



# Sustainable Business At 'Heart'

Charoen Pokphand Group  
Corporate Governance Report 2023



# Corporate Governance Report 2023

Charoen Pokphand Group



# Corporate Governance Report

This Corporate Governance Report presents a comprehensive overview of the initiatives undertaken by the Charoen Pokphand Group to demonstrate our unwavering commitment to transparency, accountability, and sustainable development. The report highlights key activities and achievements aligned with these principles, providing detailed information on the following areas:

- **Corporate Governance Structure:**

This section details the Group's governance framework, outlining the roles, responsibilities, and interrelationships of the Board of Directors, management, and internal audit function. It demonstrates how these structures ensure effective checks and balances, promoting accountability and transparency.

- **Risk Management:**

This section presents the Group's comprehensive approach to risk management, encompassing the identification, assessment, and mitigation of potential risks. It also details strategies for addressing emerging risks to minimize their impact on the business and ensure long-term sustainability.

- **Compliance with Laws, Regulations, and Policies:**

This section outlines the Group's

commitment to conducting business with integrity and in full compliance with all applicable laws, regulations, and ethical standards. It details the procedures and policies implemented to ensure adherence to these principles, fostering credibility and a positive corporate image.

- **Internal Audit:**

This section highlights the crucial role of the internal audit function in providing independent and objective assurance on the effectiveness of the Group's governance, risk management, and compliance systems. It details how internal audit contributes to ensuring operational efficiency, transparency, and accountability.

- **Cultivating a Culture of Integrity:**

This section emphasizes the importance of fostering a strong ethical culture within the

Group. It outlines the initiatives undertaken to promote ethical conduct, integrity, and responsibility among employees at all levels through training, communication, and leadership by example.

Furthermore, this report provides insights into the Group's progress, key developments, and challenges encountered in our ongoing journey to enhance our corporate governance practices. This reflects our unwavering commitment to continuous improvement and the pursuit of best-in-class governance standards.

Stakeholders seeking further information on the Charoen Pokphand Group's corporate governance framework and initiatives are encouraged to consult the Group's website and Sustainability Report.





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# Message from Leaders

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# Senior Chairman's Message



“CP Group remains steadfast in its adherence to its six core values, which serve as guiding principles for its business operations and social responsibility. These core values instill confidence in CP Group’s commitment to conducting business with integrity and upholding of good governance principles, transparency, and responsibility towards society, communities, and the environment. This enables the company to adapt to the changing landscape, grow robustly, and deliver sustainable benefits to all stakeholders.”

2023 presented a dynamic business landscape, Charoen Pokphand Group (C.P. Group) has demonstrated agility and adaptability by developing new strategies to navigate challenges and emerge stronger. We have harnessed digital transformation by utilizing technology to enhance operational efficiency, customer engagement, and product development. Our relentless focus on innovation fuels the development of high-quality, safe products and services that meet the evolving needs of our customers. This commitment aligns with our core principles of good corporate governance, integrity, accountability, and transparency.

Our people are the heart and soul of CP Group, and their dedication and expertise are the cornerstones of our success. We are committed to providing our employees with the opportunities and resources they need to reach their full potential. This year, we have invested in our future by launching an in-depth talent development program. This program equips our employees with the

skills they need to excel, cultivates the next generation of leaders. We foster a culture of continuous learning, empowering our workforce with knowledge and skills to maximize our businesses’ potential and contribute significantly to the nation and the communities we serve. C.P. Group actively cultivate a culture of Integrity and Honesty, because we firmly believe strong business ethics are the foundation for sustainable success.

CP Group feels a strong sense of belonging to the communities we serve and recognizes our responsibility to contribute to their social and environmental well-being. This past year, we have amplified our efforts in areas such as sustainable agriculture, rural development, and education, committed to creating a lasting positive impact on the lives of those around us. We firmly believe that conducting business with social responsibility at its core leads to sustainable development.

As we move forward into the future, CP Group remains steadfast in its adherence to its six core

values, which serve as guiding principles for its business operations and social responsibility. These core values instill confidence in CP Group’s commitment to conducting business with integrity and upholding of good governance principles, transparency, and responsibility towards society, communities, and the environment. This enables the company to adapt to the changing landscape, grow robustly, and deliver sustainable benefits to all stakeholders. CP Group is dedicated to conducting business ethically and responsibly, fostering trust among its stakeholders, and contributing to sustainable development in the societies where it operates.

**Mr. Dhanin Chearavanont**

Senior Chairman,  
Charoen Pokphand Group



# Chairman's Message



“In 2023, the Board of Directors took a proactive step by elevating our internal control system to the international standards and ensuring its effectiveness in addressing future challenges. To mitigate risks associated with the C.P. Group’s business expansion, we have established clear policies and procedures, reinforced an ethical and compliant work culture among our employees, and developed comprehensive internal control software that covers all operations. These measures have significantly enhanced our ability to promptly identify, monitor, and report issues or risks; thereby safeguarding the C.P. Group’s interests and ensuring the achievement of our business goals.”

Over the past four years, businesses worldwide have faced unprecedented challenges caused by series of global volatility and rapid changes; namely the Fourth Industrial Revolution propelled by technological advancements, the COVID-19 pandemic’s economic disruptions, prolonged geopolitical conflicts and risks, and the impact of intensifying climate change to global community and environment. Amidst the crisis in crisis, the C.P. Group firmly believes that there are opportunities in every crisis. Those who can identify the opportunities will be able to adapt swiftly and elevate their businesses to the new heights of strength and stability.

With a long-term vision to achieving comprehensive sustainability, the C.P. Group has prioritized action-oriented strategies. We have embraced cutting-edge technologies to enhance operational efficiency and environmental friendliness. We have laid a solid foundation through robust corporate governance, emphasizing ethical conduct and regulatory compliance in addition to fostering an agile and adaptable organizational

culture along with cultivating a workforce of skilled individuals guided by the C.P. Group’s 6 core values: Conducting business for the benefit of the nation, society, and the company; Accepting change, constant innovation, Applying simplification, Moving with speed and quality and Adhering to integrity and honesty. These values have enabled us to facilitate varied new business development opportunities, drive the sustainable growth aligned with the C.P. Group’s sustainability principles as well as be well-positioned to navigate future challenges and seize emerging opportunities.

In 2023, the Board of Directors took a proactive step by elevating our internal control system to the international standards and ensuring its effectiveness in addressing future challenges. To mitigate risks associated with the C.P. Group’s business expansion, we have established clear policies and procedures, reinforced an ethical and compliant work culture among our employees, and developed comprehensive internal control

software that covers all operations. These measures have significantly enhanced our ability to promptly identify, monitor, and report issues or risks; thereby safeguarding the C.P. Group’s interests and ensuring the achievement of our business goals.

