

CENTEL People Management

Living Wage Methodology

A fundamental factor to maintain good relationships with employees as well as retaining and attracting new talents to the organization is compensation and benefits. The consideration of employee compensation in the company is based on the established principles, which provide appropriate compensation compared to the standard compensation in the same industry. Furthermore, wages and compensation for employees are also regularly reviewed based on the locations in different areas as well as surveys conducted among workers in hospitality industries. This is to ensure that the Company provides sufficient compensation and benefits for our employees and workers which the amount can cover the basic needs of themselves and their families.

CENTEL also committed that there is no discrimination based on gender, race, religion, or belief, and the principle of equality is followed in assessing compensation based on performance. The management pays importance to managing salary rates and basic compensation between men and women as equally as possible. As for the policy of considering salary increments, guidelines and procedures have been established for evaluating employee performance and managing compensation based on the established criteria.

Employees will receive basic pay which company has considered to ensure that employees' compensation will cover cost of living. In addition, the Company also considers providing other financial support and welfare benefits which include housing allowance, transportation allowance, mobile allowance, medical & dental expense, group insurance, canteen meals, spa & fitness, and other privilege benefits.

	The Hospitality Industry	Thailand
Living Wage Reference Value (THB)	25,000**	14,202*
Average service charge fee per month	20,000***	-
Average paid day per month	26.08	26.08
Wage pay per hour (THB)	119.82	68

Note:

* The Anker Living Wage Reference Value for urban Thailand = 14,202 THB/month

** Source from <https://www.salaryexpert.com/> (Hotel Worker Salary Bangkok, Thailand)

*** Facebook sharing for Hotel Service Charge update

Human Capital Development

As the company operates among the ever-changing business environment, for example, technological disruption and innovation, demographic shift, social development, or even climate change, the necessary skills of employees have to be strengthened. Each year, the company analyzes business needs and industrial trends in order to find out appropriate development programs for employees at all levels. These programs are addressed not only to help employees remain competent for their jobs but help the company remain competitive in attracting and retaining talents. For instance, operational staff were trained on customer service excellence and enhancement of service standards to respond to all customer needs. Supervisors were trained in people management and work-life mindset adjustment. Moreover, the company has publicized and recommended free online courses from other sources including platforms and websites and live streaming learning, and has required each employee to complete at least 12 hours of learning.

During the previous year, our Training Division organized five employee development programs including 133 management and leadership programs, 153 safety programs, 799 online programs, 5,249 specialization programs, and 5 basic programs, totaling 6,339 programs. Due to the ongoing Covid-19 outbreak in early 2022, the company maintained its online training programs through Microsoft Teams and promoted online web-based courses to ensure continuous development of employees. After the situation started to improve midyear, the company brought back classroom learning, starting with I-CARE training to provide an opportunity for employees to review and recognize the values of work and for employees who work from home to meet face-to-face again in order to improve communication between divisions for greatest efficiency. For hotels and resorts that remained open, employee training was focused on specialization training for each division to ensure understanding and practices that meet the company's standards. Online courses accounted for 66% and classroom learning accounted for 34%.



The employee training and development plan for food business employees was designed to achieve 3 important goals consisting of business direction, work trends, and work necessities of employees. The training programs are divided into five groups including one pre-work course, 14 leadership development courses, 4 talent and manager development courses, 13 digital and future skill development courses, and 12 specialization courses, totaling 44 courses. The company provided training in various formats to flexibly respond to situations in each period including online training courses, online learning, and onsite training. Strict measures to prevent the spread of COVID-19 were imposed on onsite learning for instructors and participants following the company's policy. In 2022, online training accounted for 87% and onsite training accounted for 13% with satisfaction scores for instructors of 96.2% and content of 97.2%. The average pre-and post-test results of all courses showed the pre-test results at 72.6% and post-test results at 92.4%. 10,882 operational staff passed the food hygiene course and received the certificate.

