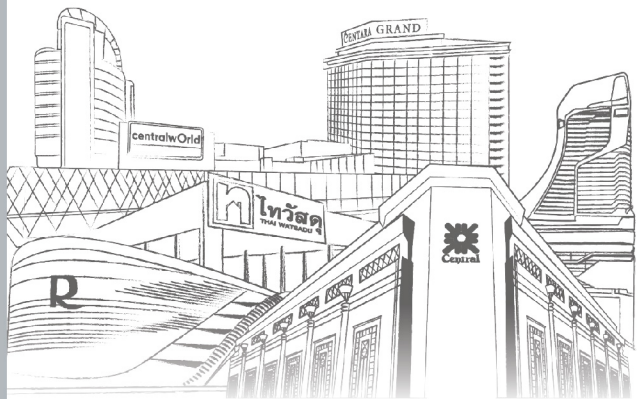


# CODE OF CONDUCT



“ Guidelines,  
Situations &  
Recommendations ”



# Code of Conduct

## Central Group

Whereas the Board of Directors of Central Group wishes to encourage and ensure that Central Group follows good corporate governance practices to be able to conduct business sustainably with good efficiency, ethical standards, transparency, accountability and responsibility to the shareholders, customers, trading partners, the management and staff, as well as society at large.

The Board of Directors has therefore established a Code of Conduct for all directors and executives of Central Group to strictly adhere to.

As this Code of Conduct is additional to the Company's existing regulations, announcements or other directives, thus if any wording or meaning of the said regulations, announcements or other directives is contrary to this Code of Conduct, the Code of Conduct shall prevail.

Given on January 1<sup>st</sup>, 2016



**(Suthichai Chirathivat)**  
Chairman, Central Group

# Throughout 70 years in business, What is Central Group's cultivated and transmitted value from generation to generation

“What Mr. Tiang Chirathivat had taught us all along is that, we must insert ethics in our thoughts and actions. We must be honest with ourselves and with others. The most important thing that he emphasized is that, we must not do anything that is immoral, illegal, or conducting businesses that are socially unacceptable, for example, casinos and business operations that are in conflict with the law and best interest of the general public.

When the Chirathivat Family started to have a solid business foundation, the ultimate goal, of course, was to earn profit and to be competitive. However, what we consider very seriously in our operations is the sustainability of our businesses, business partners, and all employees as well. All in all, our operations must be sustainable for everyone involved.

We take into account the various ethical impacts when conducting business. For example, actions that may cause the business of small merchants to fail, if we take over the market where their businesses are present. That is, we will not be greedy nor to cause suffering to other parties. This is not only due to kindness, but it is a business principle that we have been taught and is embedded in us. We will not exploit nor take advantage of others to advance ourselves. We must be honest and fair to the society. Without these ethics, we will not be able to obtain the business stability and sustainability. Nowadays, we are able to easily convey this business model from generation to generation, as everybody is willing to comply, and is following the role models of previous generations.

“

**The business principle that we have been taught is to not exploit nor take advantage of others to advance ourselves. We must be honest and fair to the society.**

Without these ethics,  
we will not be able to obtain  
the business stability  
and sustainability.

”

**Mr. Suthichai Chirathivat**

Chairman of the Board of Directors  
Central Group



Lastly, I am delighted to see Central Group succeeds throughout 70 years in the business. If only our ancestors, Mr. Tiang, Mr. Samrit, and Mr. Wanchai, whom started this business, could be aware of Central Group's accomplishment in the present-time, they must be the most proud and filled with admiration. I would like to take this opportunity to applaud, and to express appreciation toward relevant Management and all staffs, for your contribution to this glorious achievement. I sincerely hope that we will continue to see more greatness of Central Group for many years to come.”

.....○ \*Extracted from an interview on 17 August 2017  
Central Group People Magazine

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# 1



## Section

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Business

Conduct

# 1.1

## In performing duties, obey all applicable laws, bylaws, and policies.

### Guideline

1. Every executive and employee must understand and judiciously comply with the laws applicable to their duties and responsibilities. It is the responsibility of everyone to prevent and mitigate any risk to the company of an adverse impact or a penalty for violating the civil law or criminal law.
2. When working overseas or dealing with an organization in a foreign country, executives and employees should study the law, custom, tradition and culture of that country before undertaking any task related to the business of the company so as not to conflict with them.
3. Executives and employees shall not support or assign any person to violate any law, regulation, or policy.
4. Executives and employees must avoid engaging in any activity that is unlawful or an act that may seriously tarnish the company's reputation and image.
5. Executives and employees must safeguard the company's assets from damage or loss. They must ensure their optimal use for the best interest of the Company and refrain from exploitation for the benefit of themselves or others.

### Sample Situation 1

A car dealer wants to rent a vacant space at the supermarket and build a car showroom, agreeing to pay the company a reasonable rental.



### Recommendation

If business of a different nature is to be conducted on the company's premises, ensure that it can be operated without violating applicable laws and the nature of the business must not pose a risk of accident or danger to the life and property of related persons or others nearby. It must also be approved by a duly authorized person, clearly delineating responsibilities.

