

KARMART

SUSTAINABILITY REPORT 2025





ESG

Environmental , Social , Governance

Table of Contents

Introduction

Guidelines for Preparing the Sustainability Report

1. Business Overview

1.1 Business Direction and Strategy	1
1.2 Target Customer Segments by Brand	4
1.3 Corporate Values	6

2. Sustainability Driving

2.1 Sustainability Business Operations	7
2.2 Stakeholder and Value Chain Management	10
2.3 Key Sustainability Issues	13

3. Environmental Sustainability Management

3.1 Energy Management	23
3.2 Water Resource Management	25
3.3 Waste, Disposal, and Pollution Management	26
3.4 Greenhouse Gas Management	28

4. Social Sustainability Management

4.1 Labor and Human Rights Management	29
4.2 Employee Development and Capacity Building	33
4.3 Community and Social Development	40
4.4 Stakeholder Relationship Management	46

5. Corporate Governance

54



ENVIRONMENT

ESG



SOCIAL



GOVERNMENT



Sustainability Reporting Approach

The year 2025 marks a significant milestone for Karmarts Public Company Limited (“the Company”) as it publishes its inaugural **Sustainability Report**. This report serves as a testament to the Company’s unwavering commitment to sustainability, transparency, and responsible business conduct that respects people, society, and the environment. It communicates Karmart’s sustainability vision, strategic direction, and operational performance across key material topics, reflecting the Company’s dedication to addressing stakeholder expectations and advancing long-term value creation under the guiding philosophy of **“Unique Beauty Solution.”** This philosophy embodies Karmart’s aspiration to deliver inclusive beauty innovations that transcend gender, age, and ethnicity, empowering everyone to express their individuality with confidence.

Karmart firmly believes that sustainability is the foundation of enduring growth and a means of creating shared value for all stakeholders. Anchored in the KARMARTS Core Values, the Company has developed this report in accordance with the Global Reporting Initiative (GRI) Standards 2021, while aligning its sustainability initiatives with the United Nations Sustainable Development Goals (SDGs).

This report presents the Company’s environmental, social, and governance (ESG) performance for the period January 1 – December 31, 2025, highlighting both achievements and commitments that demonstrate Karmart’s determination to create shared value (CSV) between business and society. Through these efforts, the Company seeks to drive sustainable, inclusive, and resilient growth in the long term.

Business Direction

Vision

To become one of the leading branded beauty providers for everyone worldwide

Mission

To fulfill this vision, the Company is dedicated to:

1. Delivering top-quality products in terms of quality, efficacy and safety
2. Generating sustainable value for stakeholders, customers, business partners, employees, and community
3. Demonstrating social responsibility towards communities
4. Expanding customer outreach and enhancing operational performance

Business Goals

The primary objective of Karmarts Public Company Limited is to become the market leader in the beauty industry in Thailand and expand onto the international stage. Guided by the philosophy of **“Unique Beauty Solution”**, the Company focuses on delivering high-quality, safe, and innovative products that meet diverse beauty needs while instilling confidence and success across all consumer segments, regardless of gender, age, or background.

The Company aims for sustainable market expansion and growth through diversified product offerings, development of both offline and online distribution channels, and penetration into broader customer segments—all while maintaining reasonable pricing to make beauty accessible to everyone.

In addition, Karmart emphasizes creating long-term value for shareholders, employees, partners, and society by operating with governance, transparency, and accountability, ensuring that business growth aligns with improvements in quality of life and shared benefits for all stakeholders.

4 Key Strategic Objectives:

1. Market Leadership – Achieving superior business performance
2. International Expansion – Driving long-term growth
3. Accessible Beauty – Delivering value to consumers
4. Sustainable Growth – Upholding responsibility to all stakeholders

Key Business Strategies of Karmarts Public Company Limited

In 2025, the improving market outlook presents favorable opportunities for implementing a wider range of marketing strategies. In response, Karmarts Public Company Limited has expanded its portfolio by introducing new brands to capture emerging customer segments, while also strengthening its existing customer base. The Company's strategic directions are outlined below:

1. Product Strategy and Policy by Product Category

- 1.1 Makeup products continue to stir consumer interest, creating numerous opportunities for the Company to launch a wide variety of new products across multiple brands. This renewed demand has also enabled the expansion of customer segments and the introduction of innovative product concepts. In addition to the success of LIP IT, the Company further expanded its makeup portfolio in 2025. Along with Catchy Nesty, a new brand, the Company also introduced Get Skin by EYETA, a clean beauty skincare-infused makeup line. The Company remains committed to trendsetting by conducting thorough consumer research and continuously exploring new ingredients and innovations. These efforts aim to establish or align with market trends while catering to evolving consumer demands. At the same time, the Company ensures that each brand maintains its unique identity and product differentiation.
- 1.2 Skincare remains a highly competitive market, characterized by diverse consumer preferences and strong brand loyalty. The Company is committed to developing products that effectively meet a broad range of consumer needs while incorporating new innovations and unique ingredients to enhance product differentiation. This approach not only increases product value but also reinforces consumer confidence in both beauty and skin health. In 2025, the Company undertook a brand repositioning of its Cathy Doll and Baby Bright skincare lines to enhance brand image and credibility. The Company also expanded its portfolio with the introduction of Dr. Niks, a brand focusing on skin-nourishing masks, and ACCA by Dr. DSP, a cosmeceutical skincare brand.
- 1.3 Consumer products constitute a significant market segment known for its fierce competition and substantial consumer demand, given their indispensable role in daily life. This dynamic category prompts the emergence of new product brands annually, each aiming to secure market share. The Company offers items such as bath products, oral care essentials, hair care solutions, and dishwashing items in this sector, and focuses on implementation of strategies to build and retain the loyalty of existing customers while fostering continuous usage. The Company also strategically expands its market reach across both offline and online platforms to sustain its market presence and attract new clientele. New brands such as Hair It in the Hair Care category was also launched to diversify the Company's product portfolio, with the brand's fundamentals underscoring product quality and safety through rigorous testing and fostering consumer trust.
- 1.4 Dietary supplement market continues to exhibit strong consumer interest, driven by a growing focus on health and wellness. Shifting consumer behaviors have fueled demand for both internal and external health solutions, creating opportunities for new entrants aiming to introduce unique and differentiated products to meet evolving needs. The competitive landscape requires brands to establish clear product differentiation to maintain relevance and market share. Recognizing this trend, the Company has strengthened its competitive positioning in the supplement sector by offering a diverse range of products tailored to meet consumer demands. These include detox supplements, skincare-enhancing supplements, weight management formulas, and overall health supplements. The Company primarily markets its products through retail and online channels, ensuring accessibility and visibility. To expand its premium consumer segment, the Company has also introduced Dr. DSP, a premium supplement brand catering to health-conscious consumers seeking high-quality formulations.

1.5 Aromatherapy and spa products, which were once considered niche items, have gained significant popularity in recent years. Increasingly, consumers recognize the value of these products in promoting relaxation and relieving stress in daily life. While the market has historically been dominated by a few major players, a growing number of new brands are entering the space, driven by rising consumer demand. Modern consumers are shifting towards using these products at home or in the workplace rather than visiting spas, prompting brands to diversify and expand their offerings to meet these changing preferences. The Company has long been a distributor of aromatherapy products, with key offerings such as reed diffusers, essential oils, perfumes, and natural skincare products like shampoos, body washes, and lotions. These products are primarily sold through standalone stores marketed under the 'Reunrom' brand, as well as Karmart stores and leading department stores like ICONSIAM and Siam Paragon. Additionally, Reunrom products are available on online marketplaces and dedicated e-commerce platforms, enhancing accessibility to target consumers.

2. Distribution Channel Strategy and Policy

1. Online Market Expansion: Expand and diversify online sales channels to increase sales and maximize product accessibility. Key initiatives include leveraging live commerce through sales representatives, expanding company-operated social media channels such as Facebook and TikTok, increasing presence on various marketplace platforms, and launching brand-specific online stores in addition to the existing Karmart store. This approach has contributed to higher sales compared to the previous year.
2. Local Distributor Network Enhancement: Expand the network of local distributors with strong expertise in product distribution within their respective areas. This strategy enhances product accessibility in community retail channels and supports expansion into the mass market segment.
3. Offline Retail Expansion: Expand presence in modern trade and specialty stores, such as Moshi Moshi, Mr. DIY, and chain pharmacies, while ensuring product availability across online platforms of these retail partners. In addition, collaborate with business partners to organize various promotional activities, including special discounts, bundle offers, product sampling, and promotional giveaways, to enhance brand awareness and drive sales.

3. Public Relations Strategy and Policy

1. Out-of-Home Promotion: As consumers gradually return to normal lifestyles, the Company has expanded its use of Out-of-Home media compared to the previous year, providing greater opportunities to enhance brand visibility and awareness.
2. Digital and Social Media Engagement: Strengthen online promotion through social media by collaborating with beauty bloggers, influencers, and real users. Modern consumers increasingly rely on peer experiences and expert opinions, making product reviews, images, and videos critical for clearly communicating product benefits and usage.
3. Interactive Online Campaigns: Increase engagement through live streaming, affiliate marketing, and other interactive initiatives, enabling consumers to better understand products, attract attention, drive purchases, and develop new customer segments and followers.
4. E-Commerce Live and Influencer Marketing: Leverage live streaming and product videos on e-commerce platforms such as TikTok, Shopee, and Lazada, collaborating with KOLs and sales representatives, with products fulfilled directly by Karmarts Public Company Limited, ensuring a seamless and efficient customer experience.

Recognizing that the rapid evolution of new media formats has transformed modern consumer behavior and increased access to marketing content, the Company places strong emphasis on staying ahead of trends through creative and sustainable approaches in order to effectively reach its target consumers.

4. International Expansion Strategy : The Company is proactively expanding into ASEAN markets and other emerging regions, while developing exclusive, market-tailored products to differentiate its offerings and address the specific needs of each locale.

5. Sustainability and Corporate Responsibility Strategy : The Company conducts its operations with unwavering commitment to quality, safety, and transparency, aiming to create long-term, sustainable value for shareholders, employees, business partners, customers, and society as a whole.

Target Audience by Brand

The Company focuses its marketing efforts on a broad range of consumer segments across different age groups, have a strong interest in beauty products, and enjoy keeping up with the latest beauty trends. Products are strategically positioned at a mid-range price point to ensure accessibility while offering high-quality solutions. Target audiences are defined according to the unique concept of each brand, enabling the Company to deliver products that effectively meet the diverse needs of consumers across different segments.

- 1. Cathy Doll :** Targets young to mid-age consumers (16–45) who are fashion-conscious, modern, playful, and confident. The brand focuses on offering trend-driven beauty products that effectively address a wide range of beauty concerns.
- 2. Baby Bright :** Targets Gen Z and first jobbers (14–30) who prioritize health and self-care. The brand emphasizes natural and skin-friendly beauty products that support healthy, radiant skin while aligning with a holistic self-care lifestyle.
- 3. Boya :** Targets individuals of all ages and genders who prioritize personal care, with a focus on hair and body care essentials.
- 4. Jejuvita :** Targets Gen Z and young working adults (14–29) who are health-conscious and interested in holistic self-care from within. The brand offers dietary supplements that combine comprehensive nutritional benefits with enjoyable taste.
- 5. Reunrom :** Targets working adults and above who prioritize physical and mental wellness, looking for lifestyle products such as aromatic solutions that promote relaxation, relieve stress, and enhance personal spaces. The brand develops products aligned with modern wellness trends.
- 6. Skynlab :** Targets working adults and millennials who are focused on health and wellness. The brand offers premium and specialized oral care products designed to address specific oral health concerns while elevating daily care standards.
- 7. Keumyon :** Targets consumers with hair concerns seeking high-quality, affordable hair care products featuring advanced natural and herbal extracts.
- 8. 7-Clean :** Targets working individuals and homemakers who prioritize household hygiene, seeking safe, effective, and high-quality cleaning products suitable for family use.
- 9. Browit :** Targets working professionals with an interest in beauty who seek to enhance their makeup looks and boost confidence. The brand offers premium-quality cosmetics at accessible prices, developed by professional makeup artists to deliver results comparable to professional application.
- 10. THA :** Targets modern, self-care-oriented young adults seeking makeup products that both beautify and gently nourish the skin.
- 11. Liplt :** Focuses specifically on lip care products, offering deep nourishment with accessible, high-quality formulations. The brand provides a wide range of products suitable for all genders and age groups.