I would like to express my appreciation to our executives and employees for their exceptional leadership, unwavering dedication, and strong synergy in conducting business with utmost integrity. Together, we are driving sustainable progress for the C.P. Group across business, social, and environmental dimensions. Our collective contributions are particularly significant in ensuring global food security during this challenging time.

**Mr. Soopakij Chearavanont**

Chairman,  
Charoen Pokphand Group



# CEO's Message



“Every executive and employee is committed to driving our organization toward excellence by integrating governance principles into our daily operations. We are dedicated to transparency, efficiency, and the use of technology to enhance customer satisfaction and contribute to a sustainable future.

Our leadership team is committed to fostering a culture of transparency, ethics, and employee development. By serving as role models and empowering our people, we inspire innovation and a shared commitment to creating value for our stakeholders. This dedication has been recognized with four consecutive Ethisphere World's Most Ethical Companies awards.”

For 103 years, Charoen Pokphand Group has thrived on a foundation of solid governance and ethical principles. We believe sustainable success is rooted in transparent and responsible business practices. Over the past year, we have intensified our focus on corporate governance to create a more open and equitable organizational culture. This strengthened foundation has empowered us to navigate challenges and achieve steady growth.

Every executive and employee is committed to driving our organization toward excellence by integrating governance principles into our daily operations. We are dedicated to transparency, efficiency, and the use of technology to enhance customer satisfaction and contribute to a sustainable future.

In 2023, we integrated a robust Governance, Risk, and Compliance framework across our operations to ensure adherence to regulations

and industry standards. This strategic move has significantly enhanced our ability to manage risks and build stakeholder trust.

Furthermore, we have strengthened our anti-corruption program by expanding its scope to include gift-giving, anti-money laundering and counter-terrorist financing and proliferation of weapons of mass destruction as well as whistleblowing. We have rolled out comprehensive employee training programs and implemented a robust real-time monitoring system to ensure full compliance.

Our leadership team is committed to fostering a culture of transparency, ethics, and employee development. By serving as role models and empowering our people, we inspire innovation and a shared commitment to creating value for our stakeholders. This dedication has been recognized with four consecutive Ethisphere World's Most Ethical Companies awards.

I applaud all executives and employees for their unwavering commitment to ethical conduct and good governance. Your dedication has been essential to our organization's enduring success. Together, we will continue to build upon this strong foundation, contributing to the betterment of society and the nation for the next century and beyond.

**Mr. Suphachai Chearavanont**

Chief Executive Officer  
Charoen Pokphand Group



# Highlights of Achievements in 2023

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Recognition Awards **17**

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# Highlights of Achievements in 2023

## Corporate Governance

100%

of business units can access the CG Policy Deployment and CG Policy Tracking platforms.



100%

of employees completed training and passed the test on the Code of Business Conduct.



100%

of management completed training and passed the Manager Ethics test.



## Compliance Management

100%

of business units completed the Compliance Maturity Assessment.



100%

of business units can access the GRC Platform and Regulatory and Compliance Management System.



## Risk Management

100%

of business units conducted corruption risk assessments.



100%

of business units in Thailand conducted human rights risk assessments.



## Promoting a Culture of Ethics and Compliance

100%

of employees were evaluated on ethics and compliance performance.



100%

of business units work together to elevate corporate governance to the highest standards.



ETHISPHERE  
WORLD'S MOST  
ETHICAL  
COMPANIES  
2021 - 2024

C.P. Group has been recognized as

“One of the World’s Most Ethical Companies by Ethisphere”

A global leader in defining and advancing ethical business practices, C.P. Group received top scores in supplier management, social and environmental responsibility, and operating with ethics and integrity; for four consecutive years.





# Introduction

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# Introduction

## Charoen Pokphand Group: A Global Enterprise

Charoen Pokphand Group (CP Group) is a leading Thai conglomerate with diverse business operations spanning the globe. CP Group Co., Ltd. serves as the parent company, overseeing a comprehensive portfolio that encompasses both manufacturing and service industries, including:

- **Agro-Industry and Food:** Encompassing the entire value chain from animal feed production and livestock farming to food processing.
- **Retail:** A robust network of retail stores serving consumers at all levels.

- **Media and Telecommunications:** Connecting people through advanced communication technologies.
- **E-commerce and Digital:** Providing a variety of online platforms to meet the demands of the digital age.
- **Property Development:** Developing residential, commercial, and mixed-use real estate projects.
- **Automotive and Industrial:** Driving economic growth through automotive and other industrial sectors.

- **Pharmaceuticals and Health-care:** Delivering high-quality pharmaceutical and healthcare products.
- **Finance and Banking:** Offering comprehensive financial services.

C.P. Group is committed to creating sustainable value for the nation, its people, and the organization. We achieve this by leveraging the core competencies of each business unit to drive positive economic, social, and environmental impact.

**8 Business Lines**

**14 Business Groups**

**21 Countries and Economies**

- Agro-Industry and Food Business Group
- Feed Ingredients Trading Business Group
- Crop Integration Business Group
- Pet Food Business Group
- Seed, Fertilizers, and Plant Protection Products Business Group
- Pharmaceuticals Business Group
- Automotive Business Group
- Packaging Business Group
- Retail and Distribution Business Group
- International Trading Business Group
- E-Commerce and Digital Business Group
- Telecommunications Business Group
- Finance and Banking Business Group
- Property Development Business Group











# Sustainable Growth Through Values and Governance

C.P. Group's six core values and eleven corporate governance principles are fundamental to our sustained success and drive our commitment to sustainable growth. These principles, deeply ingrained in the Group's DNA, have been passed down through generations, shaping our ethical and responsible approach to business. This foundation has enabled C.P. Group to achieve enduring success both domestically and internationally.

## Six Core Values

<p><b>1</b></p>  <p><b>Three Benefits</b></p> <p>Always consider the benefits of the country first, followed by its people and the company.</p>	<p><b>2</b></p>  <p><b>Speed with Quality</b></p> <p>Think fast and act before others while maintaining our standard of quality to meet the needs of our customers and consumers.</p>	<p><b>3</b></p>  <p><b>Simplification</b></p> <p>Have a positive mindset and always look to streamline or break down complex and complicated processes.</p>
<p><b>4</b></p>  <p><b>Accept Change</b></p> <p>Always be prepared to face changing circumstances at all times, and be able to adapt to work in diverse cultures.</p>	<p><b>5</b></p>  <p><b>Innovation</b></p> <p>Always look to introduce or create new innovations and work processes that will benefit society.</p>	<p><b>6</b></p>  <p><b>Integrity and Honesty</b></p> <p>Uphold our integrity and ethical values with honesty towards our customers and the organization.</p>

## 11 Corporate Governance Principles

**1**



Our strength lies in our ability to constantly evolve and adapt our businesses.

