

**Index**  
livingmall

# SUSTAINABLE LOGISTICS IMPACT

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## Contents

Driving Business for Sustainability.....	5
Sustainable Business Policy and Approach .....	5
Key Sustainability Focus Areas .....	6
Integration of SDGs into Business Strategy .....	7
Environmental Sustainability Management .....	8
Environmental Policy and Practices .....	8
Fuel and Energy Management Program .....	9
Transportation Efficiency and Packaging Optimization.....	9
Social Sustainability Management .....	11
Social Policy and Practices.....	11
Treatment of Employees.....	12
Social Dimension: Logistics Case Enhancement .....	13

## Executive Summary 2024 Highlights

### Driving Business for Sustainability

In 2024, Index Living Mall (ILM) continued integrating Environmental, Social, and Governance (ESG) principles into its operations under the concept “Sustainable Living for Future Lifestyle.”

The Company focused on eco-innovation, responsible supply chain management, and transparent business practices to create long-term shared value for all stakeholders.

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### Key Achievements 2024

#### Environmental Sustainability

- **Fuel & Energy Management:**

Introduced a comprehensive energy and fuel management system at Distribution Centers (DCs), including on-site fueling and preventive maintenance for energy efficiency.

- **EV Logistics Transition:**

Deployed electric trucks for inter-branch deliveries, achieving a reduction of 82 tCO<sub>2</sub>e through fuel savings of 30,376 liters of diesel.  
Targets: 140 tCO<sub>2</sub>e (2025) → 250 tCO<sub>2</sub>e/year (2030).

- **Packaging Optimization:**

Redesigned furniture and packaging to be more compact, increasing delivery efficiency and reducing trip frequency by combining short- and long-haul routes.

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#### Social Sustainability

- **Human Rights & Inclusion:**

Implemented multilingual Thai–Burmese safety signage for 74 migrant workers at the DC to ensure safety and inclusivity.

- **Employee Development:**

Trained 347 franchise partners (“Tao-Kae-Noi”) nationwide in installation and customer service standards, reducing overtime and improving job quality.

- **Technology & Labor Efficiency:**

Introduced RF Scanner systems in warehouse operations, achieving 40 units/hour productivity and better labor-hour management.

- **Subcontractor Workforce Management:**

Managed over 200 subcontractor teams through structured planning, ensuring fair workload distribution and compliance with labor laws.

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## Governance & Integration

- Integrated UN SDGs and Thailand's NDC goals into the business strategy, focusing on clean energy, circular economy, and responsible labor management.
- Reinforced corporate governance and anti-corruption measures to ensure transparency and stakeholder trust.

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## Driving Business for Sustainability

Index Living Mall Public Company Limited places great importance on driving its business in parallel with sustainable development, guided by the principles of **Environmental, Social, and Governance (ESG)** under the concept of **“Sustainable Living for Future Lifestyle.”** The Company is committed to delivering products and services that enhance quality of life, strengthen communities, and preserve environmental balance — in alignment with the **United Nations Sustainable Development Goals (UN SDGs)**, the **United Nations Global Compact (UNGC)** principles, and the **UN Guiding Principles on Business and Human Rights (UNGPs)**.

The Company emphasizes transparent business operations alongside the continuous development of eco-friendly innovations and technologies. It also prioritizes responsible supply chain management to create and deliver **ESG value** for all stakeholder groups.

### Sustainable Business Policy and Approach

The Company has established a **Sustainability Policy and Framework** to integrate sustainability principles into its business strategy, aiming to address the expectations of stakeholders across economic, social, and environmental dimensions. This commitment covers the entire value chain — from raw material sourcing, production, and distribution to after-sales service and end-of-life product management — ensuring sustainability at every stage of the business.

Recognizing the **key challenges** that may affect current and future operations, the Company proactively manages risks such as **climate change, resource and energy volatility, tightened environmental regulations, and shifting consumer preferences** that emphasize health, safety, and transparency.

At the same time, the Company identifies **opportunities to create shared value** through the development of **sustainable product innovations, enhanced resource efficiency, greenhouse gas (GHG) emission reduction, increased use of clean energy, and collaboration with suppliers and communities** to build a **resilient and responsible supply chain**.

Through this approach, the Company is confident in its ability to deliver **long-term shared value** for customers, employees, business partners, communities, and shareholders, while maintaining competitiveness and achieving sustainable growth.

