CP Axtra's 2024
Double Material Analysis Report

2024 Materiality Results
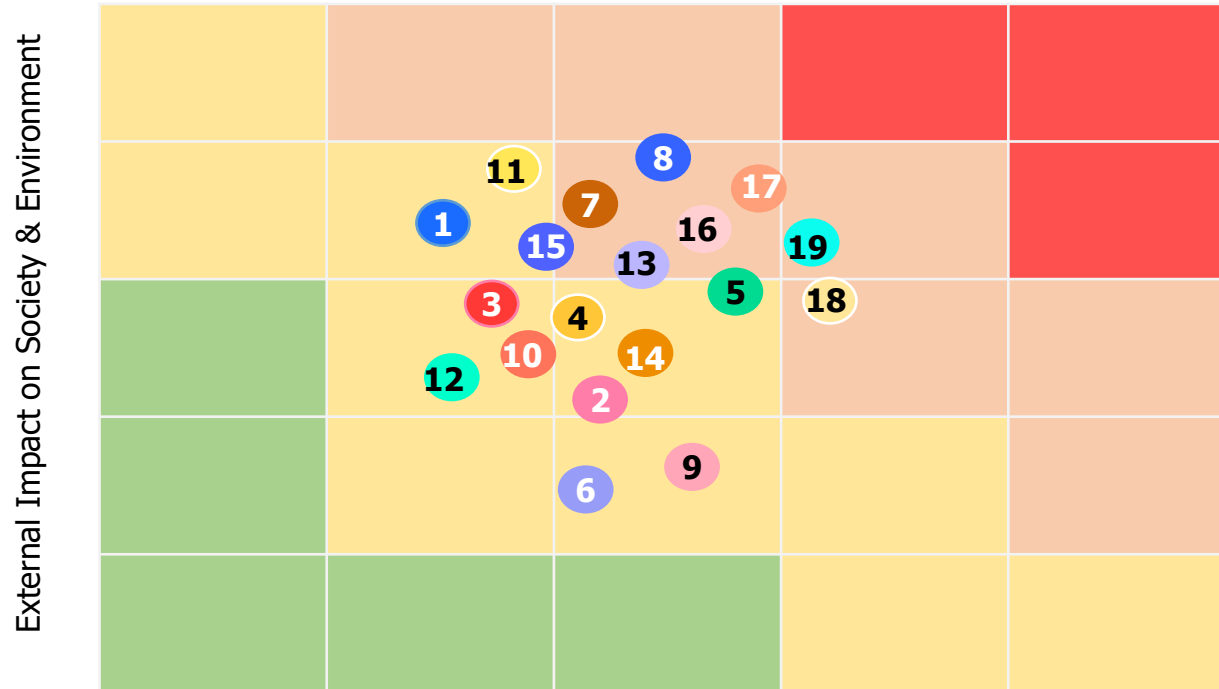
Axis labels:
- Y-axis: External Impact on Society & Environment
- X-axis: Risk & Opportunity's Impact on Enterprise Value Creation

Legend:
1. Corporate governance
2. Human rights – employee
3. Human rights - vendor / supplier
4. Health & safety – employee
5. Health & safety - vendor / supplier
6. Leadership development
7. Cybersecurity & data privacy
8. Climate resilience
9. Food waste to landfill
10. Plastic waste (CE)
11. Water stewardship
12. Biodiversity
13. Responsible supply chain
14. Education to public
15. H&W being product
16. Social Impact & economic contribution
17. Food safety, security and quality (New)
18. Innovation
19. Stakeholder engagement

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.

Stakeholder along the Value Chain

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

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.