### Sample Situation 2

The company held a new product launch event at the courtyard of the shopping center. They are using amplifiers, running a lucky draw, as well as serving alcoholic beverages.



### Recommendation

In organizing the company events, the responsible employees must exercise caution as to which activities need prior permission from the government agencies as required by law, such as a permission to use the amplifiers, including the noise level control and the duration of the event under the law; a permission to arrange a giveaway or lucky draw by any means for commercial or professional purposes; and a permission to sell liquor, etc.

## 1.2

Perform duties professionally with vision, ethics, integrity, prudence, and care. Be prepared to cope with all risks that may arise for the best interests of the company and stakeholders, with primary regard for the company's sustainable growth.

### Guideline

1. Executives and employees conduct business in a reliable and trustworthy manner, strictly abiding by the contract or agreement with the stakeholders. If unable to comply, a joint discussion should be held without delay to find remedial actions and prevent any damages to the company.
2. Executives and employees perform their duties with efficiency and effectiveness to best achieve the goals.
3. Executives and employees perform their duties by maintaining and developing good working standards to enhance their potential.

4. Executives and employees cooperate well across the board for progress of the work and attainment of the company's goals.
5. Upon noticing anything suspicious in the company, executives and employees must immediately inform their superiors or the department concerned.
6. Upon noticing a wrongdoing or an unfair practice, executives and employees must not look the other way but pluck up the courage to give their opinion or raise an objection.
7. Executives and employees must prevent and manage risks of work-related accident, injury, illness, property loss/ damage that might occur to themselves and others due to incorrect work practice, negligence or oversight.
8. Executives and employees should accept and support changes that will bring about what is good for the company or its employees as a whole.
9. Executives and employees must avoid financial obligations with individuals who have stake in the company's business or with other employees. This includes loan giving/taking, fundraising, rotating savings, etc., except charity and public events.

### Sample Situation 1

As storage space is limited and many employees are responsible for placing merchandise on the shelves, there is a chance that expired merchandise waiting to be destroyed might get mixed up with merchandise for sale.



### Recommendation

The area for expired goods waiting to be destroyed should be clearly labeled, and employees responsible for replenishing the shelves should validate that all goods to be placed on the shelves are not expired, to prevent any mistake that might occur.

### Sample Situation 2

The executives wish to do social activities on behalf of the company via a fundraising. They place donation boxes for employees and customers to donate and post photos on social media.



### Recommendation

The fundraising must be clearly indicated that it is exercised on behalf of the company, with the approval of the authorized person, and must clearly clarify to the donor as to which organization or agency is the recipient. A donation receipt issued by the recipient must only be in the name of the company. It is not allowed to be in the name of any executives.

# 1.3

**Dedicate yourself to your duties with the utmost commitment, competency, and integrity. Be diligent in carrying out work inspection. Always strive to acquire more knowledge, learning and understanding.**

## Guideline

1. Executives and employees are committed to create and innovate to improve the quality of their work and performance of the company.
2. Executives and employees must frequently review the goals, achievements, working methods, and appraise the performances of themselves and their team members regularly and truthfully.
3. Executives and employees must keep on learning and acquiring useful information to improve the quality of their work and performance of the company.
4. Executives and employees must create a working environment that is conducive to exchanges of knowledge and ideas among colleagues.
5. Executives and employees must take care of themselves to be happy and joyful, ready to work energetically and responsibly, striking a balance between work and personal life.
6. Executives and employees must be considerate and helpful to colleagues. Be generous, forgiving and sacrifice self-interest in the best interests of all.

### Sample Situation 1

An employee who is on holiday with his family at a shopping center of the company comes across a leaking water pipe inside the building. As no one else has noticed it, no action has yet been taken.



#### Recommendation

The employee should not turn a blind eye. Even though he is not directly responsible for taking care of the center, he should assist by promptly informing the responsible person to take action in solving the problem.

### Sample Situation 2

Due to the pandemic situation, employees may not be able to fully devote themselves to the work.



#### Recommendation

All employees should cooperate in preventing the spread of germs. During the severe pandemic, the workforce should be divided into groups with staggered working from home schedule. They should also cooperate in assessing their own risks on a regular basis. In addition, the company should support the provision of vaccines and testing kits to employees, especially those who reside or work in the risk areas.

## Relationships with colleagues and stakeholders

### 1.4

Treat colleagues, superiors, subordinates, customers, business partners, shareholders, and the community with humility, courtesy, sincerity, honour, and respect for their rights and dignity, while remaining open, tolerant, patient, and firm. Do not abuse your authority. Serve as a good role model.

#### Guideline

1. Executives and employees respect and treat all stakeholders with fairness on the basis of human dignity without discrimination on the grounds of origin, race, gender, age, skin colour, religion, opinions, physical condition, financial status, or ancestry.
2. Executives and employees must openly and sincerely accept responsibility for actions taken by themselves and their team members, as well as helping to put right any mistake that has been made.
3. Executives and employees must not accuse or defame others with a false statement, whether in their presence or behind their back.