**2**



Our network of businesses creates synergies, which we maintain responsibly and in full compliance with all regulations.

**3**



We strive to ensure our entrepreneurial spirit is always balanced by responsible risk management.

**4**



Our Boards provide leadership, set strategic objectives, and make decisions to build real value for the Group and all its stakeholders.

**5**



Our Directors provide informed opinions and advice on governance to guide the Board. To execute their duties, they must be independent and steadfast.

**6**



Up-to-date information and research is vital for our Boards to make sound business decisions.

**7**



We compose our Boards carefully to ensure that they have the knowledge and experience to make informed decisions.

**8**



We take a rigorous and transparent approach to evaluating and incentivizing performance at all levels.

**9**



We are committed to open, effective, and ongoing communications with all of our stakeholders.

**10**



We are committed to the rights of minority shareholders.

**11**



Integrity and honesty lie at the heart of who we are.



# Corporate Governance and the structure

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# Corporate Governance and the structure

“We believe governance excellence requires a holistic approach that goes beyond mere compliance. We view our business partners and customers as integral to our success, recognizing that true excellence stems from collaboration and shared goals. Our commitment to governance extends across the entire organization, fostering a unified network where all stakeholders work together seamlessly. By emphasizing trust and collaboration, we empower every member of the C.P. Group family to contribute to our ongoing pursuit of organizational excellence and build an enduring legacy for the next 100 years.”

**Mr. Suphachai Chearavanont**  
Chairman of the Executive Board  
Charoen Pokphand Group

## Sustainable Growth Through Good Governance

Charoen Pokphand Group is committed to responsible business practices that prioritize social, environmental, and stakeholders’ interests. We uphold the principles of good corporate governance, transparency, and accountability, while cultivating a corporate culture founded on integrity, ethics, and responsibility.

## Corporate Governance

- **Robust Governance Framework:** C.P. Group has implemented a robust governance framework to ensure transparency, accountability, and efficiency in all operations, prioritizing stakeholder interests.
- **Open Communication with Stakeholders:** C.P. Group maintains open communication channels to gather and incorporate stakeholder feedback, facilitating continuous improvement of our operations.








## Risk Management

- Systematically identifies, assesses, and manages risks across all facets of its operation.
- Identifies and addresses potential risks to reduce their impact on the business and ensure long-term stability.

## Compliance

- Follow the highest ethical standards and strictly comply with all applicable laws and regulations.
- Monitor its business units to ensure adherence to governance standards and best practices.
- Fosters a culture of sustainability across the organization.
- Provide comprehensive ethics training to employees at all levels.
- Collaborate with suppliers and business partners to promote ethical and sustainable business practices.

## Examples of C.P. Group’s Corporate Governance for Stakeholders

Stakeholders	Examples of C.P. Group’s Corporate Governance for Stakeholders
 <b>Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>● Appoint highly qualified directors to oversee the company’s operations effectively, ensure transparency, and protect the interests of shareholders.</li> <li>● Provide accurate and timely information to empower investors’ decision-making.</li> <li>● Establish channels for gathering investor feedback to improve operations.</li> <li>● Analyze and mitigate financial and legal risks to protect investor returns and prevent litigation.</li> <li>● Ensure compliance with all applicable laws to maintain investor confidence.</li> <li>● Adhere to a strict Code of Business Conduct to protect its reputation and shareholder value.</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>● Foster ethics through training and assessments of all employees.</li> <li>● Uphold human rights and ensure fair labor practices throughout its operations and supply chain.</li> <li>● Prioritize employees’ safety following its policies and procedures</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>● Carefully select high-quality, safe, and value-driven products and services to serve our customers best.</li> </ul>
 <b>Partners</b>	<ul style="list-style-type: none"> <li>● Collaborate with business partners to promote ethical conduct and build a sustainable supply chain.</li> </ul>
 <b>Community and Society</b>	<ul style="list-style-type: none"> <li>● Prioritize community needs and collaborate to address concerns and foster sustainable development</li> </ul>
 <b>Environment</b>	<ul style="list-style-type: none"> <li>● Conduct environmentally responsible operations and collaborate with suppliers to drive positive impact.</li> </ul>
 <b>Government</b>	<ul style="list-style-type: none"> <li>● Conduct all business operations following applicable laws and regulations.</li> <li>● Support government initiatives that promote social development.</li> </ul>