In addition, employees had an opportunity to learn and develop through new online training courses, especially courses on digital and future skills with 14 courses provided. All employees at the administrative level received the Leader as Coach training to cultivate the coaching culture in the organization. In 2023, the company plans to expand the program to employees at the managerial level.

The food business established the training standards following the criteria of Central People Development Center Co., Ltd. Instructors must pass the Ministry of Labor's standards taught by the Ministry's experts in order to renew their instructor license issued by the Ministry's experts every year. The Human Resource Department has not had a plan to evaluate and review by an external party but is following the standards specified by Central People Development Center Co., Ltd.

Moreover, there are some special programs empowering coaching skills and experience for employees. One of those is an internship program, which collaborated with the University of Baguio, and provided undergraduate students, with an opportunity to gain hands-on work experience and prepare for future employment. Aside from providing knowledge to the students, employees received an opportunity to develop leadership and communication skills within the three-month internship period.



The other one was provided to disabled persons under the service industry program. In collaboration with the Asia-Pacific Development Center on Disability (APCD), Centra by Centara Government Complex Hotel & Convention Centre Chaeng Watthana organized a one-month disabled person development for the hotel industry training program to provide a real work experience and an opportunity to develop teamwork skills. After the training, the company got two disabled interns as employees.

In addition, the food business continuously conducted the bilateral cooperative education and internship program in collaboration with 362 educational institutions nationwide. The company accepted 1,600 students at vocational certificate, undergraduate, and graduate levels per year to the program and granted scholarships for the entire program with the aim of enhancing the quality of students by providing students who already gained theoretical knowledge from educational institutions with an opportunity to experience real professional life. In 2022, the company accepted 1,000 bilateral, cooperative education, and intern students and gave them a professional certificate after graduation which allowed them to start working as food business employees right after graduation with continued years' experience, creating a new generation of quality and experienced managers for the labor market following the idea that "More than internship experience is an opportunity for career advancement". The company plans to accept undergraduate students from educational institutions in the Southeast Asian region next year.

Talent Development and Succession Plan

In 2022, CENTEL in collaboration with Thammasat Business School (CONC) developed the curriculum for the leadership development program for potential food business employees to prepare them for team leadership and business operation roles. The program was divided into two courses including CRG Key Driver for employees consisting of the Data-Driven Commercial Strategy course and Digital Transformation for Food Industry course with 37 participating employees and CRG Key Changer for managers consisting of Data-Driven Commercial Strategy course and Business Acumen course with 47 participating employees for employees with managerial potential. The company encouraged employees to join Central Group's training programs including



Management 1 Development Program (MDP1), Management 2 Development Program (MDP2), Growth in Role Program, Communicating with Infographic program, and Leader as Coach program to enhance coaching skills for supervisors and creating a coaching culture in the organization with an aim of developing leadership traits for business and building a network of executives in Central Group to promote positive relationships and collaborations between businesses under the group.

Training and Development	FY2022
Average hours per FTE of training and development	18.4 hours
Average amount spent per FTE on training and development	994.22 THB

Employee Development Program

The company has been aware that investing in employees can result in positive business and financial effects, aside from desired impact on employees themselves. Consequently, the company designed and provided employee development programs aiming to upgrade and improve employee skills. Then the benefits were thoroughly measured and quantified.

	Program 1	Program 2
Name & Description of the program	<p>Leader as Coach in 2022</p> <p>Coaching has been agreed by various companies that it helps increase employee performance in the organization. CG & CHR developed this course in 2021 and made it to be one of core training programs across business units according to company core competency.</p>	<p>Business Improvement Process</p> <p>Help to identify working processes, generate ideas improving working efficiency as well, and implement projects increasing productivity at hotels.</p>
Description of program objective/business benefits	<p>Objective</p> <ol style="list-style-type: none"> 1. Identify why coaching is a critical role of all leaders in driving both business & people results 2. Provide you with a set of mindset and approach to coaching 3. Introduce a process that can be easily applied in... 	<p>Objective</p> <ol style="list-style-type: none"> 1. Learning the Process and Tools for “Process Improvement for Productivity” to be able to identify the Opportunities, generate ideas and implement the projects. 2. Generate Practical Ideas and