4. Executives and employees should disclose the source or name of the person whose idea or work he has adopted, without infringing the rights of the owner.
5. Executives and employees should listen to the opinions of others to develop their own work and achieve better results.
6. Executives and employees must maintain and encourage the spirit of unity.
7. Executives and employees should treat customers, counterparties and creditors with equality and fairness on the basis of fair rewards for both parties.
8. Executives and employees should strictly comply with the contractual terms and conditions. In the event of failure to comply with any of the conditions, they must immediately notify the counterparty in advance to jointly seek a solution.



### Sample Situation 1

There is an economic recession in the country and consumer purchasing power has diminished considerably, affecting trade of the shops in the company's shopping center, leading to a complaint to the shopping center management that business is not going well.



### Recommendation

The shopping center management should listen to the complaints with empathy in good manners without adopting the attitude that they are the owner of the shopping center, in order to keep the shopkeepers' spirits up and brave the crisis successfully.

### Sample Situation 2

Employees engage in a fight, cursing at or threatening to harm each other in the area for serving customers.



### Recommendation

The management in charge of that area should manage to stop the fight immediately by getting those employees out of the area and should inquire about the facts without blaming them in front of others, whether they are a customer or an employee, actions must be taken with fairness.

## Upholding justice

1.5

Stay impartial; treat everyone fairly. Have the courage to punish wrongdoers, reward staff according to their merit, promote staff who are capable, and take responsibility to ensure there is no tolerance for discrimination or harassment within your sphere of accountability.

### Guideline

1. Superiors should consider rewarding subordinates according to their performance to promote capable employees to suitable positions.
2. Superiors shall watch over and make certain that there is no discrimination or violation of human rights at the workplace within their jurisdiction.
3. Superiors should consider taking disciplinary action against wrongdoers in accordance with company regulations.

## Sample Situation 1

A person, whom an employee respects, wants to have his son join the company in the department that the employee is responsible and asks the employee to recruit his son.



## Recommendation

Advise the son of that person to apply for the job through the standard channel and procedure of the company. The employee should tell his superior and other members of the selection committee about his relationship with the applicant's father and refrain from participating in this selection. If he is required to be involved in the recruitment process, he must evaluate the qualifications of the applicant fairly, in order to select the most suitable person for the position.



## Sample Situation 2

The executive has a close relationship with his subordinates who have long been working together; therefore, he weakens discipline of them by allowing them to be late for work and probably giving them better performance evaluation scores than other employees.



### Recommendation

Executives should be a good role model for employees. Discrimination may discourage employees who are talent and disciplined. Employees should therefore be treated under the same rules and be taken with fair disciplinary action for any violations. In addition, performance evaluation should be based on employees' merit to encourage them to do their best to achieve success where each employee should be rewarded as appropriate.





# Section 2

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## Customer Focus

## 2.1

Focus on enhancing and maintaining customers' trust and loyalty at all times, while paying due regard for customers' safety and welfare, and constantly improving the quality of products, services, and innovations to meet defined timeframes and standards.

### Guideline

1. Employees must willingly give correct information, listen to customer feedback, and inform their superiors and the management to bring about an improvement.
2. Employees must keep promises to customers, to build confidence and trust.
3. Employees must be aware of customers' safety and comply with laws applicable to the safety of goods and services.
4. Employees must attach importance to quality standards of goods and services in order to maintain customer trust and loyalty.
5. Management and staff must acquire new knowledge and listen to customer feedback to innovate and develop products and services that exceed customer expectations.

### Sample Situation 1

A branch manager receives advice from a customer through a private social media about getting a substandard product and the salesperson did not give a proper explanation, resulting in the customer not getting the product replacement that he was entitled to.



### Recommendation

Based on the information received via the social media, the branch manager must act quickly, enquiring the salesperson concerned to uncover the real cause of the problem, thereafter replying to the customer within a reasonable time to satisfy him. Besides, if the cause of the substandard product is due to the production process, the branch manager should report the problem to purchasing department who can then request the business partner to improve product quality or else take back the returned merchandise.

### Sample Situation 2

An employee, who is responsible for giving out discount coupons to customers according to their rights, did not give them all eligible coupons, but keeps some of the coupons for personal use.



### Recommendation

Branch managers must impose appropriate measures; clearly communicating with the customers about their rights and strictly controlling disbursement such as coupon registration, disbursement reconciliation, and regular check by supervisors.

## 2.2

**Take customer feedback seriously, handle complaints fairly and promptly, and responsibly safeguard customers' information.**

### Guideline

1. Employees should listen politely to customers and take corrective action with sincerity.
2. Employees must listen keenly to customers and give explanation within the standard timeframe.
3. Employees should not disclose customer information outside the workplace or to a third party who may cause damage to customers. Also, establish a customer data storage system that is reliably secure and can prevent abuse of information.
4. Employees should treat all customers equally.
5. Employees should inform customers of complaint channels and solve their problems earnestly to ensure customer satisfaction.

### Sample Situation

A complaint has been made via the hotline claiming that a salesperson talked impolitely and showed aggression by snatching a piece of merchandise from the customer's hand, for which the salesperson should be sacked.