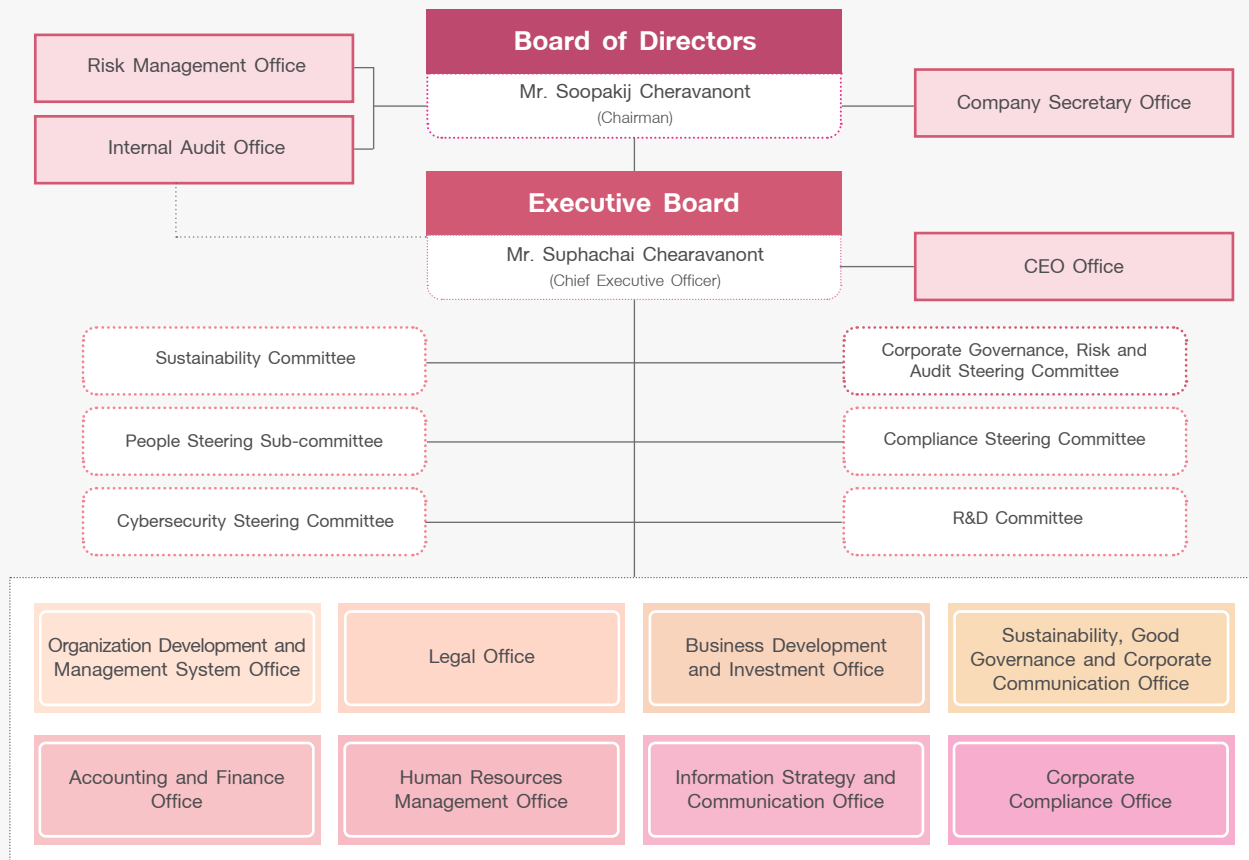


## Corporate Governance Structure

CP Group prioritizes strong corporate governance, establishing robust governance structures across the parent company and its subsidiaries, which include:

- **Distinguished Board of Directors:** Our Board comprises experienced professionals who provide effective governance and oversight.
- **Clear Board Charter:** A well-defined charter guides the Board of Directors' responsibilities for effective governance.
- **Checks and Balances:** Maintain a robust system of checks and balances, including thorough reviews and reporting, to ensure transparency and effective internal controls.
- **Annual Board Evaluation:** Conduct annual evaluations of the Board's performance to ensure continuous improvement.

### Charoen Pokphand Group's Corporate Governance Structure



## Governance Structure: Teamwork for Shared Goals

C.P. Group maintains a clear three-tiered governance structure to ensure operations align with objectives and good governance principles. These tiers consist of:

- **Parent Company (Charoen Pokphand Group Co., Ltd.):** Sets the overall direction and strategies for the Group.
- **Management Level:** Establishes policies, regulations, action plans, and key performance indicators (KPIs) for implementation.
- **Steering Committee Level:** Review and refine proposals before submission to the Executive Board.

## Teamwork

Each governance level has clearly defined roles and responsibilities, with performance reporting structured along a tiered hierarchy. To ensure diverse perspectives and thorough review, specialized committees—such as those for sustainability, corporate governance, and compliance provide expertise and recommendations to the Executive Board. This collaborative process promotes effective decision-making and strengthens the overall governance framework.

The collaborative efforts of the Steering Committees promote effective governance throughout the C.P. Group by fostering a system of checks and balances and ensuring thorough and informed decision-making.


### Example of the Committee

- Sustainability Committee
- Corporate Governance, Risk, and Audit Steering Committee
- Compliance Steering Committee






### Example Governance Structure and Reporting at the Parent Company Level

Governing Bodies	Composition	Role and Responsibilities	Reports
<p><b>Board of Directors</b></p>  <p>Board of Directors Charter</p>	<ul style="list-style-type: none"> <li>comprises 11 directors: 10 independent non-executive directors and 1 executive director who serves as the CEO.</li> <li>The Chairman (responsible for oversight) and the CEO (accountable for management) roles are separate to ensure a balance of power and effective governance.</li> </ul>	<ul style="list-style-type: none"> <li>Defines company's vision, mission, values, strategic direction, policies, and objectives.</li> <li>Oversees transparency and accountability to create long-term value and sustainability for all stakeholders.</li> <li>Oversees management to ensure adherence to all laws, regulations, policies, and the Code of Business Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>Reports on performance and addresses questions at the Annual General Meeting (AGM).</li> <li>Ensures compliance with all mandatory regulatory reporting requirements.</li> <li>Discloses business operational performance and social impact.</li> <li>Receives reports from sub-committees to ensure effective oversight.</li> </ul>

<p><b>Executive Board</b></p>  <p>Executive Board Charter</p>	<ul style="list-style-type: none"> <li>Group CEO serves as Chairman of the Board</li> <li>Members include the CEOs of each business group</li> </ul>	<ul style="list-style-type: none"> <li>Oversees the execution of business strategies and monitors performance.</li> <li>Oversees sustainable development, corporate governance, risk management and internal controls, compliance, internal audit, information technology management, innovations, and other operational areas.</li> <li>Oversees the implementation and maintenance of an effective management structure.</li> <li>Oversees talent management, ensuring the organization has the skilled workforce and resources necessary to achieve its strategic objectives. This includes succession planning and development programs for senior management.</li> </ul>	<ul style="list-style-type: none"> <li>Reports on their performance to the Board of Directors.</li> <li>Receives reports from the Steering Committees.</li> </ul>
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Governing Bodies	Composition	Role and Responsibilities	Reports
<p><b>Corporate Governance, Risk, and Audit Steering Committee</b></p>  <p>Corporate Governance, Risk and Audit Steering Committee Charter</p>	<ul style="list-style-type: none"> <li>Comprised of Senior executives, governance experts, risk management professionals, auditors, HR specialists, and accounting and finance professionals.</li> <li>The inclusion of a female independent director enhances board diversity and brings valuable perspectives.</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and approves plans and policies related to corporate governance, risk management, and internal audits</li> <li>Continuously develops and enhances its corporate governance, risk management and internal controls, and audit systems</li> </ul>	<ul style="list-style-type: none"> <li>Perform performance reports and provide governance, risk management, and internal audit recommendations to the executive board for decision-making and policy development.</li> </ul>

<p><b>Compliance Steering Committee</b></p>  <p>Compliance Steering Committee Charter</p>	<p>Composed top executives, senior executives and subject matter experts in:</p> <ul style="list-style-type: none"> <li>Compliance</li> <li>Risk management,</li> <li>Legal</li> <li>Accounting and finance</li> <li>Internal audit</li> <li>Investigations</li> <li>Procurement</li> <li>Senior executives with expertise in                             <ul style="list-style-type: none"> <li>compliance,</li> <li>risk management,</li> <li>legal,</li> <li>finance and accounting,</li> <li>internal audit,</li> <li>investigations, and</li> <li>procurement.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reviews and consider action plans in policies, standards, and procedures related to compliance</li> <li>Monitors the compliance system, including the complaint and whistleblowing mechanisms.</li> <li>Monitors the compliance system, including the complaint and whistleblowing mechanisms.</li> </ul>	<ul style="list-style-type: none"> <li>Reports to the Executive Board on compliance performance, investigation findings, and recommendations for improvement.</li> </ul>
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# Corporate Governance in 2023

Recognizing the crucial role of strong corporate governance in driving sustainable growth, the Group conducted a comprehensive review of its sustainability initiatives in 2023. This review reaffirmed the importance of corporate governance in impacting financial performance, environmental stewardship, social responsibility, and overall ESG (Environmental, Social, and Governance) standing.

