70		229.46	
			0	0	1,038.20	0	2,238.70	0	229.46	0

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	R507	kg	0		0		0		4.00	
			0	0	0	0	0	0	0	4.00
	R448A		0		2,368.60		20,312.04		11,182.94	
			0	0	0	2,368.60	0	20,312.04	0	11,182.94
	Total weight		24,310.54		35,390.90		69,753.64		57,889.36	
			24,174.54	136.00	31,150.10	4,240.80	24,016.25	45,737.39	22,769.87	35,119.49
-	R141B	tons of CO2eq.	101.89		62.35		1063.50		6.63	
			101.89	0.00	62.35	0.00	1063.50	0.00	6.63	0.00
	R22		24,120.10		19,216.58		15,378.23		21,333.56	
			24,077.86	42.24	19,146.88	69.70	14,480.28	897.95	18,994.45	2,339.11
	R290		0.87		16.44		4.60		12.10	
			0.87	0.00	16.44	0.00	4.09	0.51	3.90	8.20
	R32		12.86		346.37		207.16		763.79	
			3.39	9.48	346.37	0.00	191.59	15.57	140.14	623.65
	R134, R134A		3,075.67		3,512.16		3,158.79		3,057.72	
			3,039.27	36.4	3,499.16	13.00	3,048.42	110.37	2,171.49	886.223
	R404A		10,484.41		34,994.32		65,585.17		55,015.86	
			10,484.41	0.00	29,886.70	5,107.62	18,332.25	47,252.92	11,407.92	43,607.93
	R407C		1,476.68		1,694.60		417.60		1,109.10	
			1,476.68	0.00	1,694.60	0.00	417.60	0.00	1,109.10	0.00
	R407F		9,390.34		9659.401		20,322.74		30,212.71	
			9,244.18	146.16	8,573.01	1,086.39	7,248.28	13,074.45	11,911.18	18,301.53
	R410A		65.77		707.83		798.43		2,369.46	
			65.77	0.00	707.83	0.00	715.14	83.29	893.46	1,476.01

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	R717 (ammonia)	tons of CO2eq.	0.00		0.00		0.00		0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	CO2		0.00		1.04		2.24		0.23	
			0.00	0.00	1.04	0.00	2.24	0.00	0.23	0.00
	R507		0.00		0.00		0.00		15.94	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.94
	R448A		0.00		3.02		25,857.23		14.24	
			0.00	0.00	0.00	3.02	0.00	25,857.23	0.00	14.24
	Total GHG emission from regrigerant		48,728.59		70,214.10		132,795.68		113,911.33	
			48,494.31	234.28	63,934.38	6,279.72	45,503.39	87,292.29	46,638.51	67,272.83

Notes:
- n/a means not available
- Emission Factor coefficient is 0 such as R717 (ammonia) or no refrigerant added.

1. 2022 Disclosed the Consoridate Makro and Lotus's and Readjust to 2020 Baseline

Water

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
303-3 (A)	Total water consumption (1)	1,000 m^3 (1 Million Liters)	3,199.14		3,419.86		4,241.07		4,536.98	
			483.43	2,715.71	939.22	2,480.64	959.90	3,281.18	1,003.08	3,533.90
	Total water withdrawal		9,441.33		8,882.64		11,476.84		12,572.97	
			2,417.17	7,024.16	2,679.47	6,203.17	2,769.41	8,707.43	3,007.45	9,565.52
	- Surface water		0.00		0.00		0.00		0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Ground water		98.17		122.39		95.09		111.44	
			76.53	21.65	94.59	27.80	93.01	2.08	110.12	1.32
	- Municipal water supplies		9,343.16		8,760.26		11,381.75		12,461.53	
			2,340.64	7,002.52	2,584.88	6,175.38	2,676.40	8,705.35	2,897.33	9,564.20
303-3 (C)	Total water withdrawal from water stress area (2)		4,179.54		3,669.58		4,677.23		5,894.44	
			1,087.09	3,092.44	939.30	2,730.28	1,091.46	3,585.77	2,308.67	3,585.77
	- Surface water		0.00		0.00		0.00		0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Ground water		21.65		27.80		59.39		69.10	
			0.00	21.65	0.00	27.80	59.39	0.00	69.10	0.00
	- Municipal water supplies		4,157.89		3,641.78		4,617.85		5,826.80	
			1,087.09	3,070.80	939.30	2,702.48	1,032.08	3,585.77	2,241.03	3,585.77

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
303-3 (C)	Freshwater with Total Dissolved Solids below 1,000 mg/L	1,000 m^3 (1 Million Liters)	9,441.33		8,882.64		11,476.84		12,575.34	
			2,417.17	7,024.16	2,679.47	6,203.17	2,769.41	8,707.43	3,009.82	9,565.52
	Freshwater with Total Dissolved Solids More Than 1,000 mg/L		0.00		0.00		0.00		0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Water consumption intensity	m^3 per million THB of revenue	7.44		7.22		9.04		10.07	
			2.21	12.86	3.53	11.96	3.87	14.84	3.77	19.14

Notes: • n/a means not available

1. Total water consumption is the difference of total water withdrawal and water discharge
2. Data refers to Aqueduct Water Risk Atlas that was aligned with GRI standard
3. 2022 Disclosed the Consoridate Makro and Lotus's and Readjust to 2020 Baseline
3. Revenue for intensity calculation during 2020-2023 for Makro are 216,760 million Baht, 266,435 million Baht, 248,079 million Baht, and 266,057 million Baht. While Lotus'a are 211,107 million Baht, 207,467 million Baht, 221,052 million Baht, and 184,610 million Baht.