### Recommendation

The branch manager should first get the facts right by questioning the staff members concerned and collecting all evidences before making a decision or taking any action, to ensure fairness to both sides, and inform the outcome to the customer within a reasonable time.

## 2.3

Ensure that the company's labeling, advertisement, and other communication media are truthful, clear, and straightforward.

### Guideline

1. Employees should validate the correctness of information on labels, in advertisements and various communication media.
2. Employees must intervene in a timely manner if they find any information, such as on a discount label/ poster, that is incorrect or not in accordance with the law and report the issue to the persons responsible to take corrective action.
3. Any message in an advertising media must not be exaggerated – what is communicated must be doable – and price display must be clear and accurate.

### Sample Situation

A fresh food section manager sees an employee changing expiration date labels on frozen foods because the employee reckons that the foods can still be sold, thereby extending expiration dates on their labels by 5 days.



### Recommendation

The manager should caution the employee about product safety and quality that might affect the health of customers and advise the employee to understand the company's working procedure that expired products should be destroyed or sold off quickly.

## 2.4

### Conduct business with due respect for society's cultural and ethical beliefs.

#### Guideline

1. The management and staff should be made aware of conducting business with a responsibility toward society and community by being concerned about natural resources and the environment.
2. The business should consider giving appropriate cooperation/ support to activities of the community to enhance the business' sustainability.
3. The business should be ethical, e.g. not selling expired goods, setting prices that are fair and consistent with product qualities, or selling merchandise that is not against cultural and ethical beliefs of the society.

### Sample Situation 1

A branch manager finds some kinds of meat on the food rack that are not permissible or against the cultural belief of the majority of local people living in the vicinity of the company's store.



#### Recommendation

The branch manager must consider whether the items should be removed from the rack. However, if it is still necessary to sell them they must be suitably located.

### Sample Situation 2

The company would like to support society, such as creating work or income for people with disabilities or disadvantaged people.



#### Recommendation

The Company may consider providing space for the blind who have skill in massage therapy to provide massage services to employees or offering a job that is suitable for people with disabilities.



# 3



## Section

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Safeguarding  
the company's  
interests

# 3.1

**Encourage and ensure that the company, and the people under your responsibility, conduct business transparently and with full integrity. Communicate to customers, business partners, contractors, and suppliers that the company expects each employee to comply with corporate governance standards.**

## Guideline

1. The Board of Directors of Central Group sets policies and directs the organization to establish an internal audit system that supports conducting business in line with the principles of good corporate governance including effective anti-corruption to ensure that the management is aware of, attaches importance to, and cultivates corporate governance including anti-corruption mindset to become part of the corporate culture.
2. The management sets up processes to promote and support corporate governance policy and anti-corruption measures, and communicates them to all employees and stakeholders.
3. The management sets up anti-corruption measures and disciplinary measures as well as providing continuous communication and training to develop a real understanding of corporate governance policy.

- 
4. The management communicates corporate governance policy, anti-corruption measures and guidelines to every company in Central Group, customers, business partners, contractors/ parties to contracts, suppliers of goods and services, and stakeholders including the general public via various communication channels for them to be aware of the company's corporate governance standards.
  5. The Board of Directors of Central Group adopts the principles of corporate governance and declares its intent of aligning with the coalition of other recognized professional organizations against corruption.



### Sample Situation 1

Central Group's companies listed in the SET have already signed a protocol to declare the intent of aligning themselves with the Thai Private Sector Collective Action Coalition against Corruption supported by the Thai Institute of Directors Association, whereas limited companies in Central Group have not.



### Recommendation

In order that all companies in Central Group can have the same strong and cohesive anti-corruption policy and practice, companies in Central Group that have not yet been listed in the SET should also declare the intent of aligning themselves with the collective action coalition against corruption developed by the Thai Institute of Directors, and jointly conducted with the Thai Chamber of Commerce, the Joint Foreign Chambers of Commerce in Thailand, the Thai Listed Companies Association, the Thai Bankers Association, the Federation of Thai Capital Market Organizations, the Federation of Thai Industries, and Tourism Council of Thailand.





## Sample Situation 2

The marketing manager of a company in Central Group has the duty and authority to select advertising agencies for the company's PR and advertisement.

The manager decides to select an agency that he is familiar with and whose past services he admires, omitting competitive bidding/selection process normally carried out in the best interests of the company.



### Recommendation

The marketing management should establish regulations and standard procedure for selecting service providers in the best interests of the organization, along with measures to ensure that their subordinates follow the standard procedure in a transparent, fair and attestable manner in accordance with corporate governance.




## 3.2

**Treat as the top priority the company's interests above personal interests. Avoid any direct or indirect conflicts of interest. Refrain from engagement in personal businesses which may compete with the company, or in taking advantage of a business opportunity which belongs to the company.**

### Guideline

1. Directors, executives and employees must constantly review the situation to ascertain whether they are having a conflict of interest in their work. If so, they should refrain from doing the work and let somebody else do it instead.
2. Directors, executives and employees should submit information on business opportunities that they learnt about in the course of their work to the company for consideration, and not concealing the information so as to exploit it commercially for personal or others' gains.
3. Directors, executives and employees shall refrain from exploiting business knowledge obtained in the course of their duty for their own commercial benefit or run a business in competition with the company.