	Day-to-day coaching, Employee performance management and development, Expanded Career development	Improvement Projects and then apply to real cases to deliver real productivity. 3. Enhance Process Improvement awareness and cultivate Productivity Culture to organization.
Qualitative impact of business benefits (monetary or non-monetary)	The organization will use coaching as a tool to improve staff performance in the organization. The course provides coaching, approaching techniques, and coaching mindsets. Most importantly, the staff will get to practice ensuring they understand the process. We started this course by having our executive attend, then the GMs, and now are the staff who directly report to GMs and other department heads.	To improve working efficiency as well as to implement projects increasing productivity at hotels. Each hotel provides improvement project to increase profit or reduce cost of management such as; electricity, and cost of operation and also improve staff ability so that they can support workflow to have efficiency
Number of participants	164 (Manager Level)	84 (Head of Department Level)
% of FTEs participating in the program	1.09%	0.56%

Human Capital Return on Investment

In support of measuring a company's profitability in relation to total employee cost, the company performed a standard Human Capital Return on Investment (HCROI) metric as a means of measurement. The metrics used for calculation are revenue, operating expense, and employee-related expense. The results of HCROI are as follows.

	FY2019	FY2020	FY2021	FY2022
CENTEL's HC ROI	3.53	3.09	3.15	3.70

Internal fill-in and Hiring Cost

	FY2019	FY2020	FY2021	FY2022
Percentage of open positions filled by internal candidates (internal hires)	N/A	7	10	83
Average hiring cost/FTE (THB)	N/A	N/A	N/A	191.33

CENDEL Employees' Performance Management

The company wants to emphasize the importance of performance management in promoting and nurturing highly skilled employees. Performance management applies to all staff members within a yearly structure. This process kicks off at the beginning of the calendar year when employees set specific goals that align with the company's strategic direction and their team's objectives. Then, at regular mid-year assessments, supervisors meet with individual employees to facilitate discussions about their progress, support needs, and opportunities for personal growth. Finally, the culmination of the annual cycle involves year-end evaluations, which aim to acknowledge accomplishments, offer constructive feedback, and identify areas where employees can further improve. Considering these key milestones within each annual performance management cycle, employees undergo biannual evaluations, utilizing a combination of the following methods:

The company employs **an objectives-based appraisal** system that emphasizes the incorporation of the Company's 'Objectives' (i.e., its mission and direction) and 'KPIs' (i.e., measurable targets) at both the corporate and business unit levels into each employee's performance metrics. This methodology ensures alignment and fosters collaboration throughout the entire organization. The company disseminates its objectives down to operational levels, ensuring that team leaders and employees have a comprehensive understanding of their roles in achieving the company's overarching objectives. These objectives cover three core categories: 1) Financial, 2) Strategic Operational Focus (encompassing aspects such as Customers, Operations, and Sustainability), and 3) People.

By aligning the Company's and business units' objectives and KPIs, the company encourages a unified effort in pursuing shared objectives, thereby enhancing collaboration, efficiency, and synergy across all levels of the organization.

Team-Based Performance Evaluation: The company assesses team-based performance by establishing key performance objectives and targets (e.g., financial) for teams, which are then extended to individual team members. This approach not only acknowledges team accomplishments but also highlights each individual employee's contributions. It aims to promote an understanding of



shared strategic objectives and underscores the significance of each employee in the broader context of team and organizational achievements.

A **competency-based performance appraisal** is a method for assessing an employee's performance by evaluating their display of skills, knowledge, behaviors, and attributes that are considered crucial for their position within an organization. These expectations are derived from the Group's Core Competencies, categorized by Job Band and Proficiency Level. Core Competencies serve as a vital framework for defining what the organization anticipates and play a significant role in employee development.