Wastewater

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
303-4 A	Total water discharge (2)	1,000 m^3 (1 Million Liters)	6,242.18		5,462.79		7,235.77		8,035.99	
			1,933.73	4,308.45	1,740.25	3,722.53	1,809.51	5,426.26	2,004.37	6,031.62
	- Surface water		6,242.18		5,462.79		7,235.77		8,035.99	
			1,933.73	4,308.45	1,740.25	3,722.53	1,809.51	5,426.26	2,004.37	6,031.62
	- Ground water		0.00		0.00		0.00		0.00	
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	- Discharge with Total Dissolved Solids below 1,000 mg/L		6,242.18		5,462.78		7,201.68		8,024.42	
			1,933.73	4,308.45	1,740.25	3,722.53	1,775.42	5,426.26	1,992.80	6,031.62
	- Discharge with Total Dissolved Solids More Than 1,000 mg/L		n/a		n/a		11.57		11.57	
			n/a	n/a	n/a	n/a	11.57	n/a	11.57	n/a

Notes: 1. Water dischatge was calculated from 80% of total water withdrawal.

2. 2022 Disclosed the Consoridate Makro and Lotus's and Readjust to 2020 Baseline

Waste Performance during 2020 - 2023

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
GRI 306 (2020)	Total weight of waste generated (1)	ton	117,668.32		116,556.50		130,551.75		158,245.97	
			61,628.42	56,039.90	67,900.85	48,655.65	85,102.35	45,449.40	110,651.03	47,594.95
	Total weight of hazardous waste generated (2)		2.96		12.88		236.49		339.37	
			n/a	2.96	9.02	3.86	169.09	67.40	208.07	131.30
	- Reuse		n/a		0.00		40.97		0.00	
			n/a	n/a	0.00	0.00	0.00	40.97	0.00	0.00
	- Recycling		n/a		0.00		23.15		131.17	
			n/a	n/a	0.00	0.00	0.00	23.15	0.00	131.17
	- Energy recovery		n/a		0.00		1.88		0.00	
			n/a	n/a	0.00	0.00	0.00	1.88	0.00	0.00
	- Incineration – without enery recovery		2.96		10.96		6.79		1.08	
			n/a	2.96	7.10	3.86	6.05	0.74	1.07	0.01
	- Landfilling		n/a		1.92		163.03		207.12	
			n/a	n/a	1.92	0.00	163.03	0.00	207.00	0.12
	- Other disposal operations		n/a		0.00		0.66		0.00	
			n/a	n/a	0.00	0.00	0.00	0.66	0.00	0.00
	Total weight of non-hazardous waste generated		117,665.36		116,543.61		130,315.26		157,906.61	
			61,628.42	56,036.94	67,891.83	48,651.78	84,933.26	45,382.00	110,442.96	47,463.65
	- Reuse		n/a		0.19		91,081.41		117,215.45	
			n/a	n/a	0.19	0.00	58,145.28	32,936.13	84,407.81	32,807.64
	Glass		n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Wood	ton	n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	Paper		n/a		n/a		91,081.41		117,215.45	
			n/a	n/a	n/a	n/a	58,145.28	32,936.13	84,407.81	32,807.64
	Metal		n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	Plastic		n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	Other packaging reusable		n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	- Recycling		87,473.62		78,953.07		2,438.98		3,444.86	
			40,258.00	47,215.62	39,239.06	39,714.01	719.10	1,719.88	489.25	2,955.61
	Glass		n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	Wood		n/a		n/a		116.95		115.93	
			n/a	n/a	n/a	n/a	116.95	0.00	115.93	0.00
	Paper		n/a		n/a		209.75		1,438.43	
			n/a	n/a	n/a	n/a	209.75	n/a	144.36	1,294.08
	Metal		n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	Plastic		n/a		n/a		649.11		532.00	
			n/a	n/a	n/a	n/a	392.41	256.70	164.54	367.46
	Other packaging reusable		n/a		n/a		0.00		64.42	
			n/a	n/a	n/a	n/a	0.00	0.00	64.42	0.00

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Total Waste Not Classified	ton	n/a		n/a		1,463.18		1,294.08	
			n/a	n/a	n/a	n/a	0.00	1,463.18	0.00	1,294.08
	- Animal feed		n/a		294.14		796.21		1,428.32	
			n/a	n/a	294.14	0	796.21	0.00	1,356.07	72.25
	- Composting		53.39		508.76		1,312.99		925.12	
			53.39	n/a	508.76		1,312.99	0.00	913.13	11.99
	- Energy recovery		n/a		0.00		0.00		0.00	
			n/a	n/a	0.00	0.00	0.00	0.00	0.00	0.00
	- Incineration – mass burn		n/a		0.00		0.00		0.00	
			n/a	n/a	0.00	0.00	0.00	0.00	0.00	0.00
	- Feed material		n/a		0.00		0.00		0.00	
			n/a	n/a	0.00	0.00	0.00	0.00	0.00	0.00
	- Landfilling		30,138.35		37,081.59		33,233.47		34,892.85	
			21,317.03	8,821.32	28,143.82	8,937.77	23,959.68	9,273.79	23,276.69	11,616.15
	- Other disposal operations		n/a		0.00		1,452.20		0.00	
			n/a	n/a	0.00	0.00	0.00	1,452.20	0.00	0.00
	Total waste that has been utilized		87,527.01		79,358.48		95,693.71		123,084.46	
			40,311.39	47,215.62	39,644.47	39,714.01	60,973.58	34,720.13	87,105.79	35,978.67
	Ratio of waste that has been utilized per total waste from operation		74.38		68.09		73.30		77.78	
			65.41	84.25	58.39	81.62	71.65	76.39	78.72	75.59
	Total waste disposed		30,138.35		37,083.51		34,849.37		35,099.96	
			21,317.03	8,821.32	28,145.74	8,937.77	24,122.72	10,726.65	23,483.69	11,616.27