- 
4. Directors, executives and employees must not work, whether temporarily or permanently, for an organization that is a competitor of, or may incur a conflict of interest with, companies in Central Group, unless approval has been given by the superior or authorized person.

### Sample Situation 1

The district manager of a restaurant of the company has come to know the recipes and cooking methods regarded as the company's trade secrets. He also knows the local sources of raw materials and sees an opportunity to open a new restaurant similar to the company's in that area.



### Recommendation

The district manager should immediately inform the company about the opportunity to open a restaurant there as soon as he knows it and not taking an advantage of his knowledge about the recipes and sources of raw materials, which he has obtained as an employee of the company, for personal gains even though the company may not yet be interested to open a restaurant there. And if there is a complaint about conflict of interest, the manager must be prepared to let the company investigate whether he has started up the said business. And if so, how that has adversely affected the company.

## Sample Situation 2

Senior management has got inside information about the company's business expansion and therefore plans to purchase the land that is expected to be acquired for speculation, or to inform the landowner in order to get a commission.



## “ Recommendation

The Company should have measures for confidentiality and should make a non-disclosure contract or agreement with executives and employees who have opportunity to access to important business information. In addition, that senior management should be aware that such actions will result in the company's higher costs affecting the company's financial position and performance directly.

”

## Sample Situation 3

The new executive has a personal relationship with the company's key suppliers but does not have the responsibility to directly contact or coordinate with them. However, there is an opportunity of cooperation in the future.



## “ Recommendation

In order to ensure transparency at work and to prevent employees or executives from having conflict of interest with the company, the company should require its employees and executives to disclose their relationships that may create such conflict. The employment contract or the regulation may state that employees and executives shall have such duties.

”

## 3.3

**Refrain from abusing authority for personal or others' gains, including engagement in transactions with potential personal interests on behalf of the company. Do not leverage your company title, status or position to gain personal interests provided by contractors, suppliers, etc.**

### Guideline

1. Directors, executives and employees, as well as persons connected with their families, may make business deals with the company in the same way as anybody else without leveraging their title, status or position.
2. Directors, executives and employees must not interfere or use their influence to help their friends, relatives or any other person to be recruited by a company in Central Group, except when the recruitment is transparent and fair, based on qualifications of the candidates.
3. Directors, executives and employees will have to be very careful in accepting/demanding benefits in all forms such as gifts, souvenirs, expensive tickets for sporting events/performances, or entertainments by contractors/suppliers, etc. to ensure that doing so is not contrary to the company's announced regulations and guidelines and does not cause any conflict of interest with the company.

### Sample Situation 1

A sales manager who has the authority to make sales/ services contracts with agencies or dealers usually receive gifts/ souvenirs from a particular dealer, resulting in their especially close relationship and the dealer getting better terms than others regarding price and payment period, the company thereby losing the benefit that it should get, and also giving rise to inequality among dealers.

### “ Recommendation ”

The manager should refuse to take any gift/ present or anything of value that is against the company's regulations and guidelines. If he cannot refuse he must inform his superior to show his transparency, and this could lead to a fair distribution of gifts/ souvenirs to other employees.

”

### “ Recommendation ”

The invited executive must submit the invitation to his superior or central administration to select a suitable person to visit the vineyard of the business partner. If the knowledge and experience to be derived from the visit is deemed to be beneficial to the company, the expenses should be borne by the company itself and the business partner should not be requested to pay for the expenses of any other person without pertinent job responsibilities, as this may result in the partner charging higher wine price due to the increase in his cost, also tarnishing the public image of the organization.

”

### Sample Situation 2

A senior executive of a company in Central Group has been invited by a wine company, which is a vendor/ business partner, to visit its vineyard abroad, all expenses to be paid by the business partner. The executive has not only accepted the invitation but also asked the business partner to pay for the expenses of his wife.

### Sample Situation 3

A construction executive, who is responsible for overseeing construction work, is authorized to select contractors for works outside the tender conditions such as logo signage, light signage and interior media production. Therefore, he always selects his own company for such works, claiming that the selection is based on the reference price, which is not compared with other contractors' prices.



#### Recommendation

The company should have appropriate segregation of authority. The central unit shall be responsible for selecting contractors. Selection criteria must be put in place for the proper selection and evaluation to ensure that a skilled contractor is hired with reasonable procurement price.

## 3.4

Do not deal in trading, transferring, or taking transfer of the company's securities (stocks/ shares) by exploiting for personal or others' gains internal information not yet disclosed ("inside information").

### Guideline

1. If public disclosure has not yet been made, directors, executives or employees are prohibited from disclosing any information that may have an effect on the prices of securities of listed companies in Central Group to outsiders or persons not responsible for accessing such information.
2. If public disclosure has not yet been made, directors, executives or employees including their spouses and minor children are prohibited from using inside information wrongfully to trade, transfer, or receive securities of listed companies in Central Group.

## Sample Situation

The secretary of a senior executive attends a meeting on Central Group's 5-year strategic plan and hears that Central Group plans to invest in a new shopping center and department store within the next year. The plan has not yet been publicly disclosed and senior executives at the meeting expect share prices of the listed company in Central Group will certainly rise. The secretary thus wants to acquire some shares of that company quickly.