12. **Hair It** : Targets working adults focused on hair care, looking for premium-quality products that resolve hair issues, offer pleasant fragrances, and deliver professional-level results at home.
13. **Intimi** : Targets female consumers aged 25–45 who prioritize consistent self-care and consider intimate care an integral part of overall beauty and well-being. The brand focuses on cosmeceutical products that are safe, high-quality, and designed to address specific concerns, enhancing both hygiene and confidence.
14. **Beautilox by KMGI** : Offers skincare and makeup products designed to deliver effective and convenient beauty solutions. The brand aims to provide easy-to-use products that help achieve radiant skin and enhance everyday beauty routines.
15. **Dr.Niks** : Targets Gen Z and Millennial consumers, particularly skintellectual consumers who are knowledgeable about skincare and rely on recommendations from dermatologists and skin influencers. The brand focuses on problem-solution skincare, offering targeted treatments that emphasize efficacy, credibility, and safety, supported by dermatological testing.
16. **Catchy Nesty** : Targets Gen Z consumers, including teenagers and students, who seek fun, vibrant, and playful lip tint products that deliver fresh and youthful looks.
17. **ACCA by Dr.DSP** : Targets individuals with acne-prone and sensitive skin, offering cosmeceutical products developed in collaboration with dermatology experts. The brand focuses on delivering targeted skincare solutions that are clinically tested and supported by research to ensure proven efficacy and safety.
18. **Dr.DSP** : Targets consumers seeking dietary supplements developed by medical professionals, with a focus on promoting health from within. The brand emphasizes carefully selected, high-quality ingredients supported by research to ensure safety and visible results, enhancing consumer confidence.
19. **Get Skin by EYETA** : Targets consumers seeking “makeupcare” solutions, combining makeup with skincare benefits. The brand offers products that enhance beauty while nourishing the skin, with a wide range of shades suitable for all skin tones and a strong emphasis on product safety.
20. **ATP Beauty** : Targets teenagers and working adults who prioritize self-care and seek to enhance their confidence while maintaining long-term skin health. The brand is developed under the concept of “Beautycare,” combining beauty and skincare to promote healthy, radiant skin that improves over time and reflects each individual’s natural identity.

KARMARTS Core Values : V-KARE



V – Values for All

Creating shared value for all stakeholders, including customers, employees, business partners, communities, and the environment, to ensure sustainable growth together.



K – Kindness & Sustainability

Conducting business with care and responsibility toward people and the planet, promoting sustainable resource utilization and balanced long-term development.



A – Accountability & Integrity

Upholding strong corporate governance through transparency, accountability, and ethical business practices to build trust among all stakeholders.



R – Responsibility

Recognizing the impacts of business operations and striving to minimize environmental impacts while contributing to continuous social development.



E – Excellence in Service

Delivering superior customer experiences through a strong commitment to product quality and service excellence, fostering long-term customer satisfaction and relationships.



High Purpose Summary:

KARMARTS conducts its business with a strong commitment to care, creating shared value sustainably through integrity, responsibility, and service excellence—toward a better world and improved quality of life for all.

Corporate Sustainability

KARMARTS is committed to conducting business responsibly, with careful consideration of impacts across the entire value chain. The Company operates with transparency, accountability, and ethical standards, respecting human rights and the interests of all stakeholders. We prioritize producing high-quality, safe products while minimizing environmental and community impact. Operations are fully compliant with applicable laws, regulations, and international best practices, and are continuously improved to strengthen the foundation of sustainable corporate responsibility. This approach encompasses three dimensions: Economic, Social, and Environmental, guiding the Company toward sustainable business growth.

Corporate Social Responsibility Policy

KARMARTS upholds responsible operations grounded in transparency, accountability, ethical conduct, and respect for human rights and stakeholder interests. The Company ensures that products are safe, high-quality, and developed with consideration for social and environmental impact. Compliance with legal requirements and international standards is fundamental, while continuous improvement fosters lasting corporate social responsibility.

The Company advances social responsibility through 3 key pillars:

1. People Development – Empowering employees, stakeholders, youth, community members, and partners by providing knowledge, skill development, and career opportunities to enhance personal growth and future employability.
2. Responsible Production – Implementing environmentally friendly production processes and improving products to ensure consumer safety and reduce environmental impact.
3. Partnership Development – Strengthening sustainable collaboration with business partners, distributors, and representatives, encouraging participation in social initiatives and community development programs.

"KARMARTS continuously reviews and enhances its sustainability policies to align with evolving economic, social, and environmental contexts, as well as global best practices."

Sustainability Strategy

KARMARTS operates under the principle of Accessible & Sustainable Beauty, integrating social, community, and environmental considerations into all business practices. The Company's sustainability strategy is aligned with KARMARTS Core Values, aiming to create enduring value for all stakeholders. The strategy focuses on 4 strategic pillars:

1. People Development – Strengthening capabilities and opportunities for employees, partners, and communities.
2. Responsible Production – Ensuring products are safe, environmentally responsible, and of the highest quality.
3. Partnership & Community Engagement – Building strong, mutually beneficial relationships with communities and business partners to generate social value.
4. Governance & Transparency – Upholding trust, accountability, and credibility across all organizational processes.

KARMARTS' sustainability strategy goes beyond profit generation, striving to be a positive force for society and the environment, and to establish a solid foundation for long-term corporate responsibility.

To support sustainable business practices and uphold KARMARTS' Core Values, the Company has established 12 sustainability guidelines spanning 4 key pillars: People Development, Responsible Production, Partnership & Community Engagement, and Governance & Transparency.

These guidelines demonstrate KARMARTS' commitment to creating lasting value for consumers, employees, partners, communities, and the environment, while providing a clear roadmap for the ongoing advancement of organizational sustainability.

KARMARTS 12 Sustainability Practices

No.	Practice	Commitment	Objective
1	Conduct employee training and skills development	Invest in human capital	Enhance employee skills and work efficiency
2	Promote learning and career development for youth and communities	Develop opportunities for stakeholders	Increase opportunities for career growth and personal development
3	Foster a diverse and inclusive work environment	Respect diversity and human rights	Cultivate an equitable and inclusive organizational culture
4	Use environmentally friendly raw materials and production processes	Minimize environmental impact	Achieve sustainable production practices
5	Develop products that are safe for consumers and communities	Prioritize health and safety	Deliver high-quality, safe products
6	Reduce energy, water, and hazardous chemical usage in production	Utilize resources responsibly	Minimize environmental and resource impact
7	Encourage partners and distributors to participate in social initiatives	Foster collaboration for social good	Advance social and community development with partners
8	Support community and social development initiatives	Actively contribute to social responsibility	Build sustainable value within local communities
9	Build networks for sharing best practices	Promote learning and organizational development	Strengthen partners and organizations sustainably
10	Uphold transparency, accountability, and ethical practices	Build trust and credibility	Ensure responsible governance
11	Prepare sustainability reports and assess ESG performance	Monitor and improve operations	Drive continuous sustainability development
12	Comply with relevant laws and international standards	Act ethically and meet standards	Reinforce stakeholder and societal confidence

Managing Stakeholder Impact Across the Business Value Chain

The Company is committed to becoming a leading cosmetics company in the ASEAN region, leveraging its expertise in products and services. The Company emphasizes innovation by developing and offering environmentally friendly products to the market, while enhancing credibility and trust among stakeholders. The Company places strong importance on good corporate governance, operating with transparency and accountability. It maintains effective communication with stakeholders to assess material issues and continuously monitor and evaluate governance performance.

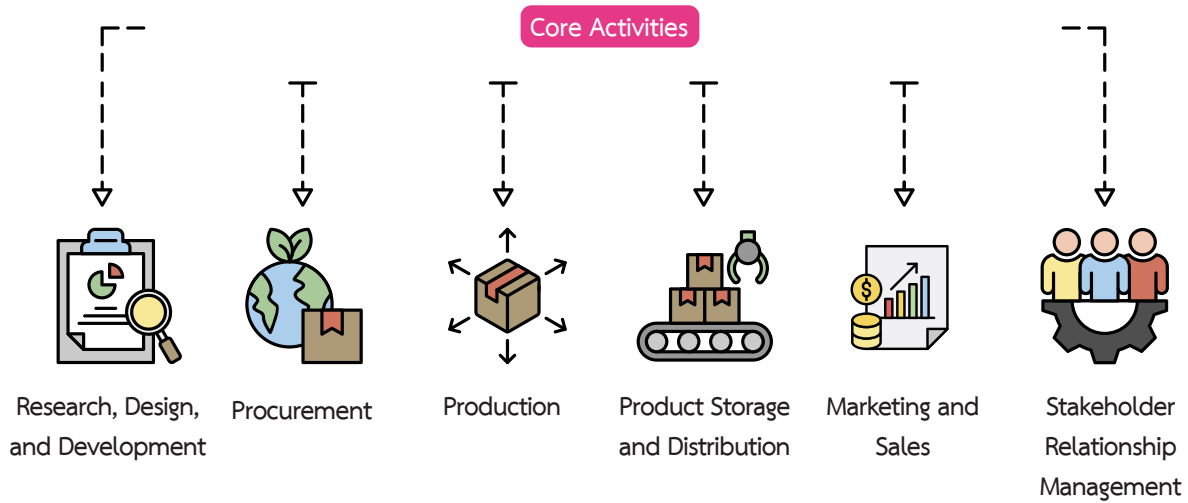
Karmarts Supply Chain Management

To effectively address stakeholder needs, Karmarts has established a comprehensive supply chain management process covering the following areas:

1. Sourcing
 - o Carefully selecting ingredients and cosmetic products from high-quality in-house brands and trusted partners, such as Cathy Doll, Baby Bright, Browit, and Dr. NIKS.
 - o Prioritizing production in factories that comply with rigorous safety and quality standards, both domestically and internationally, to meet customer expectations and stakeholder requirements.
2. Manufacturing & Quality Control
 - o Ensuring factories undergo stringent quality checks to guarantee product safety, consistent quality, and adherence to international standards.
 - o Robust quality control minimizes health risks and strengthens consumer confidence.
3. Distribution
 - o Leveraging both physical retail locations (over 80 branches) and online platforms, including karmarts.com, to ensure broad customer accessibility.
 - o Efficient distribution reduces delays, enhances customer satisfaction, and supports business partners.
4. Stakeholder Support & Customer Service
 - o Maintaining channels to collect feedback from customers and partners, with timely response to inquiries and complaints.
 - o Effective communication and service foster long-term, trust-based relationships with all stakeholders.

Karmarts' supply chain management not only fulfills market demands but also embodies the Company's commitment to all stakeholders—customers, employees, suppliers, and communities. By linking every stage—from sourcing and production to quality control, distribution, and after-sales service—Karmart ensures sustainable business operations and creates value across all dimensions.

Business Value Chain



Karmarts' value chain comprises 6 core activities as follows:

1. Research & Development (R&D)

This critical process drives innovation and enhances organizational competitiveness. It begins with analyzing consumer needs and market trends (Basic Research), progressing to product and technology development (Applied R&D), testing and quality validation (Testing & Validation), intellectual property protection (IP Management), knowledge transfer to production (Technology Transfer), and continuous improvement (Continuous Improvement). This structured approach adds value, differentiates the brand, and strengthens operational efficiency, supporting business sustainability while addressing the needs of consumers, employees, partners, and regulatory bodies.

2. Sustainable Procurement

Karmarts emphasizes sourcing high-quality materials in compliance with corporate standards. The process includes selecting and purchasing from certified suppliers, quality inspection and acceptance, safe and proper storage, and efficient management for integration into production. This ensures uninterrupted manufacturing, consistent product quality, and value creation across the business process.

3. Manufacturing

Manufacturing focuses on transforming raw materials into high-quality products through the integration of innovation, technology, and expertise. All production processes are designed to be efficient, environmentally friendly, and subject to strict quality control at every stage. This guarantees that products meet standards and consumer expectations while considering the interests of all stakeholders and promoting sustainability across economic, social, and environmental dimensions.

4. Warehouse and Distribution

Warehousing and distribution are vital to value creation and competitive advantage. The process emphasizes systematic inventory management, proper and secure storage, accurate order preparation, and timely delivery. Efficient distribution ensures smooth operations and maximizes customer satisfaction.

5. Responsible Marketing and Sales

Marketing and sales are key to building consumer awareness and satisfaction. Activities include effective communication, promotional campaigns, professional sales team management, market-appropriate pricing strategies, broad distribution channels, and transparent product information. These efforts foster trust and support sustainable sales growth.

6. Stakeholder Relationship Management

Karmarts prioritizes balanced and sustainable engagement with all stakeholders. This includes customer care and relationship development, business partner collaboration, competitor analysis and benchmarking, transparent financial disclosure, employee development and engagement, sustainable social and community initiatives, compliance with laws and coordination with government authorities, and professional communication with shareholders and investors. These activities enhance organizational value, trust, and long-term sustainability.

