



Environmental Policy and Strategies

Siam Makro Public Company Limited

1. Principle

Siam Makro Public Limited Company (the "Company") is committed the environmental responsibility with continuous effort to operate the business sustainably through employees, customers, suppliers and other stakeholders along the supply chain in every country where the Company operates and adherences to follow international principles and practices as the Ten Principles of the United Nations Global Compact ("UN Global Compact"), Sustainable Development Goals (SDGs) and the Company's Strategic framework "Living Right, Living Well, Living Together or Heart-Health-Home".

2. Scope

This policy applies to the business operation of Siam Makro Public Limited Company and its subsidiaries.

3. Definition

The Company means Siam Makro Public Company Limited and its subsidiaries.

Subsidiaries means companies that Siam Makro holds more than 50 percent shareholding or has authority in management.

Employee means employees and workers at all levels of the Company.

Business Partner means the significant organization or group of persons who agree to work together with the Company to achieve a shared goal or to improve operational performance. The partnership is formed on a formal basis to assist in moving towards a shared goal or objective.

4. Roles and Responsibilities

4.1 Sustainability Development Committee

4.1.1 Encourage business operation to achieve the sustainability target and responding to significant environmental aspects.

4.1.2 Establish the structure and responsibility for the environment as the working team which members are assigned leaders from every related department to drive the organizational performance to comply with this policy and related requirement.

4.1.3 Endorse this policy, support and oversee the compliance to prevent environmental impact in all business activities of the Company, including in its business value chains and concerned stakeholder.

4.2 Environmental working team

4.2.1 Define and periodically review the environmental policy and guidelines to prevent any environmental impact within the Company's business operation include the business value chain and business partner.

4.2.2 Define and update the related procedure based on business context and compliance with this policy and related requirements in each country where the Company operates.

4.2.3 Implement the Environmental management system which consists of the following:

- 1) Integrated roles and responsibilities of environmental risk management to functional leader's objective and target.
- 2) Review feedback from stakeholder groups and management and plan the corporative process with other potentially affected groups and stakeholders.
- 3) Assess the environmental impact by gathering and assessing environmental aspects from stakeholders.
- 4) Identify proper remediation measures to reduce the impacts also the preventive measures and action to mitigate the internal and external risks.
- 5) Monitor and audit the environmental management system including the effectiveness of preventive measures and environmental complaint handling.
- 6) Communicate the result of environmental impact assessment, remediation measure, the status of correction that is addressed from environmental violations.
- 7) Engage all relevant groups through open dialogue or feedback with affected groups, environment experts and civil society organizations.
- 8) Provide the effective environmental compliant receiving channel are in place for those who are affected by environmental violations, complaint handling and feedback the corrective or preventive action.

4.2.3 The related document and information of environmental aspects and impact assessment are collected and retained with proper record keeping.

4.2.4 Report the environmental performance to the Sustainability Development Committee including the involved functional management at least once annually.

4.3 Functional Management

4.3.1 Communicate environmental policy and the objective to all employees and stakeholders in the supply chain which is under responsibility for appropriate awareness and practice.

4.3.2 Supervise all employee under responsibility to ensure they understand this policy and practice including encouraging them to inform if find any risk that is potentially against this policy.

4. Environmental policy

The Company commits to prevent and minimize the environmental impact from our operation and being the organizational practice also advocates employees and all related business partners through the value chain to have acknowledgment and perform this policy as duties and responsibilities.

- 1) Compliance with all applicable environmental and related laws and regulations in every country that has operated.
- 2) Operation of our business, facility, distribution and logistics include the activity of suppliers, contractors and service providers in a manner that prevents and minimizes the environmental impact with proper management of waste.
- 3) Develop products and services that can be operated, produced, distributed, used, disposed or recycled in a safe and sustainable manner
- 4) Review existing and potential environmental risks and manage through the Company's risk management processes and this information shall be considered during the merger and acquisition process.
- 5) Transparent disclosure of the annual environmental practices, performances and targets to the public.
- 6) Continual improvement and collaboration with suppliers, contractors and service providers for the reduction of the environmental impact from the Company's operations.

5. Guideline

For being the guideline for environmental protection practices and ensure the employee including stakeholders within the supply chain has acknowledgment and perform to minimize environmental impact. The written guideline for implementation are following by

5.1 Climate Change Strategy

The Company commits to achieve carbon neutrality from our operation within 2030 by balance the emitting carbon with the offset and/or absorbing carbon which has the framework as

5.1.1 Evaluate risk, opportunity and impact from climate change through supply chain both upstream and downstream with trustable methodology as TCFD framework and integrated to the Company's risk assessment process.

5.1.2 Set up the long-term plan, appropriate scope and target to improve energy efficiency, energy-saving, increasing renewable energy or clean energy proportion include applying technology or innovation to reduce overall energy consumption.

