



SUSTAINABILITY POLICY AND GUIDELINES



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Sustainability Policy and Guidelines

1. Intent

Charoen Pokphand Group believes that conducting business by following sustainable development principles and mutual growth will create long-lasting value for both the organization and all stakeholders. Because of this, Charoen Pokphand Group prioritizes conducting its business sustainably based on the principles of good corporate governance, as well as corporate social and environmental responsibility. This means not only complying with regulations and standards in countries of operations, but also committing to international sustainability principles, such as the 10 Principles of the United Nations Global Compact (UN Global Compact) [Further details in Appendix 1] and contributing to the United Nation's Sustainable Development Goals (SDGs). [Further details in Appendix 2] All activities of Charoen Pokphand Group must follow the organization's 12 Sustainability Goals under the 3Hs – Heart, Health and Home commitment framework. [Further details in Appendix 3].

2. Objective

To provide all directors, management and staff with guidelines and strategic approach that adheres to Charoen Pokphand Group's sustainability principles, to promote a balance between the economy, society and environment.

3. Roles and Responsibilities

3.1 Board of Directors

- 3.1.1 Review key sustainability issues and approve the annual Sustainability Report.
- 3.1.2 Support overall business operations within the organization to adhere to Charoen Pokphand Group's sustainability goals, aligning with international sustainability principles.

3.2 Management

- 3.2.1 Consider and approve policies, strategies, targets and performance indicators of Charoen Pokphand Group, aligning with international sustainability principles.
- 3.2.2 Promote sustainability management throughout the organization, both domestically and internationally. This includes ensuring there is an organizational structure and related functions, such as the responsible department/committee/working group/person, to represent the management in monitoring local sustainable operations, suitable to the nature of business, in each country/region where Charoen Pokphand



Group operates. The head of the said function should be part of management and able to report directly to the Chief Executive Officer or the country/region's Chief Executive, and can coordinate with other departments, including production; human resources; safety, health and environment; purchasing; research and development; corporate communications; and corporate social responsibility/sustainability.

- 3.2.3 Monitor and review the overall sustainability performance, including the compiled results in the annual Sustainability Report, and present to the Board of Directors for final approval.
- 3.2.4 Communicate to show progress and continued support to sustainability development to all stakeholders, both internally and externally.

3.3 Sustainability, Good Governance Communications of Charoen Pokphand Group (SGC Office) and Corporate

- 3.3.1 Drive Charoen Pokphand Group's sustainability policy, guidelines, and strategic targets, in addition to effectively coordinating with the Sustainability Management Offices within each country/region.
- 3.3.2 Develop the management and communication systems to support the organization's sustainability functions.
- 3.3.3 Monitor progress of operations against the organization's goals; verify, process and analyze incoming data; and report the overall progress to management of Charoen Pokphand Group Co., Ltd.
- 3.3.4 Prepare the annual Sustainability Report of Charoen Pokphand Group, in accordance with international standards, as a tool to communicate, improve stakeholder engagement, and act as the Communication on Progress (COP) in compliance with Principles of the UN Global Compact.
- 3.3.5 Provide consultation, supplemental documents, manuals and guidelines in accordance to technical standards to support the Sustainability Policy and Guidelines.
- 3.3.6 Promote awareness, communicate and embed sustainability into the organization's corporate culture.
- 3.3.7 Communicate the sustainability policy, strategy, targets and progress to the public, in addition to continuously engage with stakeholders to improve operations.



3.4 Sustainability Management Offices based in each country/region

- 3.4.1 Drive Charoen Pokphand Group's sustainability policy, guidelines, and strategic targets to best suit the nature of business within each country/region.
- 3.4.2 Support and coordinate with the SGC Office in driving Charoen Pokphand Group's sustainability policy, guidelines, and strategic targets.
- 3.4.3 Ensure there are department/persons responsible for maintaining sustainability operations within the company.
- 3.4.4 Develop the company's management systems to support its sustainability functions.
- 3.4.5 Monitor progress of operations against the organization's goals; verify, process and analyze incoming data; and provide information on the overall progress to the SGC Office.
- 3.4.6 Provide consultation, supplemental documents, manuals and guidelines to support sustainable operations.
- 3.4.7 Promote awareness, communicate and embed sustainability into the company's corporate culture within the country/region.
- 3.4.8 Communicate the sustainability policy, strategy, targets and progress to the public, in addition to continuously engage with stakeholders to improve operations.