The Group's approach to corporate governance in 2023 focused on three key areas:

**Leadership by Example:**

Senior management actively champions and demonstrates strong corporate governance practices.

organization. This framework also prioritizes ethical conduct and compliance through comprehensive training and awareness programs.

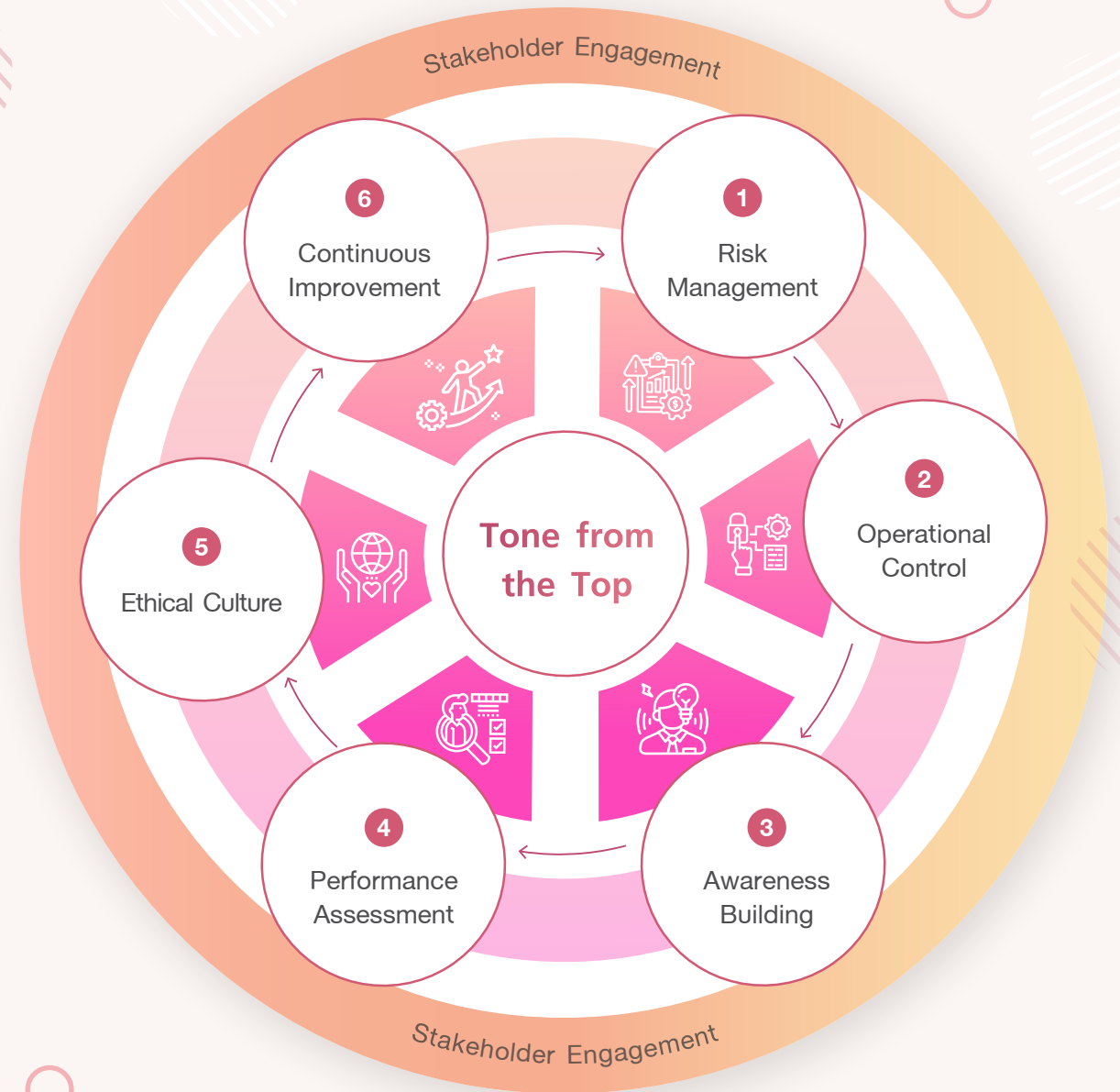
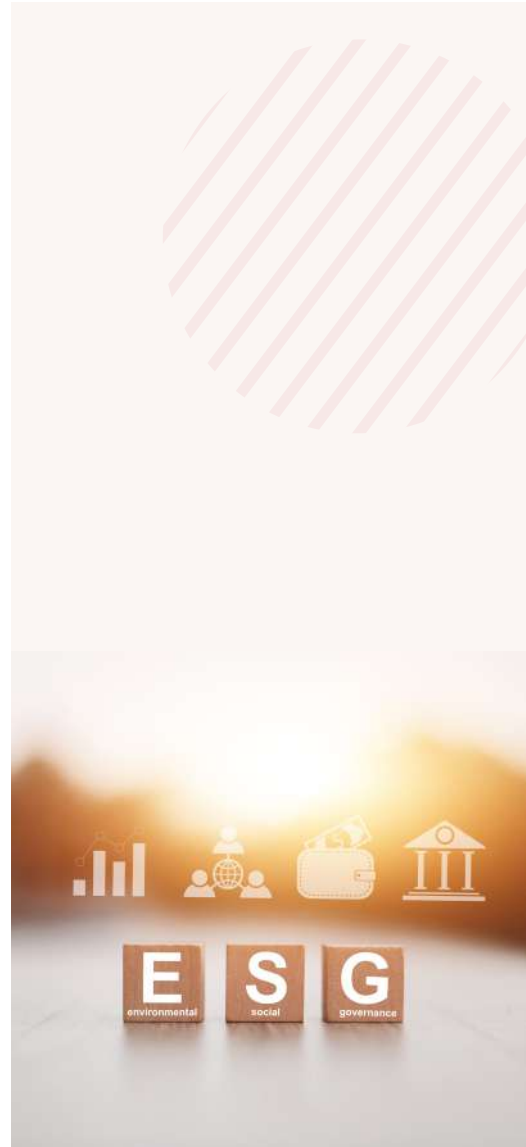
**Systematic Governance Framework:**

A robust framework encompassing risk assessment and management, clear policies, effective communication, diligent monitoring, and ongoing evaluation ensures consistent and effective governance across the

**Collaboration with All Stakeholders:**

Engaging with stakeholders ethically, encouraging responsible business practices among partners, and considering environmental and social impacts to achieve sustainable growth together.