Materiality Assessment for Sustainability

Karmarts has implemented a systematic materiality assessment process to identify sustainability issues that reflect stakeholder impacts, business risks, and opportunities. The process comprises 3 key stages:

1. Identification and Prioritization

The Company evaluates activities across the entire value chain to identify relevant economic, governance, social, and environmental issues. Each issue is assessed and prioritized based on its potential impact on stakeholders, incorporating their expectations and needs. The analysis also considers associated risks, opportunities, and business implications to ensure alignment with corporate strategy.

2. Verification and Validation

The accuracy, completeness, and reliability of identified issues are rigorously verified. Findings are presented to senior management and key stakeholders for confirmation, ensuring relevance, strategic alignment, and adherence to recognized standards. This step reinforces transparency and credibility in the assessment process.

3. Disclosure and Continuous Improvement

Validated material issues guide sustainability reporting and ESG strategy development in a structured, transparent, and verifiable manner. The assessment process is reviewed and updated at least annually to ensure that identified issues remain relevant and aligned with evolving business contexts and stakeholder expectations.

Sustainability Context Analysis and Materiality Assessment

Key Sustainability Issue	Social & Environmental Impact	Business Value Impact	Risks / Opportunities
Local Employment, Diversity & Inclusion	Supporting local economies and reducing inequality are key strategies for social sustainability. These efforts strengthen communities, foster trust, and enhance positive relationships with stakeholders, contributing to a more equitable and sustainable society.	Enhancing employee loyalty and engagement, alongside reinforcing a socially responsible corporate image, builds a strong and sustainable organization. This approach strengthens human capital, stakeholder relationships, competitive advantage, and long-term corporate credibility.	<input checked="" type="checkbox"/> Opportunities : Skilled workforce and enhanced corporate reputation <input type="checkbox"/> Risks : Skills gaps or inequitable practices
Employee Training & Development	Promoting employees' skills and quality of life while enhancing opportunities for innovation is a key strategy to improve work efficiency, organizational competitiveness, and adaptability to market changes sustainably.	Enhancing performance and competitiveness while mitigating risks of skill gaps helps the organization deliver high-quality products and services, adapt to market and technology changes, and ensure long-term business sustainability.	<input checked="" type="checkbox"/> Opportunities : Improved competitiveness and innovation <input type="checkbox"/> Risks : Skills gaps among employees
Responsible Marketing & Communication	Minimizing communications that harm society or promote misleading values is essential to uphold social responsibility and consumer trust, reinforcing a transparent and ethical corporate image.	Building consumer trust and loyalty strengthens long-term stakeholder relationships, enhances competitive advantage, and reinforces a credible and socially responsible brand image.	<input checked="" type="checkbox"/> Opportunities : Transparent and authentic brand <input type="checkbox"/> Risks : Overstated claims or miscommunication
Customer Treatment & Transparency	Protecting consumer rights and reducing unsafe product issues is crucial for building consumer confidence, mitigating legal and reputational risks, and supporting long-term customer relationships while reinforcing a socially responsible corporate image.	Enhancing customer satisfaction and loyalty, encouraging repeat purchases and referrals, strengthens service quality, revenue stability, long-term customer relationships, and positions the organization as a trusted market leader.	<input checked="" type="checkbox"/> Opportunities : Elevated service standards <input type="checkbox"/> Risks : Complaints or reputational issues

Key Sustainability Issue	Social & Environmental Impact	Business Value Impact	Risks / Opportunities
Health & Safety of Products	Protecting consumers from harmful substances and preventing health and environmental impacts is a key strategy to build consumer trust, reduce legal and reputational risks, and strengthen the Company's socially and environmentally responsible image.	Mitigating legal and reputational risks while promoting Clean Beauty / Vegan positioning enhances consumer confidence, competitive advantage, and reinforces the Company's commitment to consumer health, environmental stewardship, and social responsibility.	<input checked="" type="checkbox"/> Opportunities : Promote Clean Beauty / Vegan selling points <input type="checkbox"/> Risks : Product-related hazards
Community Engagement & Local Distribution	Supporting local economies, strengthening communities, and expanding social and economic opportunities is a key strategy for sustainable collaboration with stakeholders. Builds resilient communities, fosters long-term relationships, and enhances the Company's socially responsible image.	Establishing long-term stakeholder relationships and trust, alongside ongoing community and customer support, reinforces business stability, brand confidence, and a reliable corporate image.	<input checked="" type="checkbox"/> Opportunities : Increased community support and acceptance <input type="checkbox"/> Risks : Lack of community engagement
Human Rights, Equity & Inclusion	Protecting human rights, promoting equity, and reducing inequality are key strategies for social responsibility. Builds stakeholder trust and strengthens the company's reputation for sustainability and fairness.	Enhances organizational credibility and strengthens the company's socially responsible image.	<input checked="" type="checkbox"/> Opportunities : Responsible corporate image <input type="checkbox"/> Risks : Human rights violations or employee complaints
Eco-friendly Products, Take-back & Refill	<p>Promoting the development of environmentally friendly material innovations</p> Supporting R&D of biodegradable and recyclable materials to reduce environmental impact.	<p>Drives innovation and leadership in green technology.</p> Developing environmentally friendly materials and technologies enables the Company to introduce differentiated innovations, reinforce its positioning as a leader in green technology, and respond effectively to the growing demand for sustainable products.	<input checked="" type="checkbox"/> Opportunities : Market differentiation, patents/innovations, government support for green innovation <input type="checkbox"/> Risks : High R&D costs, technology not commercially ready, consumer adaptation challenges

Key Sustainability Issue	Social & Environmental Impact	Business Value Impact	Risks / Opportunities
	<p>Encouraging refill and take-back systems to reduce waste and promote sustainable consumer behavior.</p> <p>Reducing reliance on conventional materials that cause environmental impact. Supporting circular economy principles to minimize waste and pollution.</p> <p>Reducing plastic waste and pollution throughout the product life-cycle while supporting environmental laws and ecosystem protection.</p> <p>Reducing the use of single-use natural resources by promoting reusable and recyclable materials. Promoting efficient and sustainable resource utilization to minimize reliance on non-renewable resources.</p> <p>Supporting Net Zero and Circular Economy goals through recycling, reuse, and refill systems. Reducing greenhouse gas emissions and creating sustainable product life cycles</p>	<p>Achieving long-term cost efficiency through circular technology adoption Use of recycled materials and take-back/refill systems reduces resource dependency, lowers long-term costs, and strengthens supply chain efficiency.</p> <p>Meeting the Needs of Environmentally Conscious Consumers Developing eco-friendly products and packaging enables the organization to connect with consumers who prioritize sustainability, fostering brand trust and long-term loyalty.</p> <p>Mitigating Risks of Environmental Regulatory Penalties Utilizing environmentally friendly materials and production processes ensures compliance with environmental standards and regulations, reducing the risk of fines or legal complaints.</p> <p>Enhancing Green Brand Image Positioning the organization as a leader in sustainable products and packaging strengthens its reputation among consumers, investors, and other stakeholders as a socially and environmentally responsible brand.</p>	<p><input checked="" type="checkbox"/> Opportunities : Access eco-conscious consumer segments, attract ESG-focused investors, differentiate brand in sustainability.</p> <p><input type="checkbox"/> Risks : Non-compliance with environmental regulations, potential perception of green-washing if initiatives are not implemented sincerely.</p>

Key Sustainability Issue	Social & Environmental Impact	Business Value Impact	Risks / Opportunities
Sustainable Supply Chain Management	Builds trust and reinforces a socially responsible corporate image. Strengthens sustainability across stakeholder relationships, community engagement, and market presence.	Enhances transparency, reduces legal and reputational risks, and strengthens market credibility. Provides competitive advantage through responsible supply chain practices.	<input checked="" type="checkbox"/> Opportunities : Strengthened supply chain sustainability and brand image <input type="checkbox"/> Risks: Suppliers not complying with ESG standards
Efficient Resource Use (Water, Energy, Raw Materials)	Reduces environmental impact by optimizing consumption of water, energy, and raw materials. Improves operational efficiency and supports organizational sustainability commitments.	Lowers long-term operational costs, enhances competitiveness, and enables transition toward a Circular Economy. Strengthens sustainable business practices and environmental stewardship.	<input checked="" type="checkbox"/> Opportunities : Implement renewable energy solutions, optimize resource efficiency, strengthen market competitiveness. <input type="checkbox"/> Risks : Inefficient resource utilization leading to higher costs and environmental impact.
Climate Change & GHG Management	Reduces the impacts of global warming and promotes sustainable energy and resource use. Supports organizational sustainability and creates competitive advantage in environmentally conscious markets.	Mitigates regulatory and energy risks while developing eco-friendly products and services. Enhances long-term sustainability, competitive advantage, and positions the company as a leader in the green market.	<input checked="" type="checkbox"/> Opportunities: Leadership in climate sustainability <input type="checkbox"/> Risks: Natural disaster impacts or non-compliance with regulations
Fair Business Practices / Anti-Corruption & Compliance	Reduces corruption risk and promotes ethical business conduct. Builds trust with stakeholders both inside and outside the organization, mitigating legal and reputational risks.	Builds organizational credibility and trust while mitigating legal and reputational risks, strengthening resilience, and supporting long-term competitiveness.	<input checked="" type="checkbox"/> Opportunities: Build a transparent and trustworthy image <input type="checkbox"/> Risks: Lack of governance or oversight

Stakeholder Engagement

Engaging stakeholders is essential for fostering trust and collaboration between the company and all stakeholder groups, including customers, employees, partners, shareholders, and communities. This involves actively listening to and transparently addressing their needs, expectations, and concerns on an ongoing basis. Such engagement not only enhances business sustainability but also creates balanced value, aligning business objectives with social responsibility.

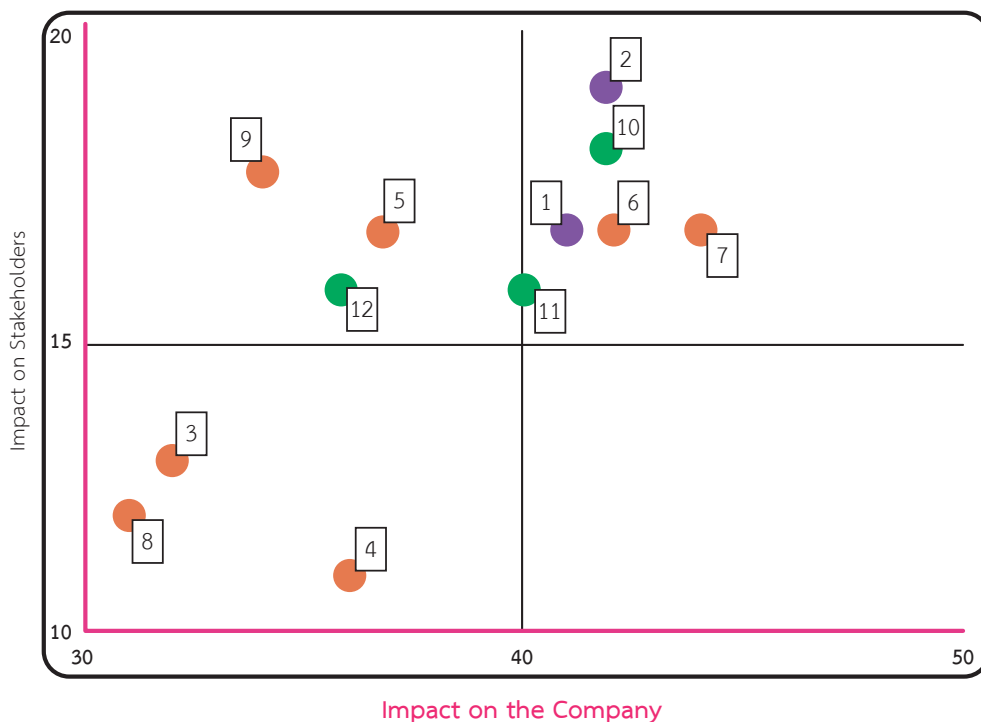
Stakeholder	Needs & Expectations	Engagement & Response Approach	Communication Channels
1. Employees	<ul style="list-style-type: none"> - Fair and equitable employment practices - Safe and healthy working environment aligned with international standards - Effective workplace environmental management - Opportunities for training and skills development - Competitive compensation, benefits, and clear career progression - Respect for human rights in all employment practices 	<ul style="list-style-type: none"> - Maintain safety committees with regular meetings - Provide comprehensive safety training and guidance on personal protective equipment - Conduct performance appraisals and feedback sessions - Encourage employee participation in business strategy and organizational development - Carry out engagement surveys and gather employee feedback - Offer seminars and programs to enhance professional knowledge and specialized skills - CEO engagement sessions (Meetings with CEO) - Transparent communication of corporate strategy and objectives 	<ul style="list-style-type: none"> - Email / Corporate website - Notice boards / internal bulletins - Internal meetings and briefings - Employee surveys and feedback platforms
2. Customers / Consumers	<ul style="list-style-type: none"> - Value delivered through products, including certified quality standards and product worthiness. - Brand credibility and customer confidence. - Accurate and transparent product information. - Fair and accessible pricing of products and services. 	<ul style="list-style-type: none"> - Provide clear product information via catalogs, labels, and digital platforms - Communicate through PR campaigns, advertising, website content, and expert consultations - Organize customer engagement initiatives and product demonstrations 	<ul style="list-style-type: none"> - Customer meetings and visits - Call Center / Email - Social media platforms - Company website - Marketing events and public relations activities