3.5 Responsible department/persons within the company

- 3.5.1 Adopt the sustainability policy and guidelines to bring into practice effectively.
- 3.5.2 Monitor and verify the performance of sustainability operations and present the results to the Sustainability Management Offices based within the country/region.

3.6 Staff

- 3.6.1 Understand the sustainability principles in the context of Charoen Pokphand Group.
- 3.6.2 Acknowledge and comply with set policies, strategies, targets and performance indicators related to the Policy and Guidelines.



4. Guidelines

Charoen Pokphand Group adheres to the internationally-accepted Sustainability Management related to business operations. The guidelines are as follows:

4.1 Commitment

Senior management of the organization must display commitment by applying sustainability principles into the overall strategic framework, in addition to its short-term and long-term goals. These are expected to be applied at the basic level as part of the overall implementation of strategy and culture, including operational governance.

4.2 Assessment of important sustainability issues

Assess the opportunities and potential impacts on current business operations. Potential key sustainability issues to the organization are then prioritized in order of importance to cover all 3 dimensions of sustainability of the business and its stakeholders' throughout the supply chain: economic, social, and environmental. This is the basis for the overall policy, strategy and implementation goals suitable to the business.

4.3 Defining policies, strategies and targets

Define policies, strategies, targets and performance indicators that align with the nature of the business. A roadmap is then created to bring these components into practice effectively.

4.4 Implementation

Strategies, policies and roadmaps are implemented throughout the organization. Employees are then engaged to get involved, educate themselves and learn new skills, as well as to promote responsible stakeholder and supply chain engagement.

4.5 Measurement

Any impacts and progress are measured to monitor progress towards the organization's goals. They are later analyzed and adjusted to improve future performance.

4.6 Communication

Communicate the implementation and progress to the public annually, through Charoen Pokphand Group's Sustainability Report, in addition to engaging stakeholders to identify additional ways to improve performance continuously.



5. Training

Charoen Pokphand Group provides online and in-class training to help employees understand the fundamentals of sustainability and the organization's targets related to sustainability.

6. Related Policies

This policy applies to the following current policies:

- 6.1 Charoen Pokphand Group Announcement Letter KJP. 038/B.E. 2560 regarding the Environmental Sustainability Policy
- 6.2 Charoen Pokphand Group Announcement Letter KJP. 039/B.E. 2560 regarding the Safety, Health and Workplace Policy
- 6.3 Charoen Pokphand Group Announcement Letter KJP. 040/B.E. 2560 regarding the Human Rights and Labor Practices Policy
- 6.4 Charoen Pokphand Group Announcement Letter KJP. 041/B.E. 2560 regarding the Responsible Supply Chain Management Policy
- 6.5 Safety, Occupational Health and Workplace Policies and Guidelines
- 6.6 Human Rights and Labor Practices Policy
- 6.7 Supply Chain Management Policy

7. Review of Policy

The Sustainability, Good Governance and Corporate Communications Office shall review this policy at least once annually.



Appendix 1

The 10 Principles of the United Nations Global Compact

Human Rights

1. Support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.

Labor Standards

3. The freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labor.
5. The effective abolition of child labor.
6. The elimination of discrimination in employment and occupation.

Environment

7. Support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all of its forms, including extortion and bribery.



Appendix 2

The United Nations' 17 Sustainable Development Goals

- Goal 1: No Poverty
- Goal 2: Zero Hunger
- Goal 3: Good Health and Well-Being
- Goal 4: Quality Education
- Goal 5: Gender Equality
- Goal 6: Clean Water and Sanitation
- Goal 7: Affordable and Clean Energy
- Goal 8: Decent Work and Economic Growth
- Goal 9: Industry, Innovation and Infrastructure
- Goal 10: Reduced Inequalities
- Goal 11: Sustainable Cities and Communities
- Goal 12: Responsible Consumption and Production
- Goal 13: Climate Action
- Goal 14: Life below Water
- Goal 15: Life on Land
- Goal 16: Peace, Justice and Strong Institutions
- Goal 17: Partnership to achieve the Goals



Appendix 3

Charoen Pokphand Group's Commitment Framework (3Hs)

Heart: Living Right - Commitment to Sustainable Business

Charoen Pokphand Group operates its business by adhering to the “Three-Benefit Principle” which consists of benefits for the country, the society and then the company. Moreover, Charoen Pokphand Group upholds the moral values of “Honesty, Integrity and Gratitude” which serve as a cornerstone for good corporate governance within the organization. Respect for stakeholder rights, investment in future leaders and contribution toward an economic, social and environmental balance enables the organization to overcome its limitations and advance sustainably together.