The Company encourages all executives and employees to strive for excellence by adapting, improving processes, maintaining transparency, utilizing technology, and cultivating a strong ethical culture for the benefit of the organization, society, and the nation.





## Leading by Example

The Company encourages all executives and employees to strive for operational excellence through continuous adaptation, process improvement, transparency, and the adoption of technology. This commitment fosters a strong corporate governance culture across the organization, benefiting not only the Company but also society and the country as a whole.

Leaders play a crucial role in developing talent and driving good governance. They serve as coaches and role models, providing opportunities for employees to contribute and maximize their potential.

In 2023, leaders demonstrated their commitment to corporate governance by:

### (1) Setting a Positive Example:

- Conducting annual performance evaluations for the Board of Directors and sub-committees, including the Corporate Governance, Risk and Audit Committee and the Compliance Committee.
- Participating in business ethics training and assessments.
- Engaging in knowledge-sharing activities such as training sessions, seminars, and networking events organized by regulatory bodies and independent organizations like the Thai Institute of Directors (IOD).

### Example of 2023 Annual Performance Evaluation Form Parent Company's Executive Board

**Entire Executive Board Evaluation**

**Evaluation Criteria**

1. Structure and Qualifications
2. Duties, Roles, and Responsibilities
3. Meetings
4. Self-development

**Performance Evaluation Results**  
**Entire Board Evaluation = Very good**

**Individual Evaluation**

**Evaluation Criteria**

1. Attending meetings regularly
2. Reading documents and information ahead of meetings
3. Providing opinions that are beneficial to business operations
4. Being able to express opinions even if views differ from others in the meeting
5. Being able to express opinions independently
6. Abstaining from decision-making in agendas where there may be a conflict of interest
7. Monitoring management's performance appropriately

**Performance Evaluation Results**  
**Average Individual Evaluation = Very good**

### (2) Leaders as Drivers of Governance

Leaders also actively promote good governance practices by:

- Approving strategies, metrics, action plans and monitoring progress.
- Allocating necessary resources, such as funding for a Policy Tracking Platform.
- Approving and updating Group-wide policies to align with domestic and international laws and standards.
- Motivating participation in governance initiatives through recognition programs like the "CG Network Recognition Awards."
- Communicating the vision and strategies for corporate governance, ethics, and compliance to employees and stakeholders.



Mr. Suphachai Chearavanont, CEO of Charoen Pokphand Group, expressed his gratitude to all employees for their commitment to ethical conduct and contributions to the company's strong corporate governance framework, which led to CP Group being recognized by Ethisphere as one of the World's Most Ethical Companies.





## A Systematic Approach to Governance

The Company oversees the governance, risk management, and compliance practices of its subsidiaries, adhering to a comprehensive Group-wide governance framework. In 2023, the Company further strengthened its systematic approach to governance through the following initiatives:

- Implementing a systematic risk assessment process across the organization, with particular emphasis on environmental, social, and governance (ESG) risks.
- Integrating risk management into all business processes and decision-making, enabling the timely identification of opportunities and potential impacts.



### (1) Risk Management

The Corporate Governance, Risk and Audit Committee oversees the Group's risk management framework, ensuring alignment with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework. This includes:

- Establishing and implementing Group-wide risk management policies and guidelines to ensure consistent practices across all subsidiaries.
- Instilling a culture of risk awareness among all employees, requiring them to identify and assess potential risks associated with their roles. This proactive approach ensures that risks are effectively monitored and mitigated.

In 2023, a parent company conducted an ethics and compliance risk assessment focusing on corruption risk within its subsidiaries. The assessment included these key actions:

- **Enhanced Risk Assessment:** The parent company updated its corruption risk profile and provided workshops for subsidiaries on conducting effective assessments.
- **Group-wide Consistency:** The initiative aimed to standardize corruption risk assessment and mitigation strategies across all subsidiaries.

- **Comprehensive Reporting:** Key findings were reported to the parent company's board and executive committee, while individual subsidiary reports focused on residual risks and mitigation plans.

This highlights the parent company's proactive approach to managing corruption risk and promoting ethical conduct across its operations.

Risk Management Policy and Guidelines



## CG Policy Tracking Platform

นโยบาย / เอกสาร Policies / Documents	ประเภท Type	มีผลบังคับใช้ Effective Date	ดำเนินการเพื่อรับทราบ Read to acknowledge
นโยบายและแนวปฏิบัติด้านสิทธิมนุษยชนและทศวรรษปฏิวัติด้านแรงงาน Human Rights and Labor Practices Policy and Guidelines CPG.CG.HUJM	policy	06-July-2023	<input checked="" type="checkbox"/>
นโยบายและแนวปฏิบัติด้านการจัดหาอย่างยั่งยืน Sustainable Procurement Policy and Guidelines CPG.CG.SPRD	policy	06-July-2023	<input checked="" type="checkbox"/>
นโยบายและแนวปฏิบัติด้านความขัดแย้งทางผลประโยชน์ Conflicts of Interest Policy and Guidelines CPG.CG.COI	policy	07-July-2023	<input checked="" type="checkbox"/>
นโยบายและแนวปฏิบัติด้านความยั่งยืน Sustainability Policy and Guidelines CPG.CG.SUS	policy	25-July-2023	<input checked="" type="checkbox"/>
นโยบายและแนวปฏิบัติด้านความมั่นคงปลอดภัยสารสนเทศ Information Security Policy and Guidelines CPG.CG.INFO	policy	25-July-2023	<input checked="" type="checkbox"/>

### (2) Operational Control

To ensure consistent governance and operational control across its subsidiaries, the parent company actively manages group-wide policies. In 2023, key initiatives included:

- **Modernized Policies:** Existing policies were updated to reflect current principles, with input from international best practices.
- **Digital Platform:** A new platform was launched to communicate policies and track implementation across the group.

Group Policy and Guidelines



### (3) Building Awareness

The parent company champions a culture of ethical conduct and good governance. Key 2023 initiatives included:



- **Mandatory ethics training:** All employees completed updated training, with specialized courses for managers.
- **Enhanced risk management:** Training programs and a company visit fostered risk awareness and best practice sharing.
- **Digital learning:** Technology facilitated accessible learning and policy dissemination.

To ensure consistent policy implementation across its subsidiaries, the parent company held “Train-the-Trainer” workshops on four key policies: anti-corruption, gifts and benefits, whistleblowing, and anti-money laundering.

With clear content, training manuals, and multi-lingual micro-learning modules, the program equipped 316 employees to effectively communicate these policies within their respective companies.

### (4) Performance Evaluation

To assess and improve governance, the parent company conducted several evaluations in 2023, including:

- **Compliance reviews:** Regular assessments of subsidiaries ensured adherence to laws and regulations.
- **Maturity self-assessments:** Subsidiaries evaluated their own compliance programs to identify areas for improvement.
- **Anti-corruption evaluations:** Using a standardized framework, subsidiaries assessed and enhanced their anti-corruption measures.