The Company firmly believes that business operations must go hand-in-hand with economic, social, and environmental stewardship to ensure **balanced growth for sustainability**. Accordingly, it has implemented a comprehensive management framework that emphasizes **efficient resource utilization, equitable stakeholder engagement, and adherence to good corporate governance** — all of which form the foundation for trust, transparency, and long-term value creation across the organization.

## Key Sustainability Focus Areas

### 1. Product and Service Development

Develop and deliver high-quality, safe, fairly priced, and environmentally friendly products and services that enhance customers' quality of life and promote sustainable living.

### 2. Technology and Innovation

Apply advanced technologies and innovations to improve business efficiency, respond to customer needs, and ensure convenient, safe, and equitable access to services.

### 3. Community and Social Engagement

Operate responsibly to minimize negative impacts on communities, support initiatives that enhance quality of life, and drive business growth in parallel with sustainable social development.

### 4. Resource and Environmental Management

Conduct operations with environmental responsibility, focusing on efficient use of resources and energy, waste reduction, and sustainable supply chain management to minimize environmental impact.

### 5. Human Rights and Fair Labor Practices

Uphold human rights and equality, prohibiting discrimination, forced labor, and child labor, while promoting diversity, inclusion, and gender equality in the workplace.

### 6. Employee Development and Occupational Safety

Prioritize employee potential development, ensure a safe and healthy working environment, and encourage employee participation in organizational improvement and innovation.

### 7. Anti-Corruption and Good Governance

Enforce clear anti-corruption policies and guidelines to promote transparency, accountability, and strong adherence to principles of good corporate governance.



## Integration of SDGs into Business Strategy

The Company has integrated the **United Nations Sustainable Development Goals (SDGs)** into all dimensions of its business strategy, focusing on achieving a balance between **economic growth** and **shared value creation** with stakeholders through comprehensive operations across environmental, social, and governance (ESG) aspects.

Key initiatives include:

- **Developing Eco-friendly Products and Services** to enhance customer quality of life and promote sustainable consumption.
- **Improving Energy Efficiency and Reducing Greenhouse Gas (GHG) Emissions** throughout business operations and the supply chain.
- **Optimizing Resource Utilization in Line with Circular Economy Principles**, emphasizing reuse, recycling, and waste reduction.
- **Promoting Human Rights, Workforce Development, and Equal Opportunities** within the organization to foster inclusivity and fairness.
- **Strengthening Good Governance, Transparency, and Anti-Corruption Practices** as the foundation of sustainable business integrity.



# Environmental Sustainability Management

## Environmental Policy and Practices

The Company is committed to conducting its business with **environmental responsibility**, emphasizing sustainable growth alongside the conservation of natural resources. It strives to **prevent and minimize environmental impacts** throughout all stages of the value chain by promoting **eco-friendly operations, efficient use of energy and resources, and scientific waste management** to ensure business activities do not adversely affect the environment or surrounding communities.

Key principles include:

- **Regulatory Compliance:** Operate in alignment with all relevant environmental laws, regulations, and international standards, with continuous monitoring and performance review.
- **Climate and Ecosystem Protection:** Reduce environmental and climate impacts by developing eco-innovations, protecting ecosystems, and mitigating global warming.
- **Energy Efficiency:** Conserve energy and natural resources, promote renewable energy, improve transportation efficiency, and reduce greenhouse gas (GHG) emissions to move toward a low-carbon society.
- **Waste Management:** Implement the 3Rs principle — *Reduce, Reuse, and Recycle* — to minimize waste throughout the value chain. Waste that cannot be reused or recycled is properly treated and disposed of according to scientific standards.
- **Resource Optimization:** Promote responsible consumption through the development of eco-products and responsible plastic use.
- **Climate Change Management:** Assess and manage climate-related risks and opportunities, track GHG emissions (Scopes 1, 2, and 3), and set reduction targets in line with corporate climate strategies.
- **Biodiversity Conservation:** Protect and restore ecosystems and biodiversity as part of sustainable natural resource management.
- **Continuous Improvement:** Establish objectives, KPIs, and environmental targets supported by action plans and regular performance reviews.
- **Awareness and Capacity Building:** Educate, train, and engage employees and stakeholders on environmental management and GHG reduction, supported by appropriate resources and transparent disclosure.