Stakeholder	Needs & Expectations	Engagement & Response Approach	Communication Channels
	<ul style="list-style-type: none"> - Quality customer service, including a call center for complaints and product warranty programs. - Comprehensive pre- and post-sale services, as well as sales promotions and marketing campaigns. - Continuous development of eco-friendly and energy-efficient product innovations. 	<ul style="list-style-type: none"> - Deliver training and guidance on product use - Operate Call Centers and customer service support - Conduct satisfaction surveys and gather feedback - Manage the overall customer experience - Monitor market trends and conduct research to inform product development 	
<p>3. Partners/ Suppliers (Distributors + Raw Material Suppliers)</p>	<ul style="list-style-type: none"> - Foster mutual business growth through knowledge sharing, collaboration, and joint sales promotion initiatives. - Deliver product and service excellence through warranty programs, technical support, and professional consultation. - Strengthen brand awareness and trust among partners and end consumers. - Offer a comprehensive and diverse product portfolio to address varying customer needs. - Promote transparent information exchange on quality, safety, environmental management, and CSR practices. - Implement effective demand planning to enhance supplier readiness and operational efficiency. - Uphold human rights principles by ensuring fairness, equality, and ethical treatment across all business relationships. 	<ul style="list-style-type: none"> - Ensure partner satisfaction and support - Conduct joint training and seminars with distributors and company management - Organize relationship-building activities and consistent communication - Maintain structured procurement, supplier selection, and evaluation processes - Implement transparent and verifiable procurement checks - Conduct fair and transparent vendor/supplier assessments - Comply with contracts and commercial terms honestly and fairly - Operate business ethically within legal frameworks 	<ul style="list-style-type: none"> - Complaint channels - Call Center and customer service support - Regular partner engagement and communication activities

Stakeholder	Needs & Expectations	Engagement & Response Approach	Communication Channels
4. Shareholders / Investors	<ul style="list-style-type: none"> - Competence and transparency of the board of directors - Sustainable business growth and profitability - Balanced returns for all stakeholders - Transparent, ethical, and socially responsible management - Risk management and anti-corruption measures - Continuous R&D to maintain competitiveness 	<ul style="list-style-type: none"> - Hold Annual General Meetings (AGMs) to provide shareholders opportunities to express opinions - Report operational results and business plans - Prepare and share annual reports - Communicate progress on issue resolution and corporate initiatives 	<ul style="list-style-type: none"> - Shareholder meetings / AGMs - Annual reports - Email / Company website
5. Government / Regulatory Authorities	<ul style="list-style-type: none"> - Compliance with laws, regulations, and standards - Cooperation and support in activities - Support for educational programs, e.g., student internships - Accurate and timely tax payments 	<ul style="list-style-type: none"> - Coordinate and exchange information - Participate in meetings and support invited activities - Submit reports and documents on time - Facilitate site visits and inspections for regulatory purposes 	<ul style="list-style-type: none"> - Official letters / Emails - Meetings / Workshops - Website / Phone - Complaint channels
6. Financial Institutions / Creditor	<ul style="list-style-type: none"> - Compliance with contractual terms and agreements - Collaboration on financial activities - Comprehensive use of financial services - Clear visibility of organizational performance and sustainable growth - Timely repayment and financial reliability 	<ul style="list-style-type: none"> - Maintain regular financial reporting and data exchange - Communicate operational results and financial requirements - Implement risk management and ensure timely repayments - Adhere strictly to contractual and regulatory obligations 	<ul style="list-style-type: none"> - Meetings / Negotiations - Email / Phone correspondence - Official financial reports and letters

Stakeholder	Needs & Expectations	Engagement & Response Approach	Communication Channels
7. Community	<ul style="list-style-type: none"> - Environmental stewardship aligned with international standards - Access to knowledge, education, and skill-building opportunities - Respect for human rights and social responsibility - Initiatives to enhance quality of life and local income 	<ul style="list-style-type: none"> - Establish community engagement committees - Conduct monthly community consultations - Organize Open House events and facility visits - Share environmental monitoring results transparently - Provide accessible complaint and feedback channels 	<ul style="list-style-type: none"> - Community meetings / consultations - Notice boards and public postings - Complaint and feedback channels - Open House events / site visits
8. Competitors	<ul style="list-style-type: none"> - Market intelligence and benchmarking data - Competitive parity in innovation and product quality - Fair, transparent, and ethical business conduct 	<ul style="list-style-type: none"> - Monitor and analyze competitor activities and industry benchmarks - Adjust market strategies based on insights and trends - Track innovations and industry developments - Ensure fair competition while maintaining corporate reputation 	<ul style="list-style-type: none"> - Market research reports / public data - Industry seminars and exhibitions

Materiality Matrix





Through a comprehensive assessment of the Company's material sustainability topics, 6 issues were identified as being of the highest significance:

1. Consumer health and safety
2. Good corporate governance and transparency
3. Environmentally responsible products and production processes
4. Sustainable supply chain management
5. Efficient utilization of resources (water, energy, and raw materials)
6. Ethical and Responsible Marketing & Consumer Protection

These issues span the environmental, social, and governance dimensions, reflecting both stakeholder expectations and their relevance to the Company's long-term business success. The Company remains committed to advancing these priorities to strengthen stakeholder trust, foster sustainable growth, and create shared value over the long term.

3. Environmental Sustainability Management

– Environmental Policy and Practices

Karmarts conducts its business with a strong commitment to environmental responsibility, aiming to minimize impacts throughout the value chain — from research and development, procurement, production, storage, and distribution, to marketing and consumer engagement. Our environmental approach focuses on 3 key areas:

1. Assessing and Managing Environmental Impacts

Analyze the environmental impacts of organizational activities, establish control measures, and disclose relevant information to the public.

2. Promoting an Environmental Corporate Culture

Organize activities to raise knowledge, awareness, and collaboration on environmental issues among employees, partners, customers, and communities, embedding environmental values and ethics as an integral part of corporate culture.

3. Compliance with Laws and International Standards

Strictly adhere to environmental regulations and implement international standards in business operations to enhance sustainability.

Karmarts is committed to cultivating a “Green Culture” by integrating systematic environmental management throughout the value chain, creating business value alongside sustainable social and environmental development.

– Environmental Objectives

1. Reduce Environmental Impacts from Business Operations

Utilize environmentally friendly raw materials and packaging, while minimizing waste and greenhouse gas emissions across all production processes.

2. Foster a Green Corporate Culture

Promote environmental awareness among employees, partners, customers, and communities, and encourage participation in environmental initiatives.

3. Ensure Compliance with Environmental Laws and International Standards

Mitigate legal risks and enhance corporate credibility through strict adherence to regulations and international standards.

– Environmental Strategies

1. Manage Environmental Impacts

Continuously assess, monitor, and systematically mitigate environmental impacts arising from all organizational activities.

2. Sustainable Product and Process Development

Utilize environmentally responsible materials and packaging, and integrate clean technologies and innovative solutions into production processes.

3. Awareness Building and Stakeholder Engagement

Promote environmental knowledge and responsible behaviors among employees, partners, and communities through training, campaigns, and CSR initiatives.

4. Compliance with Laws and International Standards

Implement environmental management systems in accordance with global standards, such as ISO 14001, to ensure credibility, regulatory compliance, and long-term sustainability.

Karmarts recognizes the critical importance of environmental protection and resource efficiency in achieving sustainable business growth. To minimize environmental impacts and promote eco-friendly operations, the company focuses on key areas including:

- Energy Management
- Water Management
- Waste, Pollution, and Emissions Management
- Greenhouse Gas Management

Through the adoption of international best practices and advanced technologies, Karmarts seeks to harmonize business expansion with responsible environmental stewardship, ensuring long-term value for both society and the planet.

3.1 Energy Management

Effective energy management is essential for industries seeking to balance supply and demand while addressing fluctuations in production costs tied to energy consumption. Understanding this challenge, the Company is committed to improving energy efficiency across its operations. Energy conservation is an integral part of the Company's operations, with continuous improvements in resource efficiency tailored to business needs. Responsibility for energy conservation lies with management and employees at all levels.

Energy Policy

The Company is firmly committed to the continuous development of its products and organization, alongside effective energy management. Recognizing the critical importance of energy, the Company considers energy management a key responsibility for all levels of management, who are expected to actively support and take direct accountability for related initiatives. Likewise, all employees are responsible for collaborating to ensure the ongoing and sustainable management of energy. These efforts aim to guarantee that energy operations remain efficient and generate maximum benefit. The corporate energy policy is as follows:

1. Assess and control energy consumption to continuously improve energy efficiency in a manner appropriate to the Company's energy use.

Performance

Over the past year, the Company has implemented continuous energy conservation measures and engaged employees in organizational energy management activities. These initiatives aim to foster and promote awareness of energy use and conservation. In 2025, the total energy consumption is as follows:

(Unit : THB million)

TYPE	KMTH's Headquarters			Factory in Rayong			Total		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Fuel Cost	15.51	14.13	11.90	0.90	1.04	1.10	16.41	15.17	13.00
Diesel Consumption (Liters)	349,122.97	436,563.43	368,396.46	29,898.16	35,211.34	36,670.47	379,021.13	471,774.77	405,066.93
Gasoline Consumption (Liters)	140,267.56	-	-	87.67	-	-	140,355.23	-	-
Electricity Expense	6.57	6.14	6.23	2.51	2.86	2.63	9.08	9.00	8.86
Electricity Usage (Kilowatts)	1,375,179.00	1,265,778.62	1,188,032.00	525,400.00	586,040.00	503,340.00	1,900,579.00	1,851,818.62	1,691,372.00

Electric and Hybrid Vehicle Support Program

To ensure efficient and timely product delivery and distribution, while maximizing customer satisfaction, the Company actively promotes and supports the use of electric vehicles (EVs) and hybrid vehicles within its transportation system. This initiative aims to enhance energy efficiency, reduce environmental pollution, lower greenhouse gas emissions, and contribute to the achievement of Net Zero targets.

Transitioning from fuels to electricity for the Company's transport fleet offers clear economic and environmental advantages:

Economic Benefits

- Reduced fuel costs: Electricity is considerably less expensive per kilometer than traditional fuel, generating long-term cost savings.

Environmental Benefits

- Lower greenhouse gas emissions: The use of electric energy reduces direct fuel combustion, thereby decreasing CO₂ and other greenhouse gas emissions that contribute to global warming.
- Reduced air pollution: Electric vehicles produce no exhaust emissions, including particulate matter (PM_{2.5}), which is harmful to human health.

The Company is dedicated to reducing its environmental impact and advancing the transition toward environmentally responsible business practices in line with ESG principles (Environment, Social, Governance). As part of this commitment, the Company has launched a project to deploy 100% electric delivery vehicles, replacing conventional fuel-powered trucks.

In 2024, 1 electric delivery vehicles were procured and put into operation for product distribution. In 2025, the fleet was expanded with an additional 5 vehicles, bringing the total to 6, to support deliveries to stores across Bangkok and its metropolitan area. This initiative not only reduces reliance on fossil fuels but is also expected to lower carbon dioxide (CO₂) emissions.

The Company recognizes the importance of all stakeholders, including customers, communities, and the environment. By reducing air and noise pollution, improving transportation safety, and demonstrating responsible business practices, this project creates lasting value for society.

The deployment of electric delivery vehicles marks a major step in the **Company's decarbonization of logistics** and is a key element of its sustainable business strategy, balancing economic growth, environmental stewardship, and social responsibility.

3.2 Water Resource Management

Water is a vital natural resource, valued by all stakeholders due to its limited availability and essential role in human life. Inefficient water management can lead not only to shortages but also to environmental impacts from discharging water below required quality standards into public water sources, potentially causing conflicts with local communities and other water users. Such issues may affect the Company's business credibility.

Management Approach

The Company is committed to sustainable water management across all operations, ensuring responsible use during production and maintaining environmental quality afterward. All measures comply with legal requirements and consider local community water needs, while proactively addressing risks of water scarcity. Key initiatives include:

1. Maintenance of the water supply system to ensure optimal efficiency and readiness at all times.
2. Installation of wastewater treatment systems prior to discharge into public drainage systems.