- **Ethics and compliance audits:** These targeted audits focused on specific areas like the Code of Conduct and human rights due diligence.

These initiatives demonstrate a commitment to continuous improvement and a robust governance framework across the organization.



In 2023, the parent company conducted an anti-corruption self-assessment across its non-listed subsidiaries.

- **Revised Questionnaire:** Updated the self-assessment with 7 categories and 25 questions.
- **Group-wide Participation:** All non-listed subsidiaries completed the self-assessment.
- **Guidance & Support:** Workshops and guidance were provided for new subsidiaries.
- **Comprehensive Reporting:** Results were reported to the parent company’s board and executive committee, with individual reports and recommendations for each subsidiary.



## (5) Fostering an Ethical and Compliant Culture

To cultivate an ethical and compliant culture, the parent company implemented several initiatives, such as

- **Employee surveys:**  
Assessed employee awareness of ethical conduct and governance principles.
- **Performance integration:**  
Embedded ethical conduct and compliance into performance evaluations.
- **Open communication:**  
Provided channels for employees to raise concerns confidentially.
- **Leadership spotlights:**  
Showcased ethical leadership through executive interviews.

These efforts reinforce the company's commitment to ethical behavior and good governance across its operations.

### Building an Anti-Corruption Culture

To foster an anti-corruption culture, the parent company actively promotes transparency and ethical conduct. In addition to establishing a group-wide anti-corruption policy, the company implemented these initiatives:

- **Gift ban campaign:**  
A formal request was sent to all subsidiary CEOs, urging them to comply with the "Policy on Giving and Receiving Gifts or Other Benefits."
- **Awareness posters:**  
Posters were distributed across all subsidiaries to raise awareness and encourage a gift-free culture.



This highlights the parent company's commitment to preventing corruption and promoting ethical behavior throughout its operations.

Topics that Received more than 85 Percent of Employee Acknowledgement in 2023	% of Employees Acknowledgement In 2022 (%)	% of Employees Acknowledgement In 2023 (%)	+/- %
Employee understand the principles of the Code of Conduct.	81.2	90.42	+ 9.22
Employee perceive that the company's top management are good examples of ethical conduct.	80.2	88.30	+ 8.10
Employee perceived that their supervisors are good examples of ethical conduct.	80.8	88.20	+ 7.40
Employee apply the policies and guidelines properly	84.5	91.48	+ 6.98
Employee understand the risks involved in their duties and responsibilities to prevent possible violation of laws and ethics such as corruption, human rights or occupational health and safety	84.1	90.01	+ 5.91
Employee apply the Code of Conduct to their work	87	91.90	+ 4.90
Employee perceive that compliance with the Code of Conduct enhances their reputation and image	90.0	91.65	+ 1.65
Employee uphold the Code of Conduct as an integral part of their work	90.6	92.16	+ 1.56

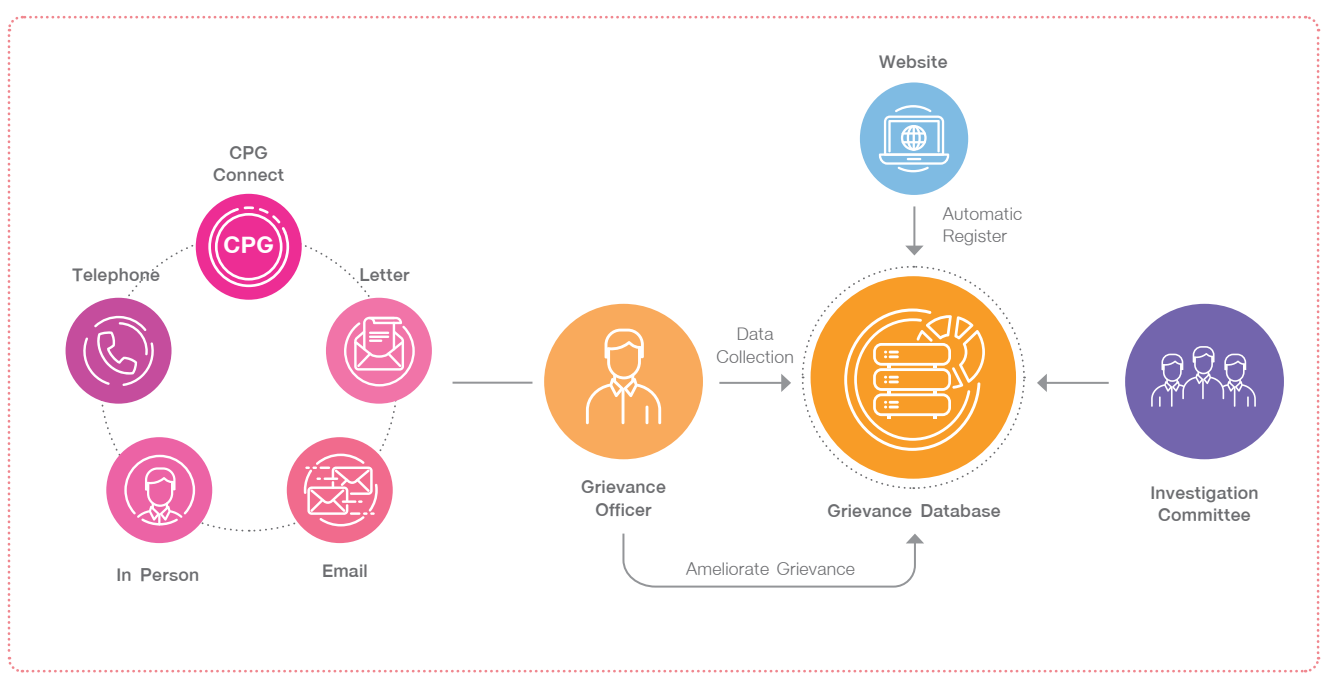
**(6) Continuous Improvement in Governance**

In 2023, the parent company further strengthened its governance framework through these initiatives:

- Unified Governance:** All subsidiaries world-wide developed annual governance, risk management, and compliance plans, overseen by dedicated committees that report progress to the parent company.

- Whistleblowing Channels:** Secure and confidential channels were established for stakeholders to report concerns, with protection from retaliation for whistleblowers. The process is regularly reviewed and monitored to ensure effectiveness.
- Employee Recognition:** To motivate participation in governance initiatives, the “CG Network Recognition Awards” program was launched to recognize and reward the contributions of executives and employees across subsidiaries.

Number of Complaints relating to Employee Misconduct and Management Measures

**CG Network Recognition Awards**

To motivate strong corporate governance across its subsidiaries, the parent company held the “CG Network Recognition Awards 2023”.