## Fuel and Energy Management Program

To strengthen sustainability and enhance efficiency in nationwide furniture delivery and installation services, the Company has implemented a **comprehensive fuel and energy management system**. This begins with the establishment of **on-site fueling stations at Distribution Centers (DCs)** to ensure efficient energy control, combined with **regular vehicle maintenance** to guarantee safe operations, energy conservation, and the reduction of unnecessary fuel loss.

In addition, since **2023**, the Company has introduced **Electric Vehicles (EVs)** for logistics operations and continues to promote the use of **electric and hybrid vehicles** to replace conventional fuel-powered cars in both delivery and office operations. This initiative aims to **reduce greenhouse gas (GHG) emissions** generated from transportation and internal mobility activities.

To further optimize fuel efficiency, the Company has implemented several ongoing measures, including:

- **Route Optimization:** Planning the most efficient transportation routes to minimize fuel consumption and delivery time.
- **Preventive Maintenance:** Conducting regular vehicle inspections to ensure engines operate at optimal efficiency and safety standards.

These initiatives enable the Company to manage fuel and energy consumption more effectively, **reduce operational costs**, and **support long-term organizational GHG reduction targets** in alignment with its sustainability strategy.

## Transportation Efficiency and Packaging Optimization

The Company has enhanced transportation efficiency alongside **packaging and product design optimization** to ensure compatibility with vehicle capacity and delivery routes. By redesigning products to be more compact, the Company has increased the number of items deliverable per trip, reduced delivery frequency, and implemented **hybrid routing** systems that integrate short- and long-distance routes to maximize the utilization of electric vehicles.

These **Green Logistics initiatives** demonstrate the Company's strong commitment to **reducing dependence on fossil fuels, advancing clean-energy operations**, and generating both **economic and environmental value**. The program directly supports Thailand's **Nationally Determined Contribution (NDC)** targets for carbon-emission reduction and reflects tangible progress toward a low-carbon, sustainable logistics system.

The Company has adopted **electric trucks** for product transfers from its Distribution Centers to Index Living Mall branches nationwide, significantly reducing diesel consumption and air pollution.

Progress against previously set targets to reduce or avoid pollution:

Transportation : 6W & 14W Electric Truck Transfer Product to ILM Stores

Truck Type	Average Fuel Consumption (km./L)	Roundtrip Distance (km.)	Annual Trips	Total Distance (km.)	Fuel Consumed (L)	GHG kg.rate (NCV x EF)	tCO <sub>2</sub> e	
ILM CHONBURI	6W-EV	5.5	272.0	217.0	59,024.0	10,731.6	2.7	29.0
ILM PATTAYA	6W-EV	5.5	390.0	235.0	91,650.0	16,663.6	2.7	45.0
ILM NAKORNSAWAN	6W-EV	5.5	582.0	8.0	4,656.0	846.5	2.7	2.3
ILM PITSANULOK	6W-EV	5.5	872.0	7.0	6,104.0	1,109.8	2.7	3.0
ILM KORAT	6W-EV	5.5	626.0	9.0	5,634.0	1,024.4	2.7	2.8
ILM KORAT + KHONKAEN	14W-EV	3.5	1,050.0	0.0	0.0	0.0	2.7	0.0
ILM KHONKAEN	14W-EV	3.5	1,000.0	0.0	0.0	0.0	2.7	0.0
ILM CHIANGMAI	14W-EV	3.5	1,468.0	0.0	0.0	0.0	2.7	0.0
<b>TOTAL ACT 2024</b>				<b>476.0</b>	<b>167,068.0</b>	<b>30,376.0</b>	<b>82.0</b>	

In **2024**, this initiative achieved an estimated **reduction of 82 tCO<sub>2</sub>e**, based on total fuel savings of **30,376 liters of diesel**. Emission reductions are projected to reach approximately **140 tCO<sub>2</sub>e by 2025**, with a **long-term target of 250 tCO<sub>2</sub>e per year by 2030**.

This transition forms a key part of ILM's **Green Logistics Strategy**, supporting Thailand's **Nationally Determined Contribution (NDC)** for carbon reduction and advancing the Company's goal toward a **low-carbon, energy-efficient logistics network**.