5.1.3 Communicate to raise awareness that related to climate change to the employees, temporary workers, contractors and other workers in the supply chain.

5.1.4 Encourage key business partners, service providers and contractors from the production, transportation, storage, distribution and trading to reduce carbon emission through the supply chain.

5.1.5 Publicly disclose the status of climate change project's performance compares targets within the Company's annual report.

5.1.6 Collaborate with other organizations such as government, education institute, community, etc. to find the opportunity for corporative solving the climate change issue.

5.2 Water Stewardship Strategy

The Company commits to reduce 20 percent compared with baseline 2020 year of the water intensity per revenue within 2030 which has framework as

5.2.1 Assess water risk facility of own operation and critical tier 1 that locate within or nearby water stress area which are quantity, quality or water pricing structure, flooding, water conflict, regulation, water pricing structure or other significant water risks.

5.2.2 Set up a long-term plan with the target to improve water intensity and consumption such as rainwater reservoir, maintenance program to prevent the water leakage, utilize water-saving equipment, recycle water including wastewater quality monitoring to ensure its complied with the legal requirement.

5.2.3 Communicate to raise awareness that related to water stewardship to the employee, temporary worker, contractor and critical tier-1 supplier who has high risk in the water stress area.

5.2.4 Encourage key business partners, service providers and contractors from the production, transportation, storage, distribution and trading to implement the water-saving program and increase water recycling.

5.2.5 Publicly disclose the status of the water stewardship program and performance compares targets within the Company's annual report.

5.2.6 Collaborate with other organizations such as government, education institute, community, etc. to find the opportunity for corporative solving the water risks.

5.3 Food Loss Food Waste Strategy

Food loss means losses that occurs in the food supply chain up to but excluding, retail. Any food that is discarded, disposed and does not re-enter in any other productive utilization. Losses occur during storage, transportation, and processing.

Food waste means food waste that occurs at the retail and consumer level. Food may be wasted in many ways; such as fresh produce that deviates from what is consider optimal, for example in terms of shape, size, and color, is often removed from the supply chain during sorting

operation. Similarly, foods that are close to, at, or beyond the "best-before" date are often discarded by retailers and consumers and large quantities of wholesome edible food and often unused or leftover and discarded eating establishment.

The Company commits to achieve zero food waste to landfill in 2030 which has a framework as

5.3.1 Measuring food waste with the acceptable method and break down volumes by category and/or processing flow to identify the critical area for improvement.

5.3.2 Define appropriate action plan and target that may have economic, environmental, or social benefits instead of being discarded without any value creation such as the appropriate inventory planning, destinations and repurposing actions may include any utilized for other processes including the alternative uses of food waste which based on food safety practice.

5.3.3 Communicate to raise awareness that related to food loss food waste reduction to the employees, temporary workers, contractors and suppliers in the supply chain.

5.3.4 Encourage key business partners, service providers and contractors from the production, transportation, storage, distribution and trading to implement food loss and food waste in the supply chain.

5.3.5 Publicly disclose the status of food waste reduction program and performance compares target within the Company's annual report.

5.3.6 Collaborate with other organizations such as government, education institute, community, etc. to find the opportunity for corporative solving the food loss and food waste such as The World Business Council for Sustainable Development.

5.4 Sustainable Packaging Strategy

The Company commits to using the packaging within the Company's activities that be able to reduce, reuse, recycle and upcycle which has framework as

5.4.1 Review the environmental aspects and impact from packaging include measuring and monitoring of usage and recycle volume and /or weight in each material category with a proper methodology to identify at-risk areas and mitigation plan.

5.4.2 Take action for sustainable packaging such as the program to increase reusable or recyclable packaging, phase out single-use plastic packaging wherever possible, increase the use of recycled material as packaging solutions, allocation of R&D resources to sustainable packaging or ensure the recyclable packaging is actually recycled, etc.

5.4.3 Communicate to raise awareness that related to sustainable packaging to employee, temporary worker, contractor and critical tier-1 supplier who has high risk in sustainable packaging aspect.

5.4.4 Engage with potential business partners to develop and promote sustainable packaging consumption including recycling or upcycling processing.

5.4.5 Publicly disclose the status of sustainable packaging projects and performance compares targets within the Company's annual report.

5.4.6 Collaborate with other organizations such as government, education or research institute, community, etc. to develop sustainable materials or solutions for packaging.


This policy implementation is consistent with the intent of the Company based on the core philosophy "3-Benefit to Sustainability (for the Country, People and Company)" that operating on good governance, social and environmental responsibility. This includes encouraging business


partners to grow responsibility together in accordance with the international practice for sustainability development.


Effective from 2 August 2021 onwards.

(Mrs. Suchada Ithijarukul)

Group Chief Executive Officer – Siam Makro

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