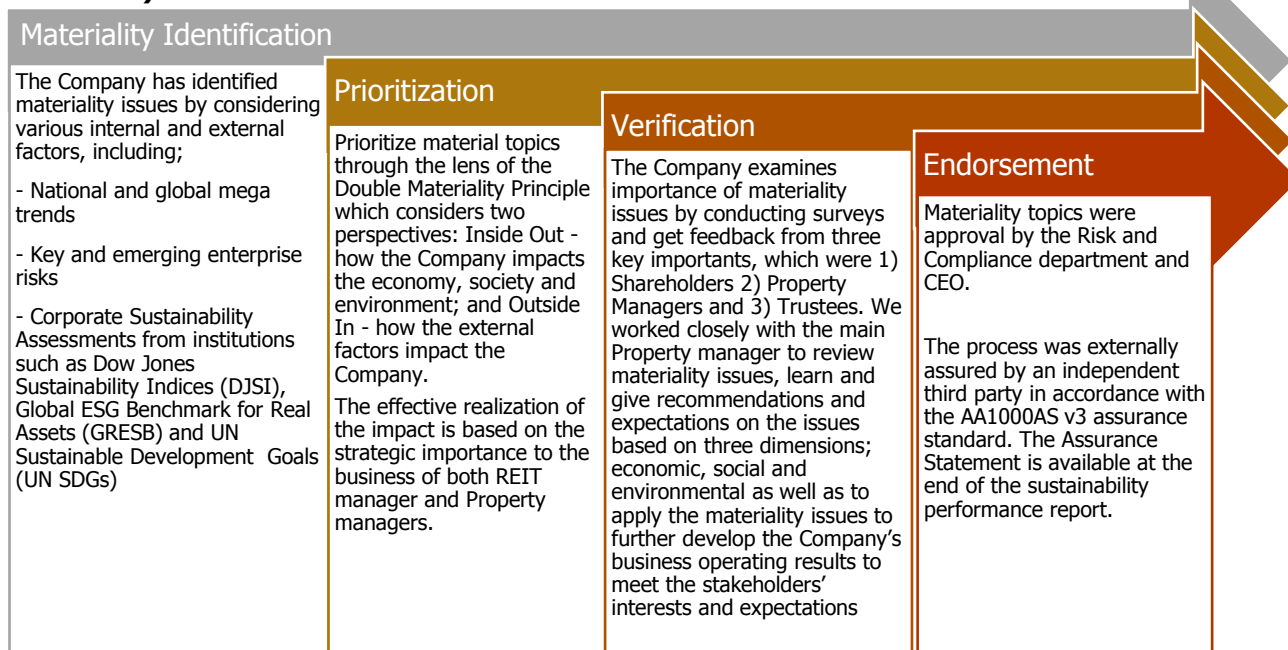# **Materiality Assessment**

CPNREIT conducts materiality analysis annually. In our most recent materiality assessment, we fully integrated the assessment with the enterprise risk management and the annual and five-year corporate strategy development processes. In 2022-2023, we re-assessed and re-classified our material issues to better align with the corporate strategy and insights from key stakeholder groups.

Materiality Assessment Process

Materiality Identification

The Company has identified materiality issues by considering various internal and external factors, including;

- National and global mega trends

- Key and emerging enterprise risks

- Corporate Sustainability Assessments from institutions such as Dow Jones Sustainability Indices (DJSI), Global ESG Benchmark for Real Assets (GRESB) and UN Sustainable Development Goals (UN SDGs)

Prioritization

Prioritize material topics through the lens of the Double Materiality Principle which considers two perspectives: Inside Out - how the Company impacts the economy, society and environment; and Outside In - how the external factors impact the Company.

The effective realization of the impact is based on the strategic importance to the business of both REIT manager and Property managers.

Verification

The Company examines importance of materiality issues by conducting surveys and get feedback from three key importants, which were 1) Shareholders 2) Property Managers and 3) Trustees. We worked closely with the main Property manager to review materiality issues, learn and give recommendations and expectations on the issues based on three dimensions; economic, social and environmental as well as to apply the materiality issues to further develop the Company's business operating results to meet the stakeholders' interests and expectations

Endorsement

Materiality topics were approval by the Risk and Compliance department and CEO.

The process was externally assured by an independent third party in accordance with the AA1000AS v3 assurance standard. The Assurance Statement is available at the end of the sustainability performance report.