Water Resource Management Performance

Water Usage Data

Item	Unit	Year		
		2023	2024	2025
Total Municipal Water Usage	Cubic Meters	19,409	21,750	24,251
KARMART's Headquarters Water Usage	Cubic Meters	10,858	12,190	15,630
Rayong Factory Water Usage	Cubic Meters	8,551	9,560	8,621
Total Municipal Water Expenses	THB	364,226.08	468,334.92	492,490.00
KARMART's Headquarters Water Expenses	THB	178,546.08	229,334.92	276,965.00
Rayong Factory Water Expenses	THB	185,680.00	239,000.00	215,525.00

The Company manages water consumption efficiently and ensures that wastewater is properly treated prior to discharge into the public system, in compliance with environmental standards. In 2024, total water consumption amounted to 24,251 cubic meters, increasing by 2,501 cubic meters, or 11.50%, compared to the previous year, primarily reflecting higher operational activities.

3.3 Waste, Residue, and Pollution Management

The Company prioritizes effective management of operational waste, especially hazardous materials, as improper handling or accidental release could lead to higher disposal costs, damage to its reputation, and potential health risks for employees and nearby communities.

Waste Management Policy

Committed to sustainable coexistence with society and the environment, the Company promotes environmentally responsible business practices and upholds social responsibility. Guided by the 3R principles (Reduce, Reuse, Recycle), the Company has established a comprehensive waste management policy to ensure best practices in handling waste arising from both production processes and administrative operations.

Waste and Waste Management Plan

The Company places importance on sustainable waste, waste materials, and pollution management with a focus on minimizing impacts on the environment, communities, and employees through the following key approaches:

- **Policies and Practices**
Apply the 3R principles (Reduce, Reuse, Recycle) to control and manage waste generated from production processes and operational activities.
- **Safe Waste Management**
Segregate and dispose of various types of waste through legally authorized service providers, while implementing quality control and appropriate raw material selection to reduce waste at the source.
- **Efficient Resource Utilization**
Reduce the use of paper and office supplies through digital systems and online meetings, and implement an ERP system to support systematic and efficient organizational resource management.
- **Green Industry Initiatives**
Participate in environmental responsibility programs both within and outside the organization, fostering an environmentally friendly corporate culture.
- **Awareness and Campaigns**
Promote the reduction of plastic bag usage, minimize office waste, and encourage online meetings to reduce resource consumption and pollution.

Waste Management Performance

In 2025, the Company disposed of waste through licensed waste management service providers in compliance with regulatory requirements, totaling 13,570 kilograms, with a total product value of Baht 1,204,915.03.

Waste and Residue Management: Quantities and Associated Costs

Item	Unit	Year		
		2023	2024	2025
Total Waste and Residue	Kilograms	51,450	36,911	13,570
Total Value of Waste Disposal	THB	20,440,302.66	9,660,069.01	1,204,915.03
Waste-to-Revenue Ratio*	Kilograms/ THB 1,000	0.002	0.001	0.001

Management of Waste and Unused Materials

The Company ensures that waste and unused materials generated from production processes or other activities are managed safely, in full compliance with legal requirements, and in an environmentally responsible manner. This includes proper storage, transportation, and disposal to prevent any adverse impact on the environment. Waste segregation is conducted according to the Company's Waste Management Operational Guidelines, which classify waste into 3 categories: community waste, general waste, and chemical waste, with all disposal carried out through legally authorized waste management providers.

Performance

Aligned with its Environmental and Waste Management Policies, the Company prioritizes the efficient and responsible use of resources. High-quality raw materials are carefully selected to minimize waste generation, and rigorous procedures for material receipt, storage, and handling ensure operational safety and quality control.

Green Culture Project

Committed to sustainability, the Company has transitioned toward a green industry model following the Ministry of Industry's guidelines. The program supports continuous improvement and reinforces social and environmental responsibility across the organization and its supply chain, making eco-friendly practices a core aspect of the corporate culture.

Performance

'Say No to Plastic Bags' Campaign

The Company has initiated a campaign to reduce the use of plastic bags, promoting employee participation in addressing environmental challenges while raising awareness about the detrimental effects of plastic and plastic waste.

Since January 2021, the Company's retail outlets have committed to eliminating the distribution of plastic bags. Employees are encouraged to carry reusable bags and refrain from accepting plastic bags, contributing to the collective effort to minimize plastic waste.

Paper Reduction and Digital Transformation Initiative

Paper Usage Statistics

Paper Consumption	2024	2025
Quantity (reams)	–	5,505

The Company is advancing toward Digital Transformation by leveraging technology to optimize resource use across departmental workflows. This includes reducing paper consumption in approval processes, leave applications, overtime claims, and surveys by replacing printed forms with electronic files. These efforts encourage employees to minimize paper and office supply usage while promoting operational efficiency.

In 2026, the Company plans to implement an Enterprise Resource Planning (ERP) system to streamline organizational resource management across finance, production, procurement, sales, inventory, human resources, and customer service. By consolidating data into a single system, the ERP will enhance workflow efficiency, reduce duplication, and enable management to make informed, real-time decisions.

Environmentally Friendly Meetings

The Company emphasizes resource-efficient and environmentally responsible meetings. Efforts include minimizing waste and avoiding chemicals harmful to health and the environment. Documents are primarily shared digitally for download, and when printing is necessary, double-sided printing is encouraged, with quantities kept to a minimum. Online platforms such as Zoom are actively used for internal and external meetings and training, further reducing paper consumption and promoting sustainability.

3.4 Greenhouse Gas Management

The Company acknowledges the profound impact of climate change and remains steadfast in its commitment to reducing greenhouse gas emissions across its operations. To this end, data on key energy and resource usage are systematically collected, including:

- Fuel consumption in transportation and machinery operations
- Electricity consumption within offices and production facilities
- Water usage in manufacturing processes and internal activities

These data are converted into carbon dioxide equivalent (CO₂e) emissions in accordance with the guidelines of the Thailand Greenhouse Gas Management Organization (TGO) and the GHG Protocol to determine the Carbon Footprint of Organization (CFO). The results provide a benchmark for establishing future reduction targets.

The Company continues to implement various greenhouse gas reduction initiatives, including:

- Enhancing energy efficiency through the replacement of traditional lighting with LED systems
- Transitioning to clean and renewable energy sources, such as solar power
- Promoting efficient water management practices
- Encouraging the use of electric vehicles (EVs) for product transportation

These initiatives underscore the Company's unwavering commitment to mitigating greenhouse gas emissions and advancing Thailand's national aspirations toward Carbon Neutrality and Net Zero Emissions.

Electricity and Fuel Consumption

Item	KMTH's Headquarters			Factory in Rayong			Total		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Diesel Consumption (Liters)	349,122.97	436,563.43	368,396.46	29,898.16	35,211.34	36,670.47	379,021.13	471,774.77	405,066.93
Gasoline Consumption (Liters)	140,267.56	-	-	87.67	-	-	140,355.23	-	-
Electricity Usage (Kilowatts)	1,375,179.00	1,265,778.62	1,188,032.00	525,400.00	586,040.00	503,340.00	1,900,579.00	1,851,818.62	1,691,372.00

Water Management

Item	KMTH's Headquarters			Factory in Rayong			Total		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Water Consumption (m ³)	15,630	12,190	10,858	8,621	9,560	8,551	24,251	21,750	19,409

4 Social Sustainability Management



Karmarts Public Company Limited conducts its business with consideration for social responsibility and all stakeholders under the principles of good governance, equality, and human rights. Social dimensions are integrated into all processes across the value chain, from personnel management, production, and distribution, to active community development participation, aiming to create sustainable growth together with society.

The Company's social operations cover 4 key areas:

1. Labor management and human rights
2. Personnel development and capacity building
3. Community and social development
4. Stakeholder relationship management

The Company has established a Corporate Social Responsibility & Human Rights Policy to serve as a framework for operations and appointed a sustainability task force responsible for monitoring, evaluation, and reporting to the Board of Directors annually.

4.1 Labor Management and Human Rights

Karmarts Public Company Limited emphasizes labor management and respect for human rights in all aspects of business operations, adhering to the principles of equality, human dignity, and social responsibility. The Company aims to create a fair, safe, and sustainable working environment while maintaining positive relationships with all stakeholders throughout the value chain.

Approach to Fair, Equitable, and Human-Rights-Respecting Management of All Employees

The Company manages labor under principles of equity, fairness, and respect for human rights, complying with Thai labor laws and international labor standards to ensure a safe, transparent work environment that promotes employees' quality of life sustainably.

1. Human Rights Policy

The Company firmly upholds human rights principles as a core element of its business practices. This commitment extends to all stakeholders, including employees, communities, society, business partners, and entities within the supply chain, as well as the preservation of natural resources and the environment. To ensure that our operations do not contribute to human rights violations or cause harm, whether directly or indirectly, the Company has established a human rights policy in alignment with applicable legal frameworks and international standards, such as the Universal Declaration of Human Rights (UDHR).

Guidelines for Human Rights Practices

1. Respect for Human Rights – The Company is committed to treating all individuals with respect and dignity, ensuring equality regardless of physical or mental conditions, race, nationality, ethnicity, religion, gender, language, age, skin color, education, social status, culture, customs, or any other characteristics.

2. Preventing Human Rights Violations – The Company takes a proactive approach to prevent human rights violations by exercising caution in its operations, monitoring compliance, and fostering a corporate culture that upholds human rights principles.

3. Supporting Human Rights Protection – The Company actively promotes human rights protection initiatives and supports measures that enhance respect for fundamental rights in business operations.

4. Engagement with Business Partners – The Company educates, communicates, and provides guidelines to suppliers, contractors, and business partners throughout its supply chain. This ensures ethical business conduct, adherence to human rights principles, and fair treatment of all stakeholders.

5. Monitoring and Reporting – Employees and stakeholders must remain vigilant and report any suspected human rights violations. Reports should be submitted to supervisors or designated personnel for investigation through established channels.

6. Fairness and Protection for Whistleblowers – The Company guarantees fair treatment and protection for individuals who report human rights violations. Confidentiality and non-retaliation measures are in place to safeguard whistleblowers.

7. Continuous Improvement – The Company develops and implements ongoing human rights management processes to identify, assess, and mitigate human rights risks and impacts.

8. Review and Remediation – The Company regularly reviews, monitors, and updates its human rights policies. It also provides support and cooperation to remedy any human rights violations that may occur.

9. Fostering a Human Rights-Centered Corporate Culture – The Company is committed to embedding human rights values into its corporate culture, ensuring that respect for human rights is a fundamental principle of its operations.

10. Accountability and Consequences – Any individual found to be in violation of human rights principles will be subject to disciplinary action in accordance with company policies. In cases where violations breach legal regulations, offenders may also face legal consequences.

Target	Performance in the Past Year
Number of human rights violations: 0	Actual number of human rights violations: 0

2. Fair and Equitable Treatment of Employees

The Company regards human resources as the driving force of the organization and emphasizes fair, equitable, and non-discriminatory labor practices across all processes, including recruitment, compensation, development, and promotions. The Company also supports employment opportunities for persons with disabilities and underprivileged groups, fostering stable and sustainable career paths. Furthermore, the Company promotes cooperative labor relations through a transparent system that respects human rights and complies with labor laws and international standards.

2.1 Labor Relations Policy

The Company believes that human resources are the core driver of its operations and a key factor in enhancing organizational competitiveness. It places great importance on fair labor practices and the respect of human rights, ensuring equitable and non-discriminatory treatment in all aspects of employment, including hiring, compensation, promotion, training, and employee development, without discrimination based on gender, age, educational background, ethnicity, or religion. The Company also supports the employment of disadvantaged groups, including persons with disabilities, to provide opportunities for stable careers and income, contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). Recruitment, employee satisfaction and motivation, performance evaluation, and employee engagement are regarded as essential foundations that drive the Company toward sustained business success. Consequently, the care and management of employees and labor relations are considered a key priority for the Company.