## Recommendation

The secretary must not take advantage of the information to engage in insider trading, nor must she disclose the inside information to anyone who, it can be reasonably assumed, may use it in securities trading, until after the information has been disclosed through the SET system so that everyone is equally informed. Otherwise, such insider trading violates the securities law and the offender will be subjected to civil penalty measures in addition to a criminal sentence.

## Taking/ Giving bribes

### 3.5

**Refrain from active or passive acceptance or provision of undue assets or benefits with the company's stakeholders to conclude business deals, including bribe payment or acceptance, whether in cash or in kind.**

#### **Guideline**

1. Executives, directors and employees must not engage or get involved in a corruption, giving/ receiving bribes of any kind whether directly or indirectly to persuade officials in the public or private sector to do/ not do something, or to wrongfully expedite or delay any action in the course of their duty.
2. Executives, directors and employees must not dishonestly demand, take or consent to any benefit whether directly or indirectly from customers, business partners, contractors, suppliers, service providers, competitors or stakeholders of a company in Central Group including their representatives in any circumstances that might have an effect on their decision-making or exercising of authority.
3. The management must properly assess the risks and establish prudent internal audit measures that clarify facilitating payments, gifts, entertainments, donations to charity and political parties,

etc. clearly distinguishing between giving in accordance with custom, cultural tradition and social etiquette as against providing as a bribe - in order to prevent taking/ giving bribes or corruption in any form.

4. The management should praise or commend employees who refuse to take/ give a bribe or refuse to be involved in any kind of corruption. There should also be disciplinary measure in place, and disciplinary action resolutely taken against violators, even though their acts of violation might have actually benefited the company.

### Sample Situation 1

A project manager of the company is assigned to oversee a construction project in a provincial town that is scheduled to open for service as soon as possible. The principal contractor of the project informs the project manager that application for a construction permit would take several months which may delay the completion date, and so extra payments should be made to government officials concerned to speed up the permit approval process.



### “ Recommendation

The project manager and team members concerned should have planned in advance for the project to be completed as scheduled. However, if there is a problem with the permit because this had not been foreseen, the project manager and his team must be held accountable, and the company should allow the project to be delayed by adhering to the official procedures and regulations, since paying extra money would violate applicable law.

”

## Sample Situation 2

A company in Central Group which is in the business of importing goods from abroad needs to have some cargo cleared from the port as soon as possible for product launch scheduled next week but is informed by the customs broker that the documentation is not ready and if the customs officers choose to open and inspect the container, there is a chance that the merchandise may be withheld in the warehouse and cannot get through the customs clearance process in time. So the customs broker suggests paying extra money to the officers to get the goods out in time.

### Recommendation

The company should finalize the documentation quickly and agree to pay additional warehousing fee but must not pay extra money to the officers as doing so would violate applicable law.

## Sample Situation 3

The procurement manager, who is responsible for handling bid solicitations for the company's projects, accepts offers from a contractor who promises to renovate his own house or accepts invitations to dine in a luxurious restaurant, all at the contractor's expenses, claiming that it is a business tradition to maintain relationship.

### Recommendation

The procurement manager should behave in a decent manner by not accepting any offers from contractors. By accepting the offers, it may be convinced that bidding is not conducted transparently and fairly even though bidding has been properly implemented. In addition, it affects the company's image and reputation.

## 3.6

### Refrain from active or passive infringement of corporate governance standards.

#### Guideline

The Board of Directors of Central Group shall oversee the business operation in order to create sustainable business value and avoid any action that would cause a negative impact on the sustainability by adhering to corporate governance standards to achieve the organization's goals as follows:

1. To be competitive and achieve good operating performance while taking into consideration the long-term impacts;
2. To conduct business ethically, respecting the rights of and being responsible to shareholders and stakeholders.
3. To be useful to society and develop or reduce negative impacts on the environment.
4. To competently adapt to factors influencing changes.

# 4



Section

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Social  
Conduct

## Social Behaviour

### 4.1

**Maintain socially acceptable dignity and behave appropriately in line with respective roles, duties, occasions, and do nothing that would tarnish the company's image.**

#### **Guideline**

1. Employees at all levels must conduct themselves properly and show respect to customers, colleagues, superiors and subordinates, both in the workplace and outside.
2. Employees must attach importance to the company uniforms they are wearing - to keep up the good image, whether on or off duty.
3. Employees at all levels must conduct themselves appropriately in line with their assigned roles and duties, being constantly aware of the company's image.

## Sample Situation

Employees have been assigned to attend a party hosted by a business partner to celebrate new products. At the party, good alcoholic drinks flow freely causing some heavy-drinking employees to get tipsy and talk loudly, drawing attention to themselves along with criticism for their inappropriate conduct.



## Recommendation

When attending such a celebration party on behalf of the company, employees no matter at what levels are considered representatives of the company and must therefore always uphold the good image of themselves and the company, by showing decent manners towards other people and never let their alcoholic consumption spiral out of control.