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Waste intensity	ton per milloin Baht	0.07		0.07		0.07		0.08	
			0.10	0.04	0.10	0.04	0.09	0.03	0.09	0.06

Notes: • n/a means not available

1. In 2021, scope of waste data was expanded to Distribution Center
2. In 2021, scope of waste data covers hazardous waste generated.
3. 2022 Disclosed the Consoridate Makro and Lotus's and Readjust to 2020 Baseline
4. Revenue for intensity calculation during 2020-2023 for Makro are 216,760 million Baht, 266,435 million Baht, 248,079 million Baht, and 266,057 million Baht. While Lotus'a are 211,107 million Baht, 207,467 million Baht, 221,052 million Baht, and 184,610 million Baht.

Food Waste Performance during 2020 - 2023

<table>
<tr><th rowspan="2">GRI</th><th rowspan="2">Performance</th><th rowspan="2">Unit</th><th colspan="2">2020</th><th colspan="2">2021</th><th colspan="2">2022</th><th colspan="2">2023</th></tr>
<tr><th>Makro</th><th>Lotus's</th><th>Makro</th><th>Lotus's</th><th>Makro</th><th>Lotus's</th><th>Makro</th><th>Lotus's</th></tr>
<tr><td rowspan="4">GRI 306-2 A</td><td rowspan="2">Discount product to prevent food waste generation</td><td rowspan="2">ton</td><td colspan="2">n/a</td><td colspan="2">n/a</td><td colspan="2">17,911.15</td><td colspan="2">24,007.11</td></tr>
<tr><td>n/a</td><td>n/a</td><td>n/a</td><td>n/a</td><td>17,911.15</td><td>n/a</td><td>24,007.11</td><td>n/a</td></tr>
<tr><td rowspan="2">Ratio discount product to prevent food waste generation per Total food waste</td><td rowspan="2">%</td><td colspan="2">0.00</td><td colspan="2">0.00</td><td colspan="2">71</td><td colspan="2">97</td></tr>
<tr><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>71</td><td>n/a</td><td>97</td><td>n/a</td></tr>
<tr><td rowspan="15">GRI 306 (2020)</td><td rowspan="2">Total food waste</td><td rowspan="2">ton</td><td colspan="2">29,952.93</td><td colspan="2">35,326.88</td><td colspan="2">32,751.39</td><td colspan="2">35,476.48</td></tr>
<tr><td>21,370.42</td><td>8,582.51</td><td>26,825.66</td><td>8,501.22</td><td>25,119.05</td><td>7,632.34</td><td>24,775.01</td><td>10,701.46</td></tr>
<tr><td colspan="10">Food waste management by destination</td></tr>
<tr><td rowspan="2">Recycle</td><td rowspan="8">ton</td><td colspan="2">n/a</td><td colspan="2">375.36</td><td colspan="2">908.49</td><td colspan="2">2,142.78</td></tr>
<tr><td>n/a</td><td>n/a</td><td>294.14</td><td>81.216</td><td>796.21</td><td>112.28</td><td>1,356.07</td><td>786.71</td></tr>
<tr><td rowspan="2">Imperfect / Surplus Food</td><td colspan="2">n/a</td><td colspan="2">81.22</td><td colspan="2">27.32</td><td colspan="2">219.74</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>81.22</td><td>0.00</td><td>27.32</td><td>0.00</td><td>219.74</td></tr>
<tr><td rowspan="2">Animal feed</td><td colspan="2">n/a</td><td colspan="2">294.14</td><td colspan="2">881.17</td><td colspan="2">1,923.04</td></tr>
<tr><td>n/a</td><td>n/a</td><td>294.14</td><td>0.00</td><td>796.21</td><td>84.96</td><td>1,356.07</td><td>566.97</td></tr>
<tr><td rowspan="2">Bio-based materials/biochemical processing</td><td colspan="2">n/a</td><td colspan="2">0.00</td><td colspan="2">0.00</td><td colspan="2">0.00</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td rowspan="2">Compositing</td><td rowspan="4">ton</td><td colspan="2">53.39</td><td colspan="2">509.36</td><td colspan="2">1,321.16</td><td colspan="2">925.12</td></tr>
<tr><td>53.39</td><td>n/a</td><td>508.76</td><td>0.60</td><td>1,312.99</td><td>8.18</td><td>913.13</td><td>11.99</td></tr>
<tr><td rowspan="2">Composting/aerobic processes</td><td colspan="2">53.39</td><td colspan="2">509.36</td><td colspan="2">1,321.16</td><td colspan="2">925.12</td></tr>
<tr><td>53.39</td><td>n/a</td><td>508.76</td><td>0.60</td><td>1,312.99</td><td>8.18</td><td>913.13</td><td>11.99</td></tr>
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<tr><th rowspan="2">GRI</th><th rowspan="2">Performance</th><th rowspan="2">Unit</th><th colspan="2">2020</th><th colspan="2">2021</th><th colspan="2">2022</th><th colspan="2">2023</th></tr>
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<tr><td rowspan="25"></td><td rowspan="2">Energy Recovery</td><td rowspan="12">ton</td><td colspan="2">n/a</td><td colspan="2">0.00</td><td colspan="2">0.00</td><td colspan="2">0.00</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td rowspan="2">Codigestion/anaerobic digestion</td><td colspan="2">n/a</td><td colspan="2">0.00</td><td colspan="2">0.00</td><td colspan="2">0.00</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td rowspan="2">Controlled combustion</td><td colspan="2">n/a</td><td colspan="2">0.00</td><td colspan="2">0.00</td><td colspan="2">0.00</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr>
<tr><td rowspan="2">Landfill</td><td colspan="2">29,899.54</td><td colspan="2">34,442.16</td><td colspan="2">30,521.73</td><td colspan="2">32,419.58</td></tr>
<tr><td>21,317.03</td><td>8,582.51</td><td>26,022.76</td><td>8,419.40</td><td>23,009.85</td><td>7,511.88</td><td>22,516.81</td><td>9,902.76</td></tr>
<tr><td rowspan="2">Landfill</td><td colspan="2">29,899.54</td><td colspan="2">34,442.16</td><td colspan="2">30,521.73</td><td colspan="2">32,419.58</td></tr>
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<tr><td rowspan="2">Others</td><td colspan="2">n/a</td><td colspan="2">0.00</td><td colspan="2">0.00</td><td colspan="2">0.00</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>494.71</td></tr>
<tr><td rowspan="2">Ratio of food waste that has been utilized per total food waste from operation</td><td rowspan="2">%</td><td colspan="2">0.18</td><td colspan="2">2.50</td><td colspan="2">6.81</td><td colspan="2">8.29</td></tr>
<tr><td>0.25</td><td>0.00</td><td>2.99</td><td>0.96</td><td>8.40</td><td>1.58</td><td>9.11</td><td>7.46</td></tr>
<tr><td rowspan="2">Waste intensity</td><td rowspan="2">ton per milloin Baht</td><td colspan="2">0.07</td><td colspan="2">0.07</td><td colspan="2">0.07</td><td colspan="2">0.07</td></tr>
<tr><td>0.10</td><td>0.04</td><td>0.10</td><td>0.04</td><td>0.09</td><td>0.03</td><td>0.08</td><td>0.06</td></tr>
<tr><td colspan="10">Food waste management by category</td></tr>
<tr><td rowspan="2">Fruit and Vegetable</td><td rowspan="8">ton</td><td colspan="2">n/a</td><td colspan="2">19,899.06</td><td colspan="2">21,304.13</td><td colspan="2">22,504.43</td></tr>
<tr><td>n/a</td><td>n/a</td><td>19,899.06</td><td>0.00</td><td>17,800.87</td><td>3,503.26</td><td>16,778.31</td><td>5,726.12</td></tr>
<tr><td rowspan="2">Meat</td><td colspan="2">n/a</td><td colspan="2">3,766.27</td><td colspan="2">4,534.33</td><td colspan="2">4,949.88</td></tr>
<tr><td>n/a</td><td>n/a</td><td>3,766.27</td><td>0.00</td><td>3,548.23</td><td>986.11</td><td>3,562.967</td><td>1,386.91</td></tr>
<tr><td rowspan="2">- Beef</td><td colspan="2">n/a</td><td colspan="2">1,007.75</td><td colspan="2">323.66</td><td colspan="2">1,706.85</td></tr>
<tr><td>n/a</td><td>n/a</td><td>1,007.75</td><td>0.00</td><td>323.66</td><td>0.00</td><td>319.942</td><td>1,386.912</td></tr>
<tr><td rowspan="2">- Pork</td><td colspan="2">n/a</td><td colspan="2">674.65</td><td colspan="2">846.08</td><td colspan="2">1,173.75</td></tr>
<tr><td>n/a</td><td>n/a</td><td>674.65</td><td>0.00</td><td>846.08</td><td>0.00</td><td>1,173.75</td><td>0.00</td></tr>
</table>