Management Approach to Fair Labor Practices and Human Rights Across All Levels

The Company prioritizes fundamental human rights and upholds fair and equitable treatment of all employees at every level, ensuring that no labor rights are violated. Our policies align with Thai Labor Standards (TLS8001-2010) set by the Ministry of Labor. These principles are embedded in our Business Code of Conduct, covering the following key aspects:

1. Fair Treatment Based on Rights and Liberty – personal data, such as profiles, health records, and work experiences, are safeguarded against unauthorized disclosure or transfer to unrelated parties.
2. Respect for Humanity, Equality and Workforce Diversity – employees are entitled to equal treatment without discrimination based on physical attributes, race, nationality, religion, gender, age, education, or other factors. Fair treatment practices extend to all stakeholders associated with the organization. Additionally, the Company actively promotes gender diversity by providing equal opportunities for women to attain leadership or senior management roles, thereby fostering a diverse talent pool. In 2025, 58.82% of senior management positions at the director level and above were held by women, demonstrating the Company's dedication to fostering a diverse and inclusive workplace.
3. Employment Practices and Compensation – The Company ensures fair and transparent employment processes, including equitable hiring practices, employment conditions, and compensation structures. Employee remuneration and performance recognition are determined through a fair and structured performance evaluation process.
4. Employee Development and Training – The Company actively promotes employee growth and skill enhancement by organizing training programs, seminars, and workshops, as well as facilitating employees' participation in relevant academic and professional training. These initiatives aim to enhance employees' knowledge, skills, and potential, while also instilling a positive mindset, ethical values, and a strong sense of teamwork within the organization.
5. Equal Employment Opportunities for Persons with Disabilities – The Company is committed to providing equal employment opportunities for persons with disabilities in compliance with the Persons with Disabilities Empowerment Act, B.E. 2550 (2007). In adherence to the legal requirements under Section 35, the Company has exercised its right to support persons with disabilities by granting concessions for designated spaces to sell goods or provide services. In 2025, the Company employed a total of 12 persons with disabilities, exceeding the number required by law, as follows:

Employee Type	Male	Female	Total
Employees	313	858	1,171
Employees with Disabilities	5	7	12
Total	318	865	1,183

6. Employee Welfare Committee

The Company provides employee welfare in accordance with applicable laws and supports the establishment of an Employee Welfare Committee. Employees are encouraged to participate as members of the Committee, which is responsible for overseeing employee welfare, working conditions, handling complaints, and monitoring labor practices to prevent inappropriate conduct. The Committee also establishes guidelines for problem resolution, as well as monitors progress and outcomes to ensure effective implementation. This framework ensures that all employees are treated fairly and equitably in terms of health, welfare, compensation, and benefits. The Company organizes elections for the Welfare Committee, allowing employees to elect their representatives to serve as committee members. The Committee serves a two-year term (26 February 2026 – 25 February 2027).

7. Health and Safety Services – The Company provides annual health check-up services for employees at all levels. The health screening program is tailored based on risk factors such as age, gender, and work environment.

8. Safe and Life-Enhancing Work Environment – The Company places great importance on creating a safe, healthy, and supportive work environment that enhances employees' quality of life. It has established an Occupational Health and Safety Management System that meets recognized standards, and regularly conducts training on safety and human rights. In addition, the Company promotes employees' physical and mental well-being through health activities, annual medical check-ups, and work-life balance initiatives.

Workplace Safety Performance 2025

- 1. Work-related injuries causing absence: 7 cases

Work-Related Injury and Accident Statistics

	2023	2024	2025
Number of work-related injuries or accidents resulting in lost time (cases)	4	3	7
Number of employees injured in work-related incidents resulting in at least 1 day of lost work (persons)	3	3	7
Percentage of employees injured in work-related incidents resulting in at least 1 day of lost work (%)	0.33	0.28	0.59
Number of work-related fatalities (persons)	0	0	0
Percentage of employees who died from work-related incidents (%)	0.00	0.00	0.00

2. Fire Drill and Evacuation Training:

On 28 November 2025, the Company conducted a firefighting and evacuation drill training program to prevent loss of life and property, enhance employees' confidence in safety measures, reduce the risk of fire incidents, and promote a positive relationship between employees and the Company. A total of 35 employees attended the training session, and 350 employees participated in the evacuation drill.



9. Compensation and Additional Employee Welfare – The Company upholds a fair compensation policy, ensuring career stability and equal opportunities for professional advancement. In addition to legally mandated benefits such as social security, the Company provides additional employee welfare programs, including uniform allowances and various financial assistance programs. These include funeral support for employees in the event of the passing of their parents and educational scholarships for employees' children.

4.2 Talent Development and Capacity Enhancement

Recruitment and Selection Policy

The Company is committed to recruiting and selecting personnel whose qualifications match the requirements of the position, following principles of transparency, fairness, and verifiability, to support the organization's continuous and sustainable growth.

The Company's recruitment and selection process emphasizes the use of modern technologies and tools to enhance efficiency, accuracy, and reliability at every step. Additionally, the Company focuses on building a positive image and proactive communication to attract potential talent and new-generation employees.

Recruitment and Selection Principles

The Company's recruitment and selection processes are conducted based on the principles of fairness, equality, and transparency, with all stages subject to verification. Candidates are evaluated primarily based on their qualifications, experience, knowledge, competencies, and expertise relevant to the position. The Company strictly prohibits discrimination on the basis of gender, age, race, religion, disability, or any other factors unrelated to job performance.

Principles

1. Job vacancies are announced through diverse channels, without discriminatory language or conditions, to provide equal opportunities for all candidates.
2. Candidate selection is based on qualifications, knowledge, skills, and expertise relevant to the position, without discrimination based on gender, age, ethnicity, religion, disability, or any other factor unrelated to the work.

3. Appropriate and varied selection methods are applied, utilizing modern technology to identify candidates who best meet the position's requirements.
4. Employment types, conditions, and work systems are established to be fair, appropriate, and transparent.
5. Compensation and benefits are offered in alignment with the candidate's qualifications and position standards.
6. Personal information of applicants is safeguarded and not disclosed to unauthorized individuals.

Employee Development and Motivation

The Company recognizes human resources as valuable capital and a key driver of sustainable organizational growth. It is committed to fostering the continuous development of employees' knowledge, skills, competencies, and potential, in line with both social and business changes. The goal is to balance individual career advancement with organizational stability, enhancing competitiveness and creating long-term value for all stakeholders.

To support this, the Company has established a comprehensive and systematic personnel development policy that ensures equitable, inclusive, and non-discriminatory opportunities. Development initiatives are tailored to individual training needs and aligned with organizational strategies. Budgets and development plans are allocated to each department to equip employees with the knowledge and skills required to achieve future business objectives.

Principles

Human resource development is a key factor in preparing employees for career growth, enhancing their capabilities and performance, and enabling them to adapt to potential changes. An organization with capable personnel is better positioned to achieve rapid growth and become a high-performance organization.

Policy Guidelines

1. Ensure that employee development is conducted in a comprehensive, equitable, and non-discriminatory manner, taking into account individual training needs relevant to each role to support career advancement.
2. Allocate appropriate budgets and development plans for each department to enhance employees' knowledge and competencies, enabling them to effectively support operational plans and business objectives.
3. Encourage and support employees to continuously learn new skills, both internally and externally, particularly in areas related to technology and innovation, to improve work processes and enhance efficiency.
4. Promote a learning culture by organizing activities that encourage knowledge sharing, exchange of experiences, and diverse perspectives, fostering employee engagement and organizational development.
5. Ensure that access to training opportunities is granted fairly and without discrimination.
6. Implement a performance evaluation system that fairly and transparently reflects employees' capabilities and work outcomes, while supporting continuous learning and development to enhance individual potential.

7. Require employees to establish individual development roadmaps, supported by individual development plans (IDPs) based on performance evaluation feedback, to strengthen and enhance their capabilities.
8. Assign responsibility to supervisors to actively support and encourage employee development, ensuring continuous improvement in knowledge, skills, and overall competencies.

Employment Information

1. Employment

	2023	2024	2025
Total employment (persons)	900	1,088	1,183
Percentage of total employees (%)	100.00	100.00	100.00
Total employees (persons)	900	1088	1,183
Male employees (persons)	248	312	318
Percentage of male employees (%)	27.56	28.68	26.88
Female employees (persons)	652	776	865
Percentage of female employees (%)	72.44	71.32	73.12

Number of Employees by Age

	2023	2024	2025
Employees under 30 years old (persons)	434	548	612
Percentage of employees under 30 years old (%)	48.22	50.37	51.73
Employees aged 30–50 years (persons)	421	491	519
Percentage of employees aged 30–50 years (%)	46.78	45.13	43.87
Employees over 50 years old (persons)	45	49	52
Percentage of employees over 50 years old (%)	5.00	4.50	4.40

Number of Male Employees by Age

	2023	2024	2025
Male employees under 30 years old (persons)	120	158	160
Percentage of male employees under 30 years old (%)	48.39	50.64	50.31
Male employees aged 30–50 years (persons)	116	132	144
Percentage of male employees aged 30–50 years (%)	46.77	42.31	45.28
Male employees over 50 years old (persons)	12	22	14
Percentage of male employees over 50 years old (%)	4.84	7.05	4.41

Number of Female Employees by Age

	2023	2024	2025
Female employees under 30 years old (persons)	314	390	352
Percentage of female employees under 30 years old (%)	48.16	50.26	52.25
Female employees aged 30–50 years (persons)	305	359	375
Percentage of female employees aged 30–50 years (%)	46.78	46.26	43.35
Female employees over 50 years old (persons)	33	27	38
Percentage of female employees over 50 years old (%)	5.06	3.48	4.40

Number of Employees by Position Level

	2023	2024	2025
Operational level employees (persons)	812	985	1,059
Percentage of operational level employees (%)	90.22	90.53	89.52
Number of management level employees (persons)	75	87	107
Percentage of management level employees (%)	8.33	8.00	9.01
Senior executives (persons)	13	16	17
Percentage of senior executives (%)	1.44	1.47	1.47

Number of Male Employees by Position Level

	2023	2024	2025
Male operational level employees (persons)	228	283	280
Percentage of male operational level employees (%)	91.94	90.71	88.05
Male management level employees (persons)	15	23	31
Percentage of male management level employees (%)	6.05	7.37	9.75
Male senior executives (persons)	5	6	7
Percentage of male senior executives (%)	2.02	1.92	2.20

Number of Female Employees by Position Level

	2023	2024	2025
Female operational level employees (persons)	584	702	779
Percentage of female operational level employees (%)	89.57	90.46	90.06
Female management level employees (persons)	60	64	76
Percentage of female management level employees (%)	9.20	8.25	8.79
Female senior executives (persons)	8	10	10
Percentage of female senior executives (%)	1.23	1.29	1.15

1. Compensation and Benefits Management Policy

Principles

The Company's compensation structure applies to all employees. Compensation is determined based on job responsibilities, skills, knowledge, competencies, and performance. The Company ensures that compensation and benefits are not lower than legal requirements, while remaining competitive in the labor market to attract and retain qualified personnel.

Policy Guidelines

1. Employee compensation is determined based on each position, taking into account professional experience, responsibilities, job complexity, and labor market conditions. Compensation levels are benchmarked against industry standards to ensure competitiveness and support the Company's ability to attract and retain talent.
2. Bonus payments are determined primarily based on the Company's performance and policies.
3. The Company provides a comprehensive range of benefits, not less than those required by law, to promote employee well-being and to provide long-term security for employees and their families after retirement.

Employee Compensation Information

	2023	2024	2025
Total employee compensation (THB)	292,524,377.91	363,458,740.47	432,881,699.55
Male employee compensation (THB)	80,619,718.55	104,894,192.50	116,362,113.66
Female employee compensation (THB)	211,904,659.36	258,564,547.97	316,519,585.89

Provident Fund (PVD) for Employees

	2023	2024	2025
Number of employees participating in the PVD (persons)	372	403	430
Percentage of employees who are PVD members (%)	41.33	37.04	36.16
Amount contributed by the Company to the Provident Fund (THB)	2,279,568.00	2,607,294.00	2,881,617.57
Percentage of the Company's contribution relative to total employee compensation (%)	0.78	0.72	0.67

2. Employee Satisfaction and Motivation

The Company's success relies on highly capable employees. Accordingly, the Company has established policies and practices designed to enhance employee satisfaction and motivation, including providing opportunities to demonstrate their potential, offering competitive rewards, and supporting career advancement. Key initiatives include:

- Participating in compensation surveys to benchmark the Company's pay and benefits against the external market. The Company uses the survey data to adjust salary structures and performance-based rewards to ensure competitiveness.

- Establishing clear criteria for appointments and promotions to provide fair and standardized opportunities for high-performing and high-potential employees.
- Setting individual performance indicators aligned with the Company's goals and strategies to clearly drive individual performance and link it to the reward system.
- Developing career development plans for employees, including individualized plans for high-performing employees, to prepare them for higher positions.
- Providing a wide range of benefits and entitlements exceeding legal requirements, ensuring fairness and market competitiveness.

3. Employee Engagement

The Company recognizes that employees are a key resource in driving sustainable organizational growth. Efforts are focused on fostering engagement, satisfaction, and motivation through measures such as recognizing long-serving employees, creating a fair and safe working environment, and promoting continuous growth and development opportunities.