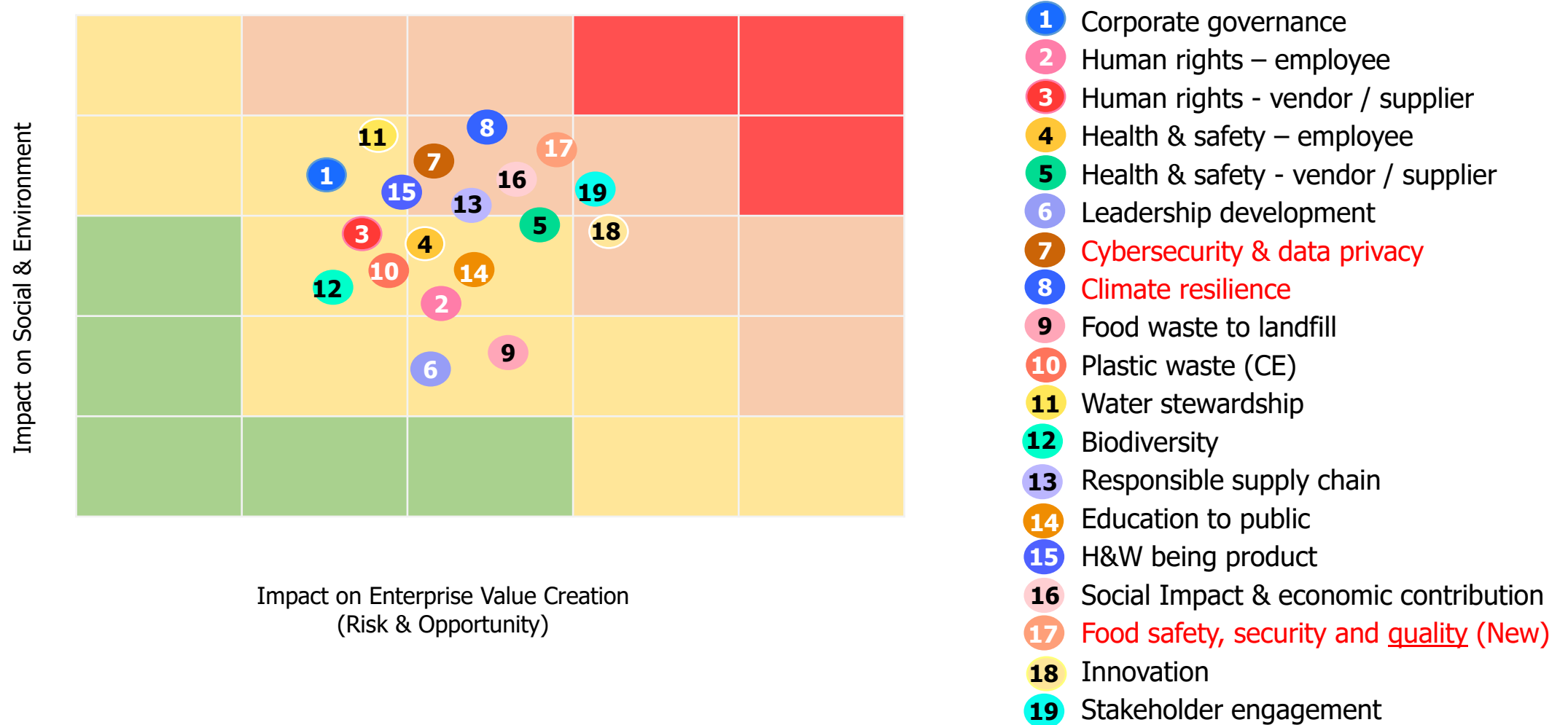| Stakeholders	Engagement Channels	Expectations / Impact / Performance gap	Materiality Issue
Government (External stakeholder)	• Organize meetings with the government agencies. • Open for government agencies visits. • Collaborative agreements with government agencies.	• Compliance with legal and regulation. • 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).

Rating	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost certain (5)
Qualitative	Quite certain not to occurred.	Not likely to occur in normal situations.	Likely to occur in normal situations, there must be many driving factors.	Have occurred often, or has occurred every month.	Quite certain to occur, or high frequency of occurrence.
Frequency	Never occurred, or up to once in 3 or more years.	Once in 1 to 3 years.	Once in a year.	Once in 6 months up to 1 year.	Once every month.
Possibility	<10% chance of occurrence	10-40%	41-60%	61-90%	>90%