Stakeholder Engagement Framework

1. Classification and Analysis of Stakeholders

Classified stakeholders into major and minor stakeholders to analyse risks as well as direct and indirect impacts, and channels of appropriate participation in joint formulation of sustainability issues

2. Comments and Participation

Provided online and offline communications, including meetings in person, by directly responsible employees on a continuous basis, as well as channels for suggestions, complaints, survey of needs, satisfaction, commitment, focus groups, meetings, joint activities as stipulated by the process on a regular basis.

3. Response

Formulated the process of response to needs and complaints of each group based on appropriateness, compactness, and complete, sufficient, and timely communication or disclosure of information. Formulated the process to appropriately sustain and analyse the received information, leading to development and improvement of internal processes.

STAKEHOLDER ENGAGEMENT

There are five main groups of stakeholders who are involved with a Real Estate Investment Trust (REIT) manager. The REIT manager has designated specific sections to address the needs and expectations of each of these stakeholder groups. The goal is to continuously improve service processes by incorporating feedback and suggestions from these stakeholders.

Additionally, there are five minor groups of secondary stakeholders who fall under the management of the property manager. These secondary stakeholders are given attention by the REIT manager, who collaborates closely with the property manager to enhance the value of the properties held by the REIT.

To ensure the proper functioning and adherence to agreements, the Business Development Department is responsible for overseeing and evaluating the performance of the Property Manager. Their role involves assessing whether the property manager is meeting the terms and conditions outlined in the Property Manager Appointment Agreement.

Engaging and Listening to Key Stakeholders

Our stakeholders help shape our sustainability efforts by sharing valuable feedback on new ideas, best practices, emerging technologies and industry trends.

Stakeholder Group	Engagement Platforms	Frequency
Investors/ Shareholder	• Annual General Meeting (AGM) / surveys / reporting and disclosures • SET (The Stock Exchange of Thailand) Opportunity Day • ESG Assessment	Quarterly / Annually
Creditors	• Opportunity Day • Company disclosures	Quarterly Annually
Property Manager/ Business Partner	• Annual budget plan and Strategic Plan Meeting • Evaluating the work performance	Annually Monthly
Trustee/ Regulator	• Daily work / Occasional meeting	24/7
Employees	• Online surveys; CG Individual Assessment (organization-wide), Human Right Impact Assessment, 360 Manager Performance Reviews (organization-wide), People Voice surveys • Online and offline trainings / Meetings • Communication via Workplace and Workchat applications • Online complaints channels	Annually and Biennially According to the timelines 24/7 24/7

Noted: The assessment regarding secondary stakeholders including; Tenants, Shoppers, Contractors, Supplier non tier-1, and Communities highlights that CPNREIT's management has not directly established an engagement platform. Instead, these engagement initiatives fall within the operational purview of the property's manager. This responsibility includes overseeing and managing engagement efforts with secondary stakeholders, such as Central Pattana, GLAND, and Hilton Hotel. Please see more information in their annual reports (56-1 One Report).

CPNREIT's approach to involve delegating engagement activities to the property managers, who are entrusted with the oversight of daily operations and interactions involving these stakeholders.