1) Corporate Governance

Commit to following the core principles of good corporate governance, fairness, accountability, responsibility, transparency and participation, as defined in the Code of Conduct.

2) Human Rights and Labor Practices

Support and respect human rights, as described in the United Nations Guiding Principles on Business and Human Rights (UNGPs), the United Nations Universal Declaration of Human Rights (UNDHR), and The International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. This is in addition to promoting safety and hygiene throughout the organization.

3) Leadership & Human Capital Development

Aim to develop employees to become potential leaders with the vision, skills and knowledge to cope with future business challenges as well as opportunities for career advancement or succession planning, in addition to promoting a culture of “Leaders Developing Leaders” by respecting and accepting differences, to motivate employees and increase the organization’s competitiveness at the global level.

4) Stakeholder Engagement

Define stakeholder engagement and continuous improvement, to understand expectations and needs of all parties, before responding through following management guidelines to manage key issues relevant to the business and all stakeholders accordingly.



Health: Living Well – Commitment to Sustainable Society

Charoen Pokphand Group recognizes that, as an organization, it has a responsibility to leverage its resources and capabilities for the benefit of society. The organization does this not only by creating jobs and driving economic growth, but also by promoting healthy diets and lifestyles, enhancing access to education and training as well as by encouraging innovations that will contribute to society.

Ensuring that Charoen Pokphand Group is playing a full and active role in addressing social issues is central to the organizational culture. Charoen Pokphand believe that by taking a holistic approach to such issues, the organization can make a significant contribution to poverty alleviation while also improving the health and well-being of people in Thailand and around the world.

5) Social Impact

Build careers for farmers, both young and old, entrepreneurs and vulnerable groups in order to increase job security, improve their quality of life and self-sufficiency.

6) Health and Well-being

Dedicated research and development of quality products and services that supports good health and well-being, in addition to promoting knowledge and access to beneficial nutrition.

7) Education

Contribute to a process of lifelong learning by creating greater access to knowledge, developing knowledge & skills, and strengthening digital competence.

8) Innovation

Establish a mindset that focuses on creating new and better products every day, by creating an atmosphere conducive to innovation, by providing incentives and by practical application of our innovations. Stimulate innovation by developing innovators and open up opportunities by encouraging creativity within employees, to contribute in improving economic, social and environmental values.

Home: Living Together – Commitment to a Sustainable

The need to act against climate change has never been more apparent. As an organization of scale, Charoen Pokphand Group is in a position to have a significant positive impact on the world's drive towards environmental sustainability. By committing to mitigate the impact of climate change, efficiently manage its water resources, and collaborate with others to protect ecosystems and biodiversity, Charoen Pokphand Group believes that it can be a powerful force for good in Thailand and around the world. Charoen Pokphand Group's commitments are not



limited to its own operations – but the organization also works hard to promote sustainable practices throughout its supply chain. Charoen Pokphand Group is confident that its efforts will serve as a model for others to learn from and, most importantly, will help preserve vital natural resources for future generations.

9) Climate Change Management

Drive efficient energy usage and raise the level of renewable energy usage, as well as managing and adding value to waste across the supply chain. This is to contribute to the reduction of greenhouse gas emissions, while also increasing green areas to help with further reducing carbon dioxide emissions.

10) Water Stewardship

Optimize management of water resources across supply chains, both in terms of providing “protection” through a 360 degree risk assessment, providing “improvement” through innovation to raise efficiency in water usage and supporting public policy, and providing “protection” through internal networks to promote efficient water use and conservation of important freshwater sources.

11) Ecosystem and Biodiversity Protection

Prioritize locating sites of facilities far from conservation areas and regularly assess the impact of business activities, in addition to engage with our business partners and stakeholders in an effort to responsibly source raw materials without contributing to the depletion of forest and marine habitats as well as to conserve and restore ecosystems.

12) Responsible Supply Chain Management

Prioritize risk assessments in supply chains and collaborate with suppliers to set management guidelines through a self-assessment, audit by the company or audit by a third-party. The promotion and development of suppliers’ potential, and continuous mutual learning lead to increased productivity and raised sustainability level for entire supply chain.