# Social Sustainability Management

## Social Policy and Practices

The Company recognizes the importance of operating with **social responsibility**, a key pillar of sustainable development under the **Environmental, Social, and Governance (ESG)** framework. It is committed to conducting business in accordance with the principles of **Corporate Social Responsibility (CSR)**, grounded in ethics, integrity, and good corporate governance to ensure fairness, transparency, and balance among economic, social, community, and environmental dimensions.

The Company has established a **Human Rights Policy** emphasizing equal treatment, non-discrimination, and the prohibition of child and forced labor, while respecting human dignity and individual value. Guided by the philosophy of **“Working Together as a Family,”** the Company fosters a happy, safe, and supportive work environment.

The Company's social sustainability initiatives encompass six key areas:

1. **Product and Service Development for Better Quality of Life** – Innovating products and services that enhance customer well-being.
2. **Fair Labor Practices and Human Rights** – Upholding international human rights principles and ensuring equality in all operations.
3. **Employee Development for Organizational Sustainability** – Strengthening workforce skills, knowledge, and career advancement opportunities.
4. **Labor Relations and Employee Engagement** – Promoting participation, trust, and long-term engagement within the organization.
5. **Community Engagement** – Creating shared benefits with local communities and improving social well-being in operating areas.
6. **“Tao Kae Noi” Project** – Generating employment and income for local communities through the nationwide network of delivery and installation service partners.

## Treatment of Employees

The Company is committed to developing itself into a **learning organization** that fosters creativity, skill enhancement, and continuous potential development. It ensures **fair remuneration, comprehensive welfare, occupational health and safety**, and a supportive working environment. Recognizing that employees are a key driver of success and long-term sustainable growth, the Company adheres to the following principles:

### 1. Fair and Equal Treatment

Strictly comply with all labor laws and employment regulations while ensuring that all employees are treated fairly and equally. The Company prohibits all forms of discrimination based on race, gender, color, religion, national origin, age, disability, or any personal characteristics unrelated to job performance, and does not tolerate threats, intimidation, or similar misconduct.

### 2. Fair Compensation and Human Resource Management

Manage human resources in alignment with corporate strategies and goals. Employee performance is evaluated transparently, and compensation is determined based on performance, attitude, and potential. The Company also provides equitable welfare and benefits comparable to leading organizations in the same industry.

### 3. Employee Development and Continuous Learning

Promote knowledge, skills, and expertise development for employees at all levels through continuous and adequate training tailored to their roles and responsibilities. The Company also seeks to instill strong ethical values and a sense of moral responsibility among employees.

### 4. Occupational Health, Safety, and Work Environment

Operate in accordance with international standards on quality, safety, occupational health, and environmental management. Maintain a positive, hygienic, and safe workplace to promote employee satisfaction, well-being, and protection of life and property.

### 5. Employee Engagement and Whistleblower Protection

Encourage open communication and fair treatment of employee feedback and suggestions. Provide secure reporting channels for concerns about inappropriate behavior or misconduct, ensuring full protection of whistleblowers from retaliation or unfair treatment.

## Social Dimension: Logistics Case Enhancement

### 1) Enhancing Workforce Productivity through RF Scanner System

In 2024, the Distribution Center introduced an RF scanner system to support furniture picking, achieving an average productivity of 40 units per person per hour while reducing overtime and complying with local labor laws. Delivery and furniture assembly are managed through route optimization and scheduled work times, ensuring tasks are completed efficiently and within designated hours.