## Public Communication

### 4.2

Permit only authorized persons to give interviews or engage with the public media.

#### Guideline

1. Only authorized persons are permitted to disseminate publicity material or information to the mass media on behalf of the company. Unauthorized persons must decline to give an interview and advise the media to contact the authorized persons instead.
2. The persons authorized by the company must disseminate only information that has been approved or agreed to by the company, and must not make any personal comments in doing so or in an interview.

### Sample Situation 1

A reporter asks an employee concerned for business information and her personal opinions about the company's branch expansion.



### Recommendation

An employee who has not been assigned the responsibility must instantly decline to give any information or personal opinions to reporters and advise them to contact the person assigned by the company instead.

### Sample Situation 2

A celeb customer slipped and fell to the floor. Reporters arrive and request to interview sales and security staff in the area.



### Recommendation

Though they were in the area when the incident happened, the staff members must decline to give information or personal opinions to reporters because the information given might be incomplete or inaccurate which would affect the company. Meanwhile, the spokesperson directly assigned by the company must communicate without delay.


## Protecting the company's confidentiality

### 4.3

Strictly protect the company's and stakeholders' confidential information, preventing leaks to any unrelated third parties, even after employment termination, except when such communication is required by law or bound by obligation.

#### Guideline

1. The CEO of each business group must define the levels of classified information and authorized users to protect the desired degree of secrecy about such information from a third party.
2. Users who have been authorized to access such information shall do so carefully and reveal the information only as necessary.
3. Directors, executives and employees shall not disclose, whether verbally or in writing, classified information of the company and stakeholders even after their roles and responsibilities have changed.

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4. Authorized persons must disclose the information, as required by law or bound by obligation, based on the truth and not deliberately intending to mislead others about the facts or to cause damages to the company or a third party.
  5. Executives, directors and employees must exercise caution when talking about or communicating any confidential information of the company in public places.



### Sample Situation 1

Wishing to give a party to celebrate success, the company invites outside event organizers to submit bids for the event. An organizer team asks for extra information such as list of other bidders, their asking prices, etc. and also requests an extension of the bid submission date.



### Recommendation

Employees as representatives of the company must ensure that without discrimination all bidders get the same specific information and conditions, no bidder is favoured with any extra information or special conditions, and restricted data of both the company and each bidder is kept strictly confidential.

## Sample Situation 2

After a business plan meeting, attendees continue to talk about the subject in the lift where there are other people.



### Recommendation

Meeting attendees and others concerned must be careful when communicating confidential information of the company in public places such as lifts, bathrooms, public buses, restaurants, etc. and shall be held accountable for any damages to the company due to an information leak resulting from negligence on their part.



## Sample Situation 3

An employee asks another, who was formerly in HR and has now transferred to operations, about the performance review of a friend in his department.



### Recommendation

Employees shall not disclose any confidential information that came to their knowledge during a previous duty, even after they have transferred to a new function.



## Political neutrality

### 4.4

**Strictly maintain political neutrality; exercise of personal political freedom must not undermine the company's image or integrity.**

#### Guideline

1. Directors, executives and employees must not make an appearance or attend a rally of a political party whether directly or indirectly in any way that might cause others to understand that the company is involved or encouraging them to do so.
2. Directors, executives and employees must not obstruct, persecute or make political comments that might cause divisiveness, whether during work or in the workplace.
3. Directors, executives and employees must not use the status of their jobs in the company, the workplace, or resources of the company to provide support to a political party. It is prohibited to use the company's name to raise funds for political activities, or to openly reveal any particular preference for a political party.

### Sample Situation 1

Employees in company uniforms attend a political rally outside office hours.



#### Recommendation

Employees can participate in political activities to show their preferences and voice personal opinions but must never wear company uniforms or any symbol, design or mark related to the company. Besides, other people must not be given to understand that the employees are doing it on behalf of the company or have been assigned by the company.

If you are a senior executive, you are the image of the company and should not behave in any way that indicates your political preference, because that would undermine the political neutrality of the company.



### Sample Situation 2

A political party requests permission to use a meeting room of the company to make speeches and canvass the employees.



#### Recommendation

The management must not allow a political party to use the company's facilities for any political activities.



## Social and community engagement

### 4.5

Recognizing its obligations to repay communities and society at large for its sustainability and growth, the company is aware of its community and social responsibility, and advocates similar practices by its business partners and stakeholders.

#### Guideline

1. The management gives importance to the cultivating, inspiring and pushing of employees' engagement in community activities in the vicinity of its stores.
2. The management cultivates volunteer spirit to help and care for others, first among employees and subsequently reaching out to society at large.
3. Employees assist and engage in community activities. Maintain and strengthen cordial relations with the community, business partners, and government agencies concerned.

### Sample Situation

A company that buys vegetables from various farming communities notices that farm produce tends to decay and spoil while waiting to be sold.



### Recommendation

The company may consider donating a dedicated building with facilities for cleaning, sorting, packaging and processing vegetables to help the community increase its potential to become self-supporting and sustainable by growing safe vegetables then harvesting, collecting, sorting and transporting them to vendors efficiently while meeting mandatory standards.