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	- Poultry	ton	n/a		240.67		639.23		1,095.18	
			n/a	n/a	240.67	0.00	639.23	0.00	1,095.18	0.00
	- Sheep		n/a		0.00		1.98		0.68	
			n/a	n/a	0.00	0.00	1.98	0.00	0.68	0.00
	- Fish		n/a		527.25		815.01		900.82	
			n/a	n/a	527.25	0.00	815.01	0.00	900.82	0.00
	- Other seafood		n/a		1,315.95		922.27		72.59	
			n/a	n/a	1,315.95	0.00	922.27	0.00	72.59	0.00
	- Other Meat		n/a		0.00		986.11		0.00	
			n/a	n/a	0.00	0.00	0.00	986.11	0.00	0.00
	Bakery		n/a		844.94		1,396.83		1,683.44	
			n/a	n/a	844.94	0.00	951.29	445.53	928.20	755.24
	Frozen and dairy		n/a		2,315.32		3,643.05		2,681.50	
			n/a	n/a	2,315.32	0.00	2,818.66	824.39	2,596.91	84.60
	Ready to Eat		n/a		0.00		441.70		599.39	
			n/a	n/a	0.00	0.00	0.00	441.70	0.00	599.39
	Other		n/a		0.00		1,431.35		0.00	
			n/a	n/a	0.00	0.00	0.00	1,431.35	0.00	0.00

Note: • n/a means not available

1. 2022 Disclosed the Consoridate Makro and Lotus's and Readjust to 2020 Baseline
2. Revenue for intensity calculation during 2020-2023 for Makro are 216,760 million Baht, 266,435 million Baht, 248,079 million Baht, and 266,057 million Baht. While Lotus'a are 211,107 million Baht, 207,467 million Baht, 221,052 million Baht, and 184,610 million Baht.