Key Achievements in 2025

1. Awarded the Long Service Award to 20 long-serving employees to express appreciation and boost morale.
2. Recorded 579 voluntary resignations, representing 48.94% of the workforce.
3. Employee engagement scores declined by 4.76% compared to 2024.
4. No significant labor disputes occurred during the year.

Overall Employees

	2023	2024	2025
Total voluntary resignations (persons)	352	493	579
Male employees who voluntarily resigned (persons)	97	102	124
Female employees who voluntarily resigned (persons)	255	391	455
Percentage of employees who voluntarily resigned (%)	39.11	45.31	48.94

4. Employee Development and Motivation

The Company recognizes human resources as valuable capital and a key driver of sustainable organizational growth. It is committed to fostering the continuous development of employees' knowledge, skills, competencies, and potential, in line with both social and business changes. The goal is to balance individual career advancement with organizational stability, enhancing competitiveness and creating long-term value for all stakeholders.

To support this, the Company has established a **comprehensive and systematic personnel development policy** that ensures equitable, inclusive, and non-discriminatory opportunities. Development initiatives are tailored to individual training needs and aligned with organizational strategies. Budgets and development plans are allocated to each department to equip employees with the knowledge and skills required to achieve future business objectives.

Key Implementation Approaches:

- Develop a Training and Development Plan to provide equal career advancement opportunities.
- Promote continuous learning and reskilling/upskilling to align with business directions and modern technology.
- Support learning through training, seminars, workshops, and study visits, both within and outside the organization.
- Foster a learning-oriented organizational culture, encouraging knowledge sharing, experience exchange, and teamwork to build a strong learning environment.
- Require employees to create Individual Development Plans (IDP) based on performance evaluations to enhance potential and address skill gaps.
- Improve performance evaluation systems to ensure fairness, transparency, and accurate reflection of employee potential, serving as a basis for development planning and promotions.
- Assign supervisors at all levels to actively support, encourage, and guide employee development within their teams.

Employee Development Performance in 2025

1. Employee Training and Development

	2023	2024	2025
Employee development plan as part of annual performance evaluation	Implemented	Implemented	Implemented
Average training hours per employee: (hours/person/year)	6	6	6
Employee development expenditure (THB)	59,811.00	796,792.00	374,158.96

2. Employee Training Program: "Karmart Economic Forum 2026"

Karmarts Public Company Limited organized an internal training program titled "Karmart Economic Forum 2026" on 22 November 2025, with 120 employees participating. The program aimed to enhance employees' knowledge and understanding of ESG (Environmental, Social, and Governance) trends and the Company's direction toward sustainable business operations.

The training covered key topics including carbon footprint management, approaches to reducing environmental impacts within the cosmetics industry, as well as social responsibility and corporate governance practices aligned with international standards. The program was designed to enable employees to apply this knowledge in their work and support the Company's long-term sustainable growth.



4.3 Community and Social Development (CSR)

Recognizing its responsibility to the community and society, the Company has implemented policies to support social development through initiatives in education, healthcare, religion, and other public welfare programs.

With a strong commitment to social responsibility and environmental stewardship, the Company prioritizes the well-being and safety of all stakeholders. Employees are encouraged to develop environmental and social awareness and act responsibly.

The Company also actively promotes initiatives that improve quality of life and strengthen community well-being, while using resources and expertise efficiently and sustainably. Full compliance with relevant laws and regulations is maintained, and environmentally friendly products and raw materials are continually developed.

Operations are regularly monitored and assessed to prevent any negative impacts on surrounding communities, with a focus on minimizing environmental effects and protecting quality of life. In 2025, no complaints from the community were reported.

Throughout its business operations up to 2025, the Company remains committed to social responsibility by driving CSR activities with a creative mindset to contribute to the sustainable development of Thai society. This effort is coordinated internally and integrated with business partners, stakeholders, and interested parties, generating synergy and serving as a key mechanism for driving various initiatives. These activities include supporting communities, schools, and foundations through donations of essential items such as hand sanitizers, cosmetics, body care products, and skincare products.

Corporate Social Responsibility

1. Donation of Essential Products to the Department of Women's Affairs and Family Development (DWF)

The Company donated essential products and necessities, including shower cream and cosmetics, to the Department of Women's Affairs and Family Development, located at Floors 12–14 (New Building), 1034 Krung Kasem Road, Khlong Maha Nak Subdistrict, Pom Prap Sattru Phai District, Bangkok 10100, for distribution to inmates at a women's correctional facility. The donation, made on 6 March, 2025, comprised 2,707 items valued at 146,423 Baht.



2. Donation of Essential Products to the Ruam Kusol Samut Prakarn Foundation

The Company donated essential products and necessities, including shower cream, moisturizing cream, perfume, toothpaste, wet tissues, alcohol gel, and cosmetics, to the Ruam Kusol Samut Prakarn Foundation, located at 57/1 Soi Taiban 17, Yak Soi 1, Pak Nam Subdistrict, Mueang Samut Prakan District, Samut Prakan 10270, to support public charitable activities. The donation, made on 25 March, 2025, comprised 12,787 items valued at 683,981 Baht.



3. Donation of Essential Products to the Pran Pitak Rescue Foundation

The Company donated essential products and necessities, including shower cream, moisturizing cream, shampoo, perfume, toothpaste, toothbrush, alcohol gel, dishwashing liquid, and cosmetics, to the Pran Pitak Rescue Foundation, located at 91 Soi 3, Tha Talat Subdistrict, Sam Phran District, Nakhon Pathom, for distribution to underprivileged individuals in various communities. The donation, made on 11 April, 2025, comprised 3,651 items valued at 313,416 Baht.



4. Donation of Essential Products to the Hook 31 (Nakhon Ratchasima) Rescue Foundation

The Company donated essential products and necessities, including shower cream, moisturizing cream, perfume, and cosmetics, to the Hook 31 (Nakhon Ratchasima) Rescue Foundation, located at Cheng Ngam Tang Temple Headquarters, No. 19, Moo 2, Ban Green, Bypass Road (Pak Thong Chai – Chor Hor), Nong Chabok Subdistrict, Mueang District, Nakhon Ratchasima 30000. The donation, made on 11 April, 2025, comprised 10,519 items valued at 1,074,743 Baht.

5. Donation of Cosmetic Products to the Bring Loved Ones Home Project

The Company donated cosmetic products to the Bring Loved Ones Home Project, located at 139 Moo 1, Kaeng Phak Kut Subdistrict, Tha Luang District, Lopburi 15230. The donation, made on 11 April, 2025, comprised 11,173 items valued at 1,016,930 Baht



6. Donation of Cosmetic Products to the Beautiful After Death Free Mortuary Makeup Service

The Company donated cosmetic products to the Beautiful After Death Free Mortuary Makeup Service, located at 399/35 Moo 3, Udomsap Village, Khu Khot Subdistrict, Lam Luk Ka District, Pathum Thani 12130, for use in mortuary makeup services. The donation, made on 11 April, 2025, comprised 10,401 items valued at 1,084,486 Baht.

7. Donation of Essential Products to NEXUS Thonburi

The Company donated essential products and necessities, including toothpaste, toothbrush, and surgical masks, to NEXUS Thonburi, located at 197 Phutthamonthon Sai 1 Road, Soi 9 (Ratchamontri), Bang Duan Subdistrict, Phasi Charoen District, Bangkok 10160, for distribution to inmates at a correctional facility. The donation, made on 30 June, 2025, comprised 5,390 items valued at 354,662 Baht.

8. Donation of Cosmetic Products to the Baannokkamin Foundation

The Company donated cosmetic products under the Lip It brand to the Baannokkamin Foundation, located at 89/12 Soi Serithai 17, Serithai Road, Khlong Kum Subdistrict, Bueng Kum District, Bangkok 10240. The donation, made on August 15, 2025, comprised 905 items valued at 35,970 Baht.



9. Donation of Essential Products to the Central Investigation Bureau Foundation

The Company donated essential products and necessities, including shower cream, toothpaste, mouthwash, surgical masks, and wet tissues, to the Central Investigation Bureau Foundation, located at 1106 Phithak Santi Building, Phahonyothin Road, Chom Phon Subdistrict, Chatuchak District, Bangkok 10900, for distribution to those affected by the border clash at the Thai-Cambodia border in Chong Anma, Ubon Ratchathani Province. The donation, made on 30 August, 2025, comprised 8,970 items valued at 684,329 Baht.

This initiative reflects the Company's commitment to its corporate social responsibility (CSR) mission, fostering a culture of sharing, generosity, and sustainable social development. It further reaffirms the Company's dedication to conducting its business alongside Thai society in a stable and sustainable manner.



10. Donation of Essential Supplies to the Red Cross Society Nakhon Pathom Office

The Company donated instant noodles to the Red Cross Society Nakhon Pathom Office, located at Nakhon Pathom Provincial Hall, No. 1, Moo 6, Thanon Khat Subdistrict, Mueang Nakhon Pathom District, Nakhon Pathom 73000. The donation, made on 17 October, 2025, comprised 1,000 items valued at 28,000 Baht.



11. Donation of Oral Care Products and Essential Supplies to the Yanhee Foundation

The Company donated oral care products and instant noodles to the Yanhee Foundation, with delivery made to 53 Moo 3, Ratchaprapa Dam, Khao Pang Subdistrict, Ban Ta Khun District, Surat Thani 84230. The donation, made on 7 November, 2025, comprised 905 items valued at 35,970 Baht.



12. Donation of Cosmetic Products to the Young Women's Christian Association of Bangkok

The Company donated cosmetic products to the Young Women's Christian Association of Bangkok (YWCA of Bangkok), located at 13 Sathorn Tai Road, Thung Maha Mek Subdistrict, Sathorn District, Bangkok 10120, to support art therapy activities for young women under the care of the Baan Pranee Female Juvenile Training and Education Center. The donation, made on November 14, 2025, comprised 496 items valued at 36,945 Baht.

The art therapy activities were designed to help participants relax and alleviate stress through creative processes that nurture emotional healing and mindfulness, foster imaginative thinking, and cultivate a sense of self-worth and hope for their future



13. Donation of Oral Care Products to King Taksin Memorial Hospital (Taksin Hospital)

The Company donated oral care products to King Taksin Memorial Hospital (Taksin Hospital), located at 543 Dental Department, Taksin Hospital, Somdet Chao Phraya Road, Khlong San Subdistrict, Khlong San District, Bangkok 10600. The donation, made on November 6, 2025, comprised 345 items valued at 27,818 Baht.

4.4 Stakeholder Relationship Management

The Company recognizes the importance of all stakeholders in the business value chain and focuses on building cooperation, trust, and sustainable engagement. This is achieved through a systematic stakeholder relationship management process that defines guidelines, communication methods, and activities that address the needs and expectations of stakeholders, creating value for both the organization and society, and supporting the Company's long-term sustainable growth.

The Company has established a framework for stakeholder relationship management, categorized into 8 main groups as follows:

1. Customers

The Company is committed to conducting business responsibly, transparently, and with integrity, always prioritizing the best interests of its customers. Products and services are developed to meet international standards, ensuring a positive user experience and the highest level of customer satisfaction.

A structured system is in place to gather customer feedback, analyze future trends in products, technology, and consumer behavior, and incorporate these insights into product design. The Company strictly adheres to the Consumer Protection Act and related regulations on advertising, product labeling, and product safety.

Customer Data Privacy Policy

In accordance with the Personal Data Protection Act B.E. 2562 (2019), the Company collects, uses, and discloses personal data only as necessary for legitimate business purposes. A robust data security system is in place to prevent unauthorized access, and data subjects have the rights to access, correct, or delete their personal data as provided by law.

Responsible Marketing and Advertising Policy

The Company prioritizes responsible marketing and advertising, focusing on accuracy, transparency, and respect for consumers. All communications comply with relevant laws and regulations, and any statements that could mislead or distort the facts about products or services are avoided.

Communication of Product and Service Impacts

The Company provides complete and transparent information about products and services, ensuring that labeling includes all necessary legal details such as manufacturer, usage instructions, warnings, and other essential information to allow informed and safe purchasing decisions.

Customer Management Plan and Performance

The Company manages customer relations with a focus on responsible production and service, continuous satisfaction improvement, and strict protection of customer information.