Impacts	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Critical (5)
Financial					
Financial loss	Up to 5MB	>5-10MB	>10-15MB	>15-20MB	>20MB
Impact on profit	Decrease <1%	1-2%	>2-5%	>5-10%	>10%
Cash flow impact	No impact	Can cover by operating	May be affected	Imminent cash flow problems	Has cash flow problems
Non – Financial					
Image & Reputation	Local media attention, no impact	Local media coverage in a few days	National negative media coverage 1-3 days	National negative media coverage >3 days	International negative media coverage, and social media
Law & Reputation	No report to regulator	Reportable incident to authorised parties, no follow up actions	Report to local governor with immediate actions	Report to regulator for corrective actions	Significant prosecution & fines
Safety & Environment	First aid treatment	Medical treatment injury	Single lost time injury	Multiple lost time injuries	Fatalities
Environment	Very low impacts	Low impacts	Moderate and internal impacts	Major impacts	Severe impact incidents, affect to external parties
Community	Isolated complaint	Sporadic or multiple complaints	Repeatable or serious of complaints	Ongoing complaints from concerned parties	High concern from various parties

Impact					
5	1,5	2,5	3,5	4,5	5,5
4	1,4	2,4	3,4	4,4	5,4
3	1,3	2,3	3,3	4,3	5,3
2	1,2	2,2	3,2	4,2	5,2
1	1,1	2,1	3,1	4,1	5,1
	1	2	3	4	5

Likelihood

2024 Materiality Results (27 Feb 2024)

Impact on Social & Environment (y-axis)

Impact on Enterprise Value Creation (Risk & Opportunity) (x-axis)

1. Corporate governance
2. Human rights – employee
3. Human rights - vendor / supplier
4. Health & safety – employee
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No.	Materiality	Business Impact			Social & Environment impact			Total Score (Score 1+2)
		Risk / Opportunity	Likelihood	Score 1	environment impact		Score 2	
					Severity / Profit	Likelihood		
1	Corporate Governance	Medium (3)	Unlikely (2)	6	Medium (3)	Possible (3)	9	15
2	Human rights-Employee	Medium (3)	Possible (3)	8	Medium (3)	Unlikely (2)	6	14
3	Human rights-vendor/supplier	Medium (3)	Possible (3)	8	Medium (3)	Unlikely (2)	6	14
4	Health & safety-employee	Medium (3)	Unlikely (2)	5	Medium (3)	Unlikely (2)	6	11
5	Health & safety-vendor/ supplier	Medium (3)	Possible (3)	9	Medium (3)	Unlikely (2)	6	15
6	Leadership development	Minor (2)	Unlikely (2)	4	Medium (3)	Possible (3)	9	13
7	**Cybersecurity & data protection**	Medium (3)	Possible (3)	9	Major (4)	Possible (3)	12	**21**
8	**Climate resilience**	Medium (3)	Likely (4)	12	Medium (3)	Likely (4)	12	**24**
9	Food waste to landfill	Medium (3)	Possible (3)	9	Minor (2)	Possible (3)	6	15
10	Plastic waste	Medium (3)	Unlikely (2)	5	Medium (3)	Possible (3)	9	14
11	**Water stewardship**	Major (4)	Unlikely (2)	7	**Major (4)**	**Possible (3)**	12	19
12	Biodiversity	Minor (2)	Unlikely (2)	4	Medium (3)	Possible (3)	9	13
13	Responsible Supply Chain	Medium (3)	Possible (3)	9	Medium (3)	Possible (3)	9	18
14	Education to public	Medium (3)	Possible (3)	8	Medium (3)	Possible (3)	9	17
15	**H&W Being product**	Medium (3)	Unlikely (2)	6	**Major (4)**	**Possible (3)**	**12**	18
16	Social Impact (Job creation)	Medium (3)	Possible (3)	9	Major (4)	Unlikely (2)	8	18
17	**Food safety, security & quality**	**Major (4)**	**Possible (3)**	**12**	**Medium (3)**	**Likely (4)**	**12**	**24**
18	**Innovation**	**Major (4)**	**Possible (3)**	**12**	Medium (3)	Unlikely (2)	6	18
19	**Stakeholder Engagement**	**Major (4)**	**Possible (3)**	**12**	Minor (2)	Possible (3)	6	18

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

Click Link :
3rd Party Assurance Statement for 2024 Double Material Analysis Report