Packaging Performance during 2020 - 2023

<table>
<tr><th rowspan="2">GRI</th><th rowspan="2">Performance</th><th rowspan="2">Unit</th><th colspan="2">2020</th><th colspan="2">2021</th><th colspan="2">2022</th><th colspan="2">2023</th></tr>
<tr><th>Makro</th><th>Lotus's</th><th>Makro</th><th>Lotus's</th><th>Makro</th><th>Lotus's</th><th>Makro</th><th>Lotus's</th></tr>
<tr><td colspan="11">Plastic packaging usage</td></tr>
<tr><td rowspan="20">GRI 301-1</td><td rowspan="2">Plastics Packaging Usage</td><td rowspan="20">ton</td><td colspan="2">3,551.06</td><td colspan="2">4,231.54</td><td colspan="2">16,551.34</td><td colspan="2">16,411.28</td></tr>
<tr><td>3,551.06</td><td>n/a</td><td>4,231.54</td><td>n/a</td><td>4,051.61</td><td>12,499.73</td><td>3,969.72</td><td>12,441.56</td></tr>
<tr><td rowspan="2">PET: Polyethylene Terephthalate Ethylene</td><td colspan="2">n/a</td><td colspan="2">71.77</td><td colspan="2">2,672.88</td><td colspan="2">2,466.22</td></tr>
<tr><td>n/a</td><td>n/a</td><td>71.77</td><td>n/a</td><td>69.02</td><td>2,603.86</td><td>296.25</td><td>2,169.97</td></tr>
<tr><td rowspan="2">HDPE: High Density Polyethylene</td><td colspan="2">n/a</td><td colspan="2">2,456.34</td><td colspan="2">2,398.88</td><td colspan="2">2,710.40</td></tr>
<tr><td>n/a</td><td>n/a</td><td>2,456.34</td><td>n/a</td><td>2,198.44</td><td>200.44</td><td>2,539.91</td><td>170.49</td></tr>
<tr><td rowspan="2">PVC: Vinyl or Polyvinyl Chloride</td><td colspan="2">n/a</td><td colspan="2">1,399.82</td><td colspan="2">1,516.43</td><td colspan="2">934.75</td></tr>
<tr><td>n/a</td><td>n/a</td><td>1,399.82</td><td>n/a</td><td>1,506.58</td><td>9.85</td><td>911.28</td><td>23.47</td></tr>
<tr><td rowspan="2">LDPE: Low Density Polyethylene</td><td colspan="2">n/a</td><td colspan="2">4.02</td><td colspan="2">247.59</td><td colspan="2">244.33</td></tr>
<tr><td>n/a</td><td>n/a</td><td>4.02</td><td>n/a</td><td>3.31</td><td>244.28</td><td>0.31</td><td>244.02</td></tr>
<tr><td rowspan="2">PP: Polypropylene</td><td colspan="2">n/a</td><td colspan="2">15.12</td><td colspan="2">8,478.35</td><td colspan="2">9,207.69</td></tr>
<tr><td>n/a</td><td>n/a</td><td>15.12</td><td>n/a</td><td>22.37</td><td>8,455.98</td><td>58.34</td><td>9,149.35</td></tr>
<tr><td rowspan="2">PS: Polystyrene</td><td colspan="2">n/a</td><td colspan="2">0.00</td><td colspan="2">4.33</td><td colspan="2">16.01</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>n/a</td><td>0.00</td><td>4.33</td><td>0.00</td><td>16.01</td></tr>
<tr><td rowspan="2">PE: Polyethylene</td><td colspan="2">n/a</td><td colspan="2">230.30</td><td colspan="2">229.48</td><td colspan="2">763.38</td></tr>
<tr><td>n/a</td><td>n/a</td><td>230.30</td><td>n/a</td><td>229.48</td><td>0.00</td><td>137.74</td><td>625.64</td></tr>
<tr><td rowspan="2">PC: Polycarbonate</td><td colspan="2">n/a</td><td colspan="2">0.00</td><td colspan="2">909.43</td><td colspan="2">0.00</td></tr>
<tr><td>n/a</td><td>n/a</td><td>0.00</td><td>n/a</td><td>0.00</td><td>909.43</td><td>0.00</td><td>0.00</td></tr>
<tr><td rowspan="2">Others (Cable ties)</td><td colspan="2">n/a</td><td colspan="2">54.17</td><td colspan="2">93.97</td><td colspan="2">68.50</td></tr>
<tr><td>n/a</td><td>n/a</td><td>54.17</td><td>n/a</td><td>22.41</td><td>71.56</td><td>25.89</td><td>42.61</td></tr>
</table>

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	Percent of recycleable plastic	%	n/a		n/a		n/a		100	
			n/a	n/a	n/a	n/a	n/a	n/a	100	100
	Percent of compostable		n/a		n/a		n/a		24.33	
			n/a	n/a	n/a	n/a	n/a	n/a	24.33	n/a
	Percent recycled content within own plastic packaging		n/a		n/a		n/a		13.26	
			n/a	n/a	n/a	n/a	n/a	n/a	13.26	n/a
	Reduced Plastic Packaging	ton	n/a		n/a		n/a		143.95	
			n/a	n/a	n/a	n/a	n/a	n/a	108.26	35.69
	Reduced Single-use Plastic		n/a		n/a		n/a		143.95	
			n/a	n/a	n/a	n/a	n/a	n/a	108.26	35.69
Packaging material										
G4-EN1	Packaging material	ton	3,551.06		4,231.54		16,551.34		16,411.28	
			3,551.06	n/a	4,231.54	n/a	4,051.61	12,499.73	3,969.72	12,441.56
	- Glass		ton		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	- Wood		ton		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	- Paper		ton		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	- Metal		ton		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00
	- Plastic		ton		n/a		16,551.34		16,411.28	
			n/a	n/a	n/a	n/a	16,551.34	12,499.73	16,411.28	12,441.56