### 2) Multilingual Safety Communication for Migrant Workers

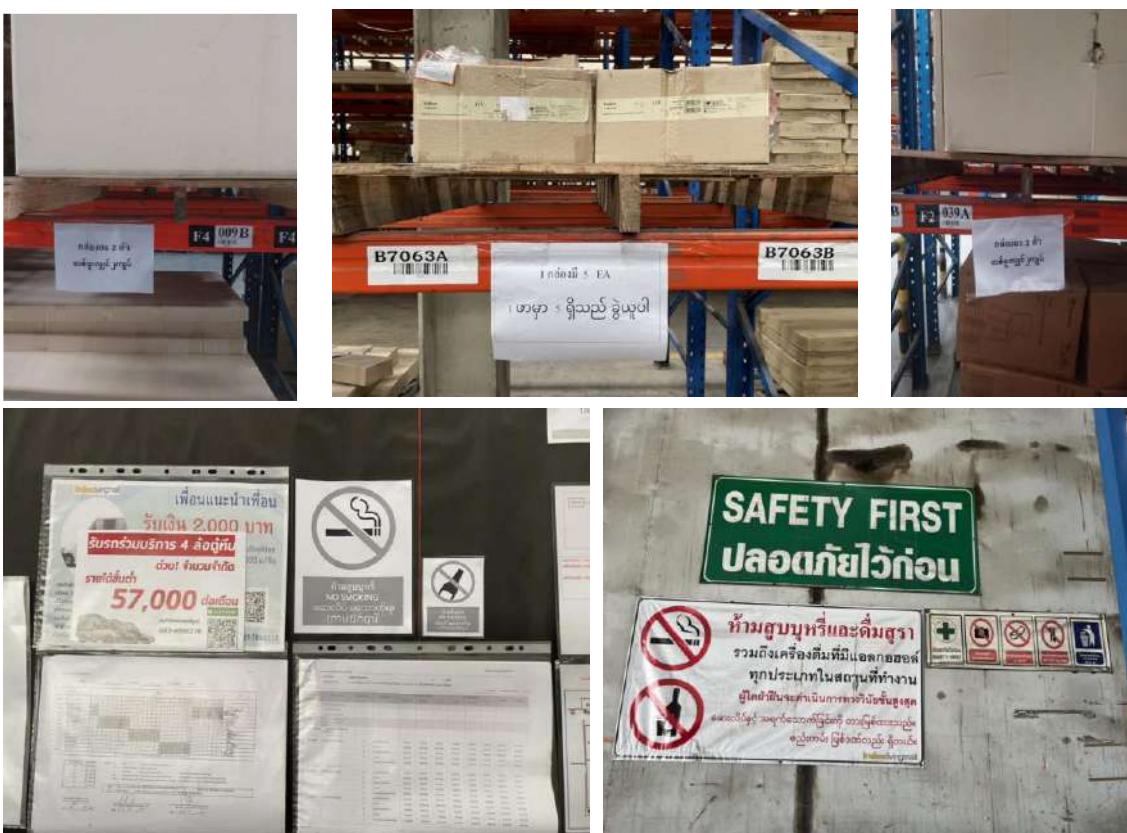
Index Living Mall's distribution center employs migrant workers from Myanmar, making clear safety communication essential. To address language barriers, multilingual safety signs with Thai–Burmese text and simple visual symbols—such as helmets, gloves, or prohibition marks—have been installed. In 2024, we have 74 migrant workers from Myanmar capable in distribution center.

#### Example:

“Please wear a safety helmet before entering the work area.”

Burmese: “ခိုးထဲပုံသောက်စွေ ခင်ဗျာ”

These signs help reduce workplace accidents and demonstrate the company's commitment to safety, inclusiveness, and human rights, creating a fair and welcoming work environment for all.



**3) Labor Risk Assessment and Workforce Planning in Delivery Operations**

The furniture delivery and installation team plans operations annually and reviews them monthly, aligning with projected sales growth. Planning begins by referencing the expected sales increase and calculating the required delivery trips using the average delivery value per truck. Vehicle allocation prioritizes the company's own fleet first, with remaining demand covered by subcontractors , **In 2024, we have a subcontractor team capable of installation furniture over 200 teams nationwide service.**

For instance, with a sales target of 120 million baht in October, dividing by 31 days yields an average of 3.87 million baht per day. Since each truck delivers about 50,000 baht in goods, approximately 78 trucks are required daily. With 18 ILM-owned trucks, at least 60 subcontracted trucks from TKN are needed, plus a 10% reserve for holidays.

If ILM or subcontractor staff are unavailable, a supplementary support group (Sup) provides a short-term solution by adding vehicles or increasing the number of customers per trip to maintain delivery efficiency.

**4) Reducing Overtime through Workforce Development and Partner Training**

The company's Distribution Center (DC) provides product installation training for franchise partners ("Tao-Kae-Noi"). In 2024, a total of 347 participants training to develop their installation skills, enabling them to perform tasks and serve customers according to the company's established standards.

Franchise partners are also given opportunities for additional training to enhance their knowledge. The training covers furniture installation, and service standards to ensure consistent, high-quality customer service in line with the company's requirements.