## Use of social media/network

4.6

Exercise discretion and responsibility when using the social media/ network, avoiding expression of improper comments which could undermine the company's reputation, image or public perception.

### Sample Situation 1

In conflict with a co-worker, an employee posts his reproaches on a social media site along with a photo of that co-worker in company uniform with logo/trademark.

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### Recommendation

Employees must not post any images with any part of the company's logo on a social media in a negative way or by any other means that may be liable to prosecution or may damage the company.

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## Sample Situation 2

A salesperson responsible for social media live streaming, who is known in online community, makes a public post expressing political opinions on his personal Facebook account.



### Recommendation

Employees who are widely known as the company's representative should be very careful when expressing their own opinions, especially political opinions, which may cause conflicts and resistance from society. The Company should have measures in place, in case it might be misleading that such opinions are made on behalf of the Company, by assigning a specific person to give clarifications to public in a timely manner to prevent escalation of problem.



# 5



## Section

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# Whistleblowing Guidelines

## 5.1

Any employee who has knowledge of a violation of the company's code of conduct, or of any malfeasance, or unlawful deed, should file a complaint to the CEO (Chief Executive Officer) or the Audit Committee Chairman, without fearing disciplinary action or reprisal.

### Guideline

#### Internal and external complaint channels

1. The management must provide secure complaint channels for employees and external stakeholders to give information or a tip-off about any violation of code of conduct, malfeasance or unlawful deed, in safety and without any consequential risks to the whistleblower.
2. Complaint channels may include postal mail, email, hotline, website or other online systems.
3. The top management (MD/ CEO) must establish a counseling channel that executives and employees can access with confidence if they need consultation or wish to discuss the matter first before filing a complaint.

#### Reporting to the audit and risk management committee (ARMC)

4. In the event that a whistleblower wishes to inform or complain about a senior executive, he can use a special channel to communicate directly with the chief executive officer or Central Group's chairman of audit and risk management Committee (ARMC).
5. The top management (MD/ CEO) of each business unit must compile and submit a summary report of all complaints to the ARMC at least once every quarter.

## 5.2

Whistleblowers are protected by the company, which will maintain the confidentiality of their names and information. Should the whistleblower feel concerned about their safety or intimidation, the company will set in place appropriate protective measures on their behalf.

### Guideline

#### Whistleblower protection

1. The rights of the whistleblower shall be protected whereby the company shall not take any unfair action against the whistleblower, or the person implicated, or others whether inside or outside the organization who have assisted in providing the information, giving verbal statements or other evidences useful for the examination, investigation or enquiry.
2. The whistleblower may choose to remain anonymous and not disclose his identity including his name, address or telephone number if he considers that doing so might be unsafe or damaging to himself. However, the whistleblower must submit plausible information and evidences, and his act must be performed in good faith, not with an intention to persecute or defame anybody.

3. If the whistleblower chooses to reveal his identity, the person receiving the information should keep the whistleblower updated on the progress and the company should provide assistance in mitigating damages, if any, quickly.
4. The person who receives the complaint and others involved in the examination, investigation and inquiry must keep the information confidential as regards the safety of the whistleblower and everyone who has cooperated in the investigation, as well as applicable law.
5. The whistleblower and anyone who has cooperated can request the company to implement appropriate protective measures on their behalf, if they consider they might otherwise have to unreasonably suffer detrimental consequences.

## 5.3

If a violation is validated with enough clear evidence, an appropriate response will be further pursued without delay.

### Guideline

#### Giving factual information

1. The whistleblower must provide detailed and clear factual account of events, supported by enough evidence for further investigation to proceed.
2. If the complaint is made in bad faith based on false allegations or tantamount to persecuting or defaming the accused, the whistleblower may face disciplinary action, penalty in accordance with measures prescribed by the company, or penalty in accordance with applicable law.

## Investigation

3. Upon receiving a complaint, all relevant facts must be compiled and presented as laid down in Central Group's policy and regulations. If the accused is found to have violated the company's code of conduct or committed an act of malfeasance or unlawful deed, the accused shall be subjected to punitive action in accordance with measures prescribed by the company, or penalty in accordance with applicable law.
4. The length of time required to examine, investigate and enquire in a complaint case will depend on the complexity of the case, available factual information, number of persons involved and sufficiency of witnesses and other evidences – physical and documentary.

### Sample Situation 1

An employee made a complaint about an unfair performance evaluation and requested a department transfer but was warned by the investigator that the complaint may affect the work in the new department if his new supervisor knows that he has made a complaint against his former supervisor.



### Recommendation

Complaint information must be kept confidential. If not necessary, there is no need to inform the new supervisor of the complaint. However, if it comes to his knowledge, he should consider the situation fairly and evaluate that employee's performance appropriately.



## Sample Situation 2

The whistleblower center has received a complaint regarding misconduct of senior executives; however, due to fear of repercussions, the center did not submit the complaint to the relevant units or executives.

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### Recommendation

If there is sufficient information, the whistleblower center should proceed in accordance with the established procedures, without discrimination, no matter what level of employees.

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# CENTRALGROUP

CENTRAL**RETAIL**

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