GRI	Performance	Unit	2020		2021		2022		2023	
			Makro	Lotus's	Makro	Lotus's	Makro	Lotus's	Makro	Lotus's
	- Other packaging reusable	ton	n/a		n/a		0.00		0.00	
			n/a	n/a	n/a	n/a	0.00	0.00	0.00	0.00

Note • n/a means not available
1. 2022 Disclosed the Consoridate Makro and Lotus's and Readjust to 2020 Baseline

Performance of Social and Related KPIs as 2030 Sustainability Strategy

Data	Unit	2022		2023	
		Makro	Lotus's	Makro	Lotus's
HEALTH & WELL-BEING					
Proportion sales from B2B and B2C products and services help promote health and well-being	%	44%		47%	
		60%	23%	59%	30%
- Food products have reduced fat, trans fat, sodium, and sugar	%	3%		2%	
		2%	5%	1%	3%
- Food products that increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals, or functional food additives	%	2%		5%	
		3%	0%	7%	3%
- Food products are safe for consumers of all ages, from children to elders	%	25%		30%	
		43%	0%	34%	23%
- Products and services that promote health and well-being	%	4%		8%	
		1%	9%	13%	1%
- Healthier food products by reformulation	%	10%		2%	
		11%	9%	4%	0%
Direct supporting (Hiring or Procument)					
SME	People	727		18,775	
		651	76	578	18,197
Farmers	People	5,329		884	
		4,453	876	105	779

Data	Unit	2022		2023	
		Makro	Lotus's	Makro	Lotus's
Jobs support in value chain					
- Vendors	People	13,271		46	
		28	13,243	46	n/a
- Supplier		3,992		2,117	
		1,982	2,010	2,117	n/a
Number of disability (buy products or provide street food workshop)		710		2,984	
		93	617	400	2,584
Indirect supported					
SME's worker & subsidiary farmers)	People	19,575		84,168	
		n/a	19,575	n/a	84,168
Number of vendor's worker		20,000		75,366	
		20,000	n/a	75,366	n/a
Social corporate responsibility					
- Commercial Activities	Baht	26,295,135		44,739,832	
		19,989,125	6,306,010	42,945,710	1,794,122
- Social investment		389,826		12,692,338	
		129,296	260,530	70,000	12,622,338
- Charity Donations		35,164,117		23,111,228	
		29,208,719	5,955,398	16,367,985	6,743,243
Employee Volunteer Hours	Hours	124,662		74,081	
		5,080	119,582	9,125	64,956
Expense of CSR event	Baht	497,792		2,763,055	
		33,540	464,252	8,519	2,754,536

Data	Unit	2022		2023	
		Makro	Lotus's	Makro	Lotus's
Food Security & Access To Nutrition					
Food donation and surplus (both normal and during the crisis)	People	33,378		215,600	
		25,123	8,255	12,771	202,829
Member of Community Kitchen (Food supply model)	People	74,700		54,001	
		74,700	n/a	54,001	n/a
Stakeholder Engagement					
Stakeholder's ESG engagement survey	%	90%	80%	96%	79%
Employee engagement score	%	83%	92%	81%	91%
Customer satisfaction score	%	86%	90%	87%	89%
Responsible Supply Chain Management					
Tier 1 supplier engaged Supplier's Code of Conduct	%	75%		99%	
		100%	62%	100%	99%
Tier 1 supplier signed Supplier's Code of Conduct	%	34%		92%	
		67%	17%	83%	100%
Tier 1 suppliers are trained ESG	%	21%		34%	
		29%	17%	50%	18%
Critical Tier 1 suppliers are trained ESG	%	71%		71%	
		100%	68%	100%	68%
Tier 1 supplier are assessed ESG criteria	%	55%		75%	
		68%	48%	88%	66%
Critical tier 1 suppliers are assessed ESG criteria	%	15%		80%	
		100%	5%	100%	60%

Data	Unit	2022		2023	
		Makro	Lotus's	Makro	Lotus's
High risk suppliers are onsite audited	%	100%		100%	
		100%	100%	100%	n/a
New suppliers are screened by ESG criteria	%	71%		100%	
		100%	45%	100%	n/a
% online customer	%	9%		13%	
		9%	n/a	16%	0.14%
Online channel revenue	million Baht	40,545		52,433	
		40,545	n/a	42,540	9,893

Note: n/a means not available

GRI Content Index and UNGC Principles

GRI Content Index
Core Standards

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Name of the Organization	41, 330	-
102-2	Activities, brands, products, and services	42-65	-
102-3	Location of Headquarters	41, 330	-
102-4	Location of operations	71-75	-
102-5	Ownership and legal form	69-78	-
102-6	Markets served	44-65	-
102-7	Scale of the organization	42-44, 300	-
102-8	Information on employees and other workers	331-367	-
102-9	Supply Chain	82	-
102-10	Significant changes to the organization and its supply chain	Makro completed the acquisition of Lotus's on Oct 25, 2021. Since 2022, the company's disclose the consolidate Makro and Lotus's GRI performance	-
102-11	Precautionary Principles or approach	80-87	-
102-12	External initiatives	89-92	-
102-13	Membership of associations	106-107	-
Strategy			
102-14	Statement from senior decision-maker	15	-
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	37, 88-91	-