Moreover, the company actively encourages ongoing coaching and regular feedback between supervisors and employees throughout the year. This approach promotes flexibility in addressing evolving challenges and allows for prompt adjustments and improvements. By incorporating these essential elements, the company empowers its employees to realize their full potential and make meaningful contributions to the company's sustained growth.

Safety, Occupational Health, and Quality of Life

Goal: 100% of employees received safety and occupational health training.

There was zero workplace accident. There was zero lost time injury.

CENTEL's goal of safety, occupational health, and quality of life policy implementation is to reduce the risks that can lead to employee loss of life, injuries, and illness. CENTEL has taken care of occupational health, safety, and good working environment and has established management guidelines and practices according to international standards. CENTEL has promoted occupational health and safety awareness among employees and related parties. Various Safety, Occupational Health, and Quality of Life programs and processes are in place to promote employees' health including:

- Risks and hazards related to Safety, Occupational Health, and Quality of Life are assessed on an annual basis by safety officer, including internal inspections.
- All types of risks and hazards found will be prioritized, and the action plan will be integrated into regular work to achieve quantified targets as risk mitigation measurements.
- Continuous monitoring, follow-up, and evaluation of the progress of Safety, Occupational Health, and Quality of Life programs to ensure effectiveness in preventing health and safety issues as well as target achievement.
- Provide action plans to ensure business continuity when required in responding to any emergency situations.
- Provide channels for incident reports and set up clear escalation procedures to investigate work-related injuries, ill health, diseases, and other incidents.
- Raise awareness of Safety, Occupational Health, and Quality of Life as well as reduce health & safety incidents in CENTEL's operations through training for employees and other relevant stakeholders.
- Incorporate Safety, Occupational Health, and Quality of Life criteria into procurement and contractual requirements to ensure health and safety for workers, suppliers, and other related stakeholders.



All programs and processes are continuous reviews of control and prevention measures to ensure the effectiveness of CENTEL's promotion of Safety, Occupational Health, and Quality of Life for our employees and all related stakeholders.

A safety committee has been appointed for each business unit to ensure that operations are carried out in accordance with the guidelines set by the company. CENTEL organized training to educate employees in each department involved in operations on occupational health and safety. CENTEL arranged annual health check-ups for all employees, and there is a special health check for employees who have close contact with food to ensure employees' and customers' safety and promote a basic safety knowledge to create employee awareness, ensure implementation in operations or customer services, and build customer confidence following the law.

The hotel business organized the following trainings: fire drill training with 1,439 participants, food safety & HACCP training with 520 participants, CPR & first aid training with 224 participants, cybersecurity training with 2,669 participants, and safe steps training with 104 participants.

The food business organized safety and occupational health training such as fire drills, food hygiene and food safety training, and food sanitation training. 32 training sessions were organized for operators and 167 training sessions were organized for food handlers. Employees who attended the training must pass the Department of Health's exam. If the employees pass the exam, they will receive a certificate that is valid for three years. 8,302 employees, or 77% of the total number of employees who were trained as of December 2022, received the valid certificates. 10,882 operational employees completed the food sanitation course and received the certificate.

In addition to knowledge training in various areas, CENTEL has set up a medical room with doctors and professional nurses treating initial illnesses or accident injuries before sending the sick or injured employees to a medical facility in case specific medical equipment is required. CENTEL has reviewed the safety and occupational health practices to enhance knowledge on safety, occupational health, and working environment in accordance with the laws, regulations, and international standards with an aim of raising safety and occupational health standards and improving the working environment. Apart from that, the company has prepared a safety response plan.

Fatalities

	2019	2020	2021	2022
Employees	0	0	2	0
Contractors	0	0	0	0

Lost-Time Injury Rate (LTIR)

	2019	2020	2021	2022
Employees	1.2	2.9	1.6	0.3