Results from identification of materiality issues

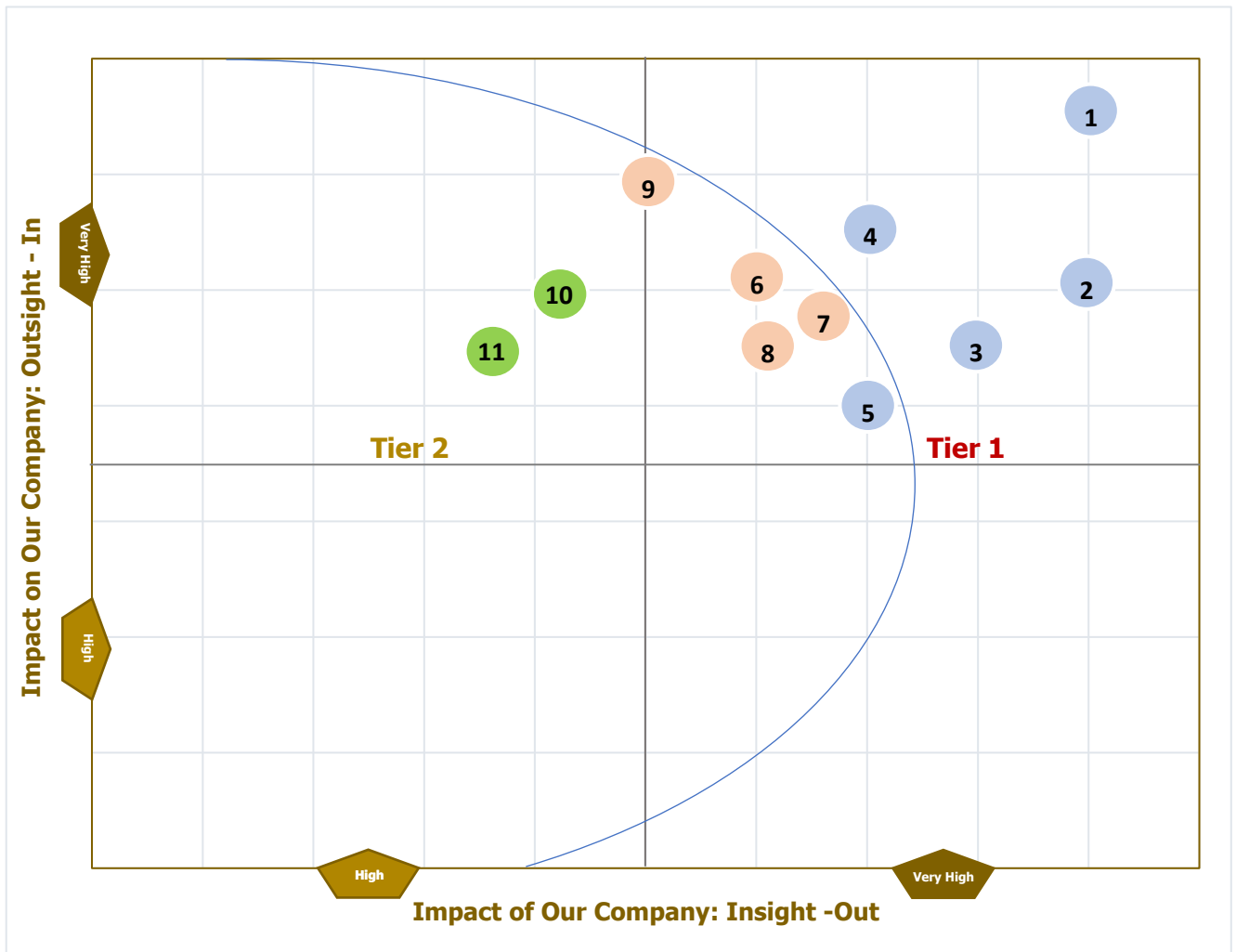| Tier 1		Tier 2
Investment	**REIT Management**	**Supply Chain Management**
Portfolio Diversification	Internal Control	Work Performance of the Property Manager
Sustainable Products & Services	Risk & Crisis Management	Customer Relationship Management/ Tenant Retention
Revenue Generation	Corporate Governance	Innovation Management *Economic Dimension*
Efficiency in benefit procurement	Policy Influence	* Environmental Concern / Management System
Stable returns to the trust unitholders	Tax Strategy	Resource Efficiency & Circularity *Environmental Dimension*
	Cyber Security	Community Impact & Development
	Alignment with Stakeholder Interests	Product / Service Quality & Safety and Hygiene
Human Rights Diversity / equity / inclusion / non-harassment / non-discrimination *Social Dimension*		

The blue frame refers to the Economic dimension, the green frame refers to the Environmental dimension, and the orange frame refers to the Social dimension.

Noted: Tier 1 issues are our priority issues — those that impact our company and the trust unitholders from a business, financial and social perspective.

Tier 2 issues are issues that may have a limited impact on our company/business directly and impact our strategic partners and stakeholders or the environment.

* The Environmental Concern/Management System consists of: Becoming Net Zero (Climate Crisis Management), Air Pollution Management, Waste Management, and Water Management.

Materiality Matrix

Impact on Our Company: Outsight - In

Very High

High

Tier 2

Tier 1

High

Very High

Impact of Our Company: Insight -Out

1	Risk Management
2	Internal Control
3	Stable returns to the trust unitholders
4	Efficiency in benefit procurement
5	Sustainable Product and Service
6	Alignment with Stakeholder Interests
7	Product / Service Quality & Safety and Hygiene
8	Community Impact & Development
9	Human Rights
10	Environmental Concern / Management System
11	Resource Efficiency & Circularity