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
Governance			
102-18	Governance Structure	102, 228	-
102-19	Delegating authority	228	-
102-20	Executive-level responsibility for economic, environmental, and social topics	96	-
102-22	Composition of the highest governance body and its committees	228-235	-
102-24	Nominating and selecting the highest governance body	211-212	-
102-30	Effectiveness of risk management processes	107-108	-
102-32	Highest Governance Body's Role in Sustainability Reporting	903	-
102-35	GRI 102-35 Remuneration policies	217	-
102-38	GRI 102-38 Annual total compensation ratio	217	-
Stakeholder Engagement			
102-40	List of stakeholder groups	93, 155-156	-
102-41	Collective bargaining agreements	94-96	-
102-42	Identifying and selecting stakeholders	93	-
102-43	Approach to stakeholder engagement	93	-
102-44	Key topics and concerns raised	97-99	-
Reporting Practice			
102-45	Entities included in the consolidated financial statements	14, 40-43	-
102-46	Defining report content and topic boundaries	89-91, 330	-
102-47	List of material topics	97	-
102-48	Restatements of information	There is not any restatements of information given in previous reports.	-
102-49	Changes in reporting	330	-
102-50	Reporting period	330	-
102-51	Date of most recent report	330	-
102-52	Reporting cycle	330	-
102-53	Contact point for questions regarding the report	330	-

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
102-54	Claims of reporting in accordance with the GRI Standards	330	-
102-55	GRI content Index	331-398	-
102-56	External Assurance	410	-

Material Topics

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
GRI 201: Economic Performance			
103-1	Explanation of the material topic and its boundary	145-149	-
103-2	The management approach and its components	145-149	-
103-3	Evaluation of the management approach	145-149	-
201-1	Direct Economic value generated and distributed	149	-
GRI 203: Indirect Economic Impacts			
103-1	Explanation of the material topic and its boundary	121-124	-
103-2	The management approach and its components	121-124	-
103-3	Evaluation of the management approach	121-124	-
203-2	Significant indirect economic impacts	122	-
GRI 204: Procurement Practices			
103-1	Explanation of the material topic and its boundary	181-186	-
103-2	The management approach and its components	181-186	-
103-3	Evaluation of the management approach	181-186	-
204-1	Proportion of spending on local suppliers	183-184	-
GRI 205: Anti-Corruption			
103-1	Explanation of the material topic and its boundary	102-109	-
103-2	The management approach and its components	102-109	-
103-3	Evaluation of the management approach	102-109	-
205-2	Communication and training about anti-corruption policies and procedures	104	-
205-3	Confirmed incidents of corruption and actions taken	105-106	-

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
GRI 301: Materials			
103-1	Explanation of the material topic and its boundary	165-171	-
103-2	The management approach and its components	165-171	-
103-3	Evaluation of the management approach	165-171	-
301-1	Materials used by weight or volume	165, 396-398	-
GRI 302: Energy			
103-1	Explanation of the material topic and its boundary	157-164	-
103-2	The management approach and its components	157-164	-
103-3	Evaluation of the management approach	157-164	-
302-1	Energy consumption within the organization	377-380	Yes
302-3	Energy intensity	160, 379	Yes
302-4	Reduction of energy consumption	159, 161-163	-
GRI 303: Water and Effluents (2018 Edition)			
103-1	Explanation of the material topic and its boundary	172-176	-
103-2	The management approach and its components	172-176	-
103-3	Evaluation of the management approach	172-176	-
303-1	Interactions with water as a shared resource	172-176	-
303-3	Water withdrawal	173, 386-387	Yes
303-4	Water discharge	388	Yes
303-5	Water consumption	173, 386-387	Yes
GRI 304: Biodiversity			
103-1	Explanation of the material topic and its boundary	177-180	-
103-2	The management approach and its components	177-180	-
103-3	Evaluation of the management approach	177-180	-
304-2	Significant impacts of activities, products, and services on biodiversity	178	-
GRI 305: Emissions			-
103-1	Explanation of the material topic and its boundary	158-164	-
103-2	The management approach and its components	158-164	-
103-3	Evaluation of the management approach	158-164	-

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
305-1	Direct (Scope 1) GHG emissions	158, 160, 381	Yes
305-2	Energy indirect (Scope 2) GHG emissions	158, 160, 381	Yes
305-3	Other indirect (Scope 3) GHG emissions	160, 381	Yes
305-4	GHG Emissions intensity	160, 381	Yes
305-5	Reduction of GHG emissions	159-163	-
GRI 306: Waste (2020 Edition)			
103-1	Explanation of the material topic and its boundary	165-170	-
103-2	The management approach and its components	165-170	-
103-3	Evaluation of the management approach	165-170	-
306-1	Waste generation and significant waste-related impacts	165-170	-
306-2	Management of significant waste-related impacts	165-170	-
306-3	Waste generated	389-395	Yes
306-4	Waste diverted from disposal	165, 389-395	Yes
306-5	Waste directed to disposal	165, 389-395	Yes
GRI 308: Supplier Environmental			
103-1	Explanation of the material topic and its boundary	181-186	-
103-2	The management approach and its components	181-186	-
103-3	Evaluation of the management approach	181-186	-
308-1	New suppliers that were screened using environmental criteria	181-184	Yes
GRI 401: Employment			
103-1	Explanation of the material topic and its boundary	110-120	-
103-2	The management approach and its components	110-120	-
103-3	Evaluation of the management approach	110-120	-
401-1	New employee hires and employee turnover	342-356	-
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	355-356	-