Topic	Customer Management Plan / Practices
1. Responsible production and services for customers	<ul style="list-style-type: none"> - The Company develops the quality of its products and services to meet international standards. - Implement a quality control system to ensure product safety and compliance with legal requirements. - Comply with consumer protection laws in all production and service processes. - Continuously monitor and evaluate customer satisfaction.
2. Communicating information about the impact of products and services to customers/consumers	<ul style="list-style-type: none"> - Provide complete, transparent, accurate, and non-distorted information about products and services. - Label products according to legal requirements, such as usage instructions, warnings, and manufacturer information. - Provide knowledge or advice to customers regarding the safe use of products or services. - Prevent exaggerated advertising or misleading statements.
3. Developing customer satisfaction and strengthening customer relationships	<ul style="list-style-type: none"> - Maintain a customer feedback system to analyze needs and future trends. - Utilize data to design products and services that meet customer needs. - Develop after-sales services and communication channels with customers. - Create a positive user experience and maintain long-term customer relationships.
4. Customer Personal Data Protection	<ul style="list-style-type: none"> - Comply with the Personal Data Protection Act B.E. 2562 (2019). - Collect, use, and disclose personal data only as necessary and lawfully. - Implement security measures to prevent unauthorized access. - Grant data owners the right to access, correct, or delete data as per the law.

Performance in 2025:

No significant customer complaints were reported.

2. Suppliers / Partners

The Company maintains transparent, fair, and auditable relationships with suppliers, focusing on sustainable partnerships that enhance product quality, service standards, and social and environmental responsibility in the supply chain. This is supported through quality assessments, exchange meetings, and collaborative capacity development.

3. Competitors

The Company conducts business ethically, refraining from unfair competition practices. Benchmarking is employed to improve organizational competitiveness while maintaining integrity and sustainability.

4. Creditors / Lenders

Financial management is conducted prudently, transparently, and auditable, with timely and accurate financial disclosure, systematic debt management, and professional, fair relationships with creditors and financial institutions.

5. Employees

The Company regards human resources as a critical driver of organizational success. It focuses on motivation, development, and transparent internal communication, encouraging employee feedback, skill development, and engagement to ensure stable and sustainable growth alongside the organization.

6. Community / Society

The Company actively participates in community and social initiatives, focusing on areas where it operates and supporting local economies, education, environmental conservation, and overall public well-being. Impacts are regularly monitored and evaluated to maximize benefits for society.

7. Government / Regulators

The Company strictly adheres to all applicable laws, rules, and regulations. It actively participates in meetings, training sessions, and coordination with government agencies to exchange information and best practices. These efforts help promote public-private collaboration, reduce legal risks, and support transparent and responsible operations.

8. Shareholders / Investors

The Company prioritizes transparent, accurate, and complete business communication through annual general meetings, performance reporting, and strategic business updates to build confidence, support investment, and maintain long-term positive relationships with shareholders and investors.

Complaint and Whistleblowing Channels

Any person who has information or suspicion regarding fraud, corruption, illegal acts, violations of the Company's Code of Conduct, or deficiencies in internal control systems that may result in risks or damage to the Company's operations may report such matters directly through the following channels:

Recipients of Complaints

1. Immediate supervisors at all levels whom the employee trusts
2. Audit Committee Email : auditcommittee@karmarts.co.th
3. Internal Audit Manager Email : audit@karmarts.co.th
4. Human Resources Director Email : complaints@karmarts.co.th
5. Company Secretary Email : corporatesecretary@karmarts.co.th

The Company assures that these channels are reliable and secure, and individuals may seek advice or consultation regarding any activities, transactions, or circumstances that may be related to or potentially lead to corruption.

Complaint Procedures

1. Complaints may be submitted verbally or in writing.
2. Complaints may be submitted via email to the designated recipients or through the Company's website: www.karmarts.co.th (Email: ir@karmarts.co.th)
3. Complaints may be submitted by post to the Company's address: 81-81/1 Soi Phetchakasem 54 Yak 3, Phetchakasem Road, Bang Duan Subdistrict, Phasicharoen District, Bangkok 10160, Thailand

The Company ensures protection of whistleblowers' rights by maintaining confidentiality, restricting access to relevant personnel only, and prohibiting disclosure to third parties unless required by law.

Employee Training Program: Developing Beauty Advisors ("One Training, More Than Expected")

Karmarts Public Company Limited recognizes the importance of employee capability development as a key driver of business operations and sustainable organizational growth. Under the concept of "Developing Employees Beyond Sales Roles," the Company has implemented the training program "One Training, More Than Expected" to enhance the knowledge, skills, and motivation of its sales staff (Beauty Advisors).

This program aims to equip employees with a deeper understanding of their role as "beauty advisors," enabling them to provide accurate and appropriate guidance on skincare, makeup, and product selection. The training also focuses on enhancing communication skills, customer service capabilities, and the ability to deliver a positive customer experience, thereby elevating the Company's service standards beyond customer expectations.

During the training sessions, participants receive both theoretical knowledge and hands-on practice. The program also includes engagement activities such as team building, experience sharing, and group interactions in a friendly environment, fostering strong relationships among colleagues and strengthening employee engagement with the organization.

Objectives of the Program

1. To enhance the capabilities of sales staff to perform as professional beauty advisors, providing accurate and appropriate recommendations on skincare, product selection, and makeup.
2. To expand product knowledge and comprehensive understanding of beauty-related concepts, enabling employees to effectively communicate product features, benefits, and usage to customers.
3. To develop professional customer service skills, focusing on effective communication, delivering positive customer experiences, and confidently addressing customer needs and concerns.
4. To inspire motivation and foster a positive working mindset through team-building activities, collaborative learning, and stronger employee engagement.
5. To promote continuous learning and long-term career development, encouraging employees to recognize growth opportunities and develop into high-quality personnel.
6. To support the Company's sustainability strategy in "Human Capital", by investing in employee development to strengthen long-term organizational competitiveness.

Key Outcomes of the Program

1. Employees demonstrate improved knowledge, confidence, and professional skills in providing beauty consultation.
2. Sales performance and customer satisfaction increase as a result of enhanced service quality.

- 3. Employees develop stronger motivation and pride in their profession, leading to higher levels of organizational engagement.
- 4. A culture of continuous learning and development is fostered within the organization.

This program forms part of the Company's sustainability strategy under the Social Dimension, with a focus on developing "Human Capital" to grow alongside the organization in a stable and sustainable manner. Investment in employee knowledge and professional skills not only enhances service quality but also creates positive impacts on employees' quality of life and their families, reflecting the Company's long-term commitment to social responsibility.



Sustainable FSC Packaging Project

The Company places strong emphasis on responsible packaging management, recognizing that packaging is a key factor influencing natural resource consumption and waste generation throughout the supply chain. Accordingly, the Company has implemented the Sustainable FSC Packaging Project, adopting paper certified by the Forest Stewardship Council (FSC) to ensure that packaging materials are sourced from responsibly managed forests that consider environmental, social, and ecological impacts.

Paper packaging remains a primary material for the Company's cosmetics and consumer products. The transition to FSC-certified paper helps mitigate risks associated with sourcing materials linked to deforestation, while also reducing environmental impacts in line with circular economy principles, which aim to minimize waste and optimize resource efficiency.

Objectives of the Project

1. To increase the proportion of products utilizing FSC-certified paper packaging across the Company's core product categories.
2. To reduce the use of packaging materials with non-traceable sources.
3. To enhance consumer confidence by ensuring that packaging materials are sourced from sustainably managed origins.
4. To support the Company's environmental commitments and reduce long-term impacts on ecosystems.

In 2025, the Company transitioned the paper packaging of multiple product categories to FSC-certified materials by collaborating with FSC-certified packaging suppliers. This ensures full traceability across the supply chain, from raw material sourcing and production to labeling processes.

To achieve long-term sustainability goals, the Company will continue to :

- Expand the use of FSC-certified paper across new product categories.
- Explore alternative packaging materials, such as recycled paper and low-carbon materials.
- Collaborate with suppliers to source environmentally friendly and traceable materials.
- Improve packaging design to reduce material usage and enhance recyclability.

This project strengthens environmental responsibility within the Company's production processes, enhances transparency in material sourcing, and contributes to reducing reliance on forest resources. The Company believes that the continued adoption of FSC-certified paper will enhance sustainability across its supply chain while meeting the growing expectations of environmentally conscious consumers.



Vegan Skincare and Cosmetics Development Project

The Company places importance on developing products that meet the needs of modern consumers while conducting business in a sustainable manner. Accordingly, the Company has initiated the Vegan Skincare and Cosmetics Development Project, focusing on products that are free from animal-derived ingredients and are cruelty-free, with no animal testing involved.

Currently, the Company offers a range of vegan products across facial skincare, body care, and cosmetic categories. The development process emphasizes the selection of plant-based ingredients and responsibly sourced materials, combined with the formulation of products that are both effective and safe for consumers.

This initiative contributes to reducing the use of animal-derived materials, minimizing environmental impacts throughout the value chain, and promoting ethical consumption. It also reflects the Company's commitment to conducting business in accordance with ESG principles, balancing business growth with social responsibility and environmental stewardship in a sustainable manner.

Vegan Skincare & Cosmetics



Biodegradable Sheet Mask Initiative

The Company has initiated the Biodegradable Sheet Mask Initiative, integrating sustainability considerations from the research and development (R&D) stage. The project focuses on developing sheet mask materials that are safe, skin-friendly, and environmentally responsible.

The Company's R&D team has conducted extensive research and testing on natural fiber materials sourced from leading countries in beauty fiber technology, including Japan, South Korea, and Taiwan. The objective is to identify plant-based biodegradable fibers that offer close adherence to the skin while effectively delivering active ingredients.

Throughout the development process, the Company has carried out multiple rounds of testing to ensure that the products are suitable for all skin types, particularly sensitive skin. The developed sheet masks maintain performance standards comparable to conventional masks while generating less post-use waste, in line with life cycle thinking principles to reduce environmental impact across the product lifecycle.

Since the launch of sheet mask products under the Baby Bright brand, the Company has received a strong positive response from consumers, with cumulative sales exceeding 100 million pieces. This reflects both consumer confidence in product quality and the continued growth of the sheet mask market.

In parallel with its commitment to reducing waste from single-use products, the Company continues to advance the development of more sustainable materials and plans to expand the use of biodegradable materials across additional product categories in the future. This initiative reinforces the Company's commitment to delivering tangible environmental value and supporting long-term sustainability goals.

Biodegradable Sheet Mask Initiative



5. Corporate Governance

Karmarts Public Company Limited (the “Company”) places great importance on good corporate governance as a fundamental pillar for sustainable business operations. The Company adheres to the principles of transparency, accountability, and business ethics, while creating long-term value for shareholders and all stakeholder groups. This approach is aligned with the Corporate Governance Code for listed companies of the Stock Exchange of Thailand, as well as Environmental, Social and Governance (ESG) principles.

The Company has established corporate governance policies and practices in a systematic manner. The Board of Directors is responsible for setting policies, vision, and overseeing operations, supported by sub-committees and management, to ensure that business operations are efficient, transparent, and accountable.

The Company’s corporate governance practices are based on five key principles: (1) protection of shareholders’ rights; (2) equitable treatment of shareholders; (3) consideration of stakeholders’ roles; (4) disclosure and transparency; and (5) responsibilities of the Board of Directors. The Company ensures that shareholders have the opportunity to participate in key decision-making processes and receive complete, accurate, and timely information, while adhering to the principle of “one share, one vote” on an equal basis.

The Company recognizes the importance of stakeholders throughout its value chain by providing channels for feedback, complaints, and whistleblowing to promote transparency and participation. In addition, the Company is committed to disclosing key information through its Annual Report (Form 56-1 One Report), Sustainability Report, and corporate website, ensuring equal access to information for all stakeholders.

In terms of governance, the Board of Directors plays a vital role in determining strategic direction and overseeing operations to achieve the Company’s objectives. The Board meets regularly to monitor performance and ensure the effectiveness of internal control systems, as well as to oversee comprehensive risk management covering operational, financial, legal, and ESG-related risks.

The Company conducts its business in accordance with a Code of Conduct and maintains a zero-tolerance policy against corruption in all forms. Directors, executives, and employees are encouraged to perform their duties with integrity, honesty, and adherence to good governance principles.

In 2025, the Company held its Annual General Meeting of Shareholders with due regard to shareholders’ rights. The meeting information was disclosed in advance, and complete supporting documents were provided to facilitate informed decision-making. Shareholders were able to attend the meeting in person or by proxy, with equal voting rights upheld. The Company provided opportunities for shareholders to raise questions, express opinions, and make suggestions. Directors and executives attended the meeting to provide transparent and comprehensive clarifications. The resolutions and minutes of the meeting were subsequently disclosed through the Company’s communication channels.

The Company believes that strong corporate governance is a key driver in building trust, enhancing competitiveness, and achieving sustainable long-term growth.

Annual General Meeting of Shareholders 2025

The Annual General Meeting of Shareholders 2025 was held on April 24, 2025, at U Sathorn Bangkok Hotel.





KARMART

SUSTAINABILITY REPORT 2025