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
GRI 403: Occupational Health and Safety			
103-1	Explanation of the material topic and its boundary	110-120	-
103-2	The management approach and its components	110-120	-
103-3	Evaluation of the management approach	110-120	-
403-1	Occupational health and safety management systems	117-120	-
403-2	Hazard identification, risk assessments, and incident investigation	118-119 Omission: 403-2: A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.	-
403-3	Occupational health services	120	-
403-4	Worker participation, consultation, and communication on occupational health and safety	118-119	-
403-5	Worker training on occupational health and safety	118-120	-
403-6	Promotion of worker health	-	-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	118-120	-
403-9	Work-related injuries	368-376	Yes
403-10	Work-related ill health	372-373	Yes
GRI 404: Training and Education			
103-1	Explanation of the material topic and its boundary	125-130	-
103-2	The management approach and its components	125-130	-
103-3	Evaluation of the management approach	125-130	-
404-1	Average hours of training per year per employee	125, 357-364	-
404-2	Programs for upgrading employee skills and transition assistance programs	126, 128-129	-
404-3	Percentage of employees receiving regular performance and career development reviews	125, 128-129	-

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
GRI 405: Diversity and Equal Opportunity			
103-1	103-1 Explanation of the material topic and its boundary	110-120	-
103-2	103-2 The management approach and its components	110-120	-
103-3	103-3 Evaluation of the management approach	110-120	-
405-1	GRI 405-1 Diversity of Governance bodies and employees	332-338	-
GRI 412: Human Rights Assessment			
103-1	103-1 Explanation of the material topic and its boundary	110-120	-
103-2	103-2 The management approach and its components	110-120	-
103-3	103-3 Evaluation of the management approach	110-120	-
412-1	412-1 Operations that have been subject to human rights reviews or impact assessments	110	-
GRI 413: Local Communities			
103-1	Explanation of the material topic and its boundary	145-149	-
103-2	The management approach and its components	145-149	-
103-3	Evaluation of the management approach	145-149	-
413-1	Operations with local community engagement, impact assessments, and development programs	145-149	-
GRI 414: Supplier Social Assessment			
103-1	Explanation of the material topic and its boundary	181-186	-
103-2	The management approach and its components	181-186	-
103-3	Evaluation of the management approach	181-186	-
414-1	New suppliers that were screened using social criteria	183	Yes
GRI 417: Marketing and Labeling			
103-1	Explanation of the material topic and its boundary	140-144	-
103-2	The management approach and its components	140-144	-
103-3	Evaluation of the management approach	140-144	-
417-1	Requirements for product and service information and labeling	142	-

GRI Standard	Description	One Report (Page/URL) and Remarks (Omission/Comment)	External Assurance
GRI 418: Customer Privacy			
103-1	Explanation of the material topic and its boundary	131-138	-
103-2	The management approach and its components	131-138	-
103-3	Evaluation of the management approach	131-138	-
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	133, 137-138	-
Food Security			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundary	150-152	-
	103-2 The management approach and its components	150-152	-
	103-3 Evaluation of the management approach	150-152	-
Makro's own indicator	Number of communities get an access to safe and nutritious food	150	-
Innovation			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundary	153-154	-
	103-2 The management approach and its components	153-154	-
	103-3 Evaluation of the management approach	154	-
Makro's own indicator	Number of patents for innovations or inventions	153	-
Stakeholder Engagement			
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundary	155-156	-
	103-2 The management approach and its components	155-156	-
	103-3 Evaluation of the management approach	155-156	-
Makro's own indicator	Employee engagement score	155, 365-367	-

The Ten Principles of the United Nations Global Compact

Principles	Description	Page
1	Businesses should support and respect the protection of internationally proclaimed human rights	110-120
2	Businesses should make sure that they are not complicit in human rights abuses	110-120
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	110-120
4	Businesses should uphold the elimination of all forms of forced and compulsory labour	110-120
5	Businesses should uphold the effective abolition of child labour	110-120
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	110-120
7	Businesses should support a precautionary approach to environmental challenges	157-186
8	Businesses should undertake initiatives to promote greater environmental responsibility	157-186
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	157-176
10	Businesses should work against corruption in all its forms, including extortion and bribery.	102-109

LRQA

LRQA Independent Assurance Statement

Relating to CP Axtra Public Company Limited's Sustainability Report for the calendar year 2023

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 2023 "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 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 and compliance system and breach reporting and integrity of CP Axtra's supplier ESG screening and assessment 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 (Purchasing Goods & services, Upstream, Downstream transportation and distribution, Business travel, Employee commuting, and Downstream leased only), GRI 305-4 GHG emissions intensity, (GRI 306- 3 to 5) Waste generated/diverted from disposal and direct to disposal and food loss & waste.
  - *Social*:
    GRI 2-6 Activities, value chain and other business relationships, GRI 308-2 Negative environmental impacts in the supply chain and actions taken, 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.

Our assurance engagement excluded the data and information of CP Axtra's subsidiaries within Thailand where it has no operational control, all operations and activities outside of 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.

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:

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

LRQA

- 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 material issues to confirm that the right issues were included in their report. We did this by benchmarking reports written by CP Axtra and its peers to ensure that sector specific issues were included for comparability. 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 as business representative (Makro Srinakarindra (1) store and Mahachai distribution centre; Lotus Phanomsarakham and Suphanburi stores and Bang Bua Tong distribution centre) to sample 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 and OH&S.
- Impact:
  CP Axtra has processes to evaluate negative impacts from its operations included packaging 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 2024

Opart Charuratana
LRQA Lead Verifier
On behalf of LRQA (Thailand) Limited
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