**Participation:** 171 representatives (CG Network) from all business units participated.

**Awards:** 66 out of 81 business units (81%) received awards.

**Impact:**

- Standardized governance across subsidiaries.
- Stronger CEO engagement in policy implementation.
- Enhanced monitoring of governance performance.
- Increased knowledge sharing and best practice adoption.
- Strengthened ethical awareness among employees.

This initiative reinforces the company’s commitment to recognizing and promoting good governance practices.



## Stakeholder Engagement

The parent company strives to be a responsible corporate citizen, contributing to the economic, social, and environmental well-being of the communities where it operates. It fosters a culture of good governance by actively engaging with stakeholders and sharing its knowledge and best practices.

Key 2023 initiatives included:

- **Promoting ethical conduct among business partners:** The Group provides training and guidance to ensure partners adhere to its Supplier Code of Business Conduct, fostering sustainable growth.



- **Participating in anti-corruption initiatives:** The Group participated in Thailand's National Anti-Corruption Day, organized by the Anti-Corruption Organization (Thailand), reaffirming its commitment to transparency and ethical business practices.



- **Sharing governance expertise:** Senior executives participated in seminars organized by the Thai Institute of Directors (IOD) and shared insights through the Group's "CG Voices" e-magazine.

- **Promoting diversity and inclusion:** The Group organized Pride Month activities to champion human rights and gender equality, aligning with the UN's Sustainable Development Goals (SDGs).





- Championing sustainable development:** The CEO participated in the “TSCN CEO PANEL: Adapting for Sustainable Survival” at Sustainability Expo 2023, sharing the company’s vision and best practices.
- Promoting responsible supply chain management:** The Group encourages partners to adopt responsible practices throughout the supply chain, contributing to environmental conservation and sustainable business growth.

These initiatives, coupled with the company’s robust governance framework, ethical conduct, and commitment to stakeholder engagement, have fostered a strong ethical culture.



### Governance: The Heart of Sustainability

Charoen Pokphand Group conducts business on a foundation of ethics, which is the key driver propelling our organization towards sustainability. We instill this culture in employees at all levels, encouraging them to operate in accordance with good corporate governance principles. This encompasses everything from minimizing environmental impact and promoting social equality to creating shared value with communities. Our leaders exemplify ethical business conduct, fostering a transparent and accountable organizational culture. We also encourage our business partners to adhere to these same principles. This commitment has led Charoen Pokphand Group to be recognized by Ethisphere

as one of the World’s Most Ethical Companies for four consecutive years, a testament to our success in conducting business with good governance.

Our journey on the path of ethics continues. We are committed to achieving our goals of becoming a low-carbon organization, expanding social projects, and developing innovations for a sustainable future. We will continue to lead with integrity, build trust, and create positive impacts for the world. We firmly believe that good governance is the bedrock that will guide our organization towards true and lasting success.



# Moving Forward in 2024

Moving Forward in 2024

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## Moving Forward in 2024

In 2024, Charoen Pokphand Group will leverage risk assessments, internal audit findings, performance evaluations, and employee feedback on corporate governance and compliance to strengthen our governance framework. This will involve enhancing both the structure and processes of our governance system across all business units, and improving the efficiency of Business Units to ensure that our oversight, monitoring, and control mechanisms meet international standards.

Key initiatives for 2024 include:

- **Tailored Governance Structures:** Designing governance structures that align with the specific characteristics and needs of each business unit.
- **Intelligent Risk Assessment:** Developing Risk Assessment Intelligence (RMI), an intelligent software program that enhances risk assessment accuracy, raises employee awareness, and strengthens internal controls to promote transparency and prevent fraud.
- **Conflict of Interest Prevention Platform:** Providing a platform for employees at all levels, including management, to disclose potential conflicts of interest, ensuring transparency and reinforcing stakeholder trust.
- **Enhancing Expertise:** Upskilling governance personnel through individual development plans and collaborative projects to foster integrated and highly effective teamwork.

These initiatives demonstrate our ongoing commitment to continuous improvement and maintaining robust governance practices across the Charoen Pokphand Group



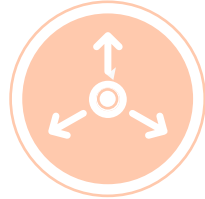


# Appendix

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# Six Core Values



## 1. Three Benefits

C.P. Group has always operated our business by adhering to the 'Three-Benefit Principle'. This states that our business should first benefit the countries where we operate; then the communities we engage with and lastly the

company and employees. Since the founding days, this principle has guided our growth and ensured that our operations benefit the society as a whole.



## 2. Speed with Quality

Modern businesses must be fast-moving, without compromising quality. They must be able to adapt to new circumstances, adopt the latest technologies, respond to both consumers' changing tastes and preferences,

and evolving regulations. As a result, C.P. Group places great importance on the efficiency and effectiveness of our business and employees.



## 3. Simplification

C.P. Group invests in 21 countries and economies worldwide, operating through more than 200 subsidiaries and employing over 300,000 people. The Group is therefore committed to applying technology and innovation

that simplifies its systems and operations while improving efficiency and effectiveness across the entire Group. Simplification is one of the key practices that has enhanced the Group's success.



## 4. Accept Changes

Global businesses face daily changing circumstances: from political, socio-economic and environmental issues to consumers' needs and technological development. Our key strategy is to embrace changes. We encourage our employees

to stay informed of new opportunities so that we could deliver more to our customers. This also helps us to manage the evolving circumstances across all of our markets.



## 5. Innovation

Innovation drives every aspect of our business from processes to products. Businesses must constantly innovate to keep pace with a rapidly changing world. We actively encourage our employees to be innovative.

Our goal is to foster innovation across our business to deliver the best products and services to our customers.



## 6. Integrity

Since the very first day of C.P. Group, we have operated our business with integrity and transparency in every transaction—big or small. We firmly believe that any business focusing solely on self-enrichment and

disregarding integrity will ultimately lose trust of its stakeholders and ability to operate in the long run.



# Corporate Governance Principles



## 1. Our strength lies in our ability to constantly evolve and adapt our businesses.

The Group's focus on entrepreneurship allows us to recognize new opportunities, and to adapt our businesses to remain competitive in evolving markets.



## 2. Our network of businesses creates synergies, which we maintain responsibly and in full compliance with all regulations.

Our many interconnected businesses enable us to deliver higher quality and better service to our customers. Our Corporate Governance Principles ensure that we pursue any synergy in full compliance with all relevant laws and regulations.



## 3. We strive to ensure our entrepreneurial spirit is always balanced by responsible risk management.

Our entrepreneurial mindset has enabled us to grow into the multinational business that we are today. However, our risk strategy ensures that our entrepreneurship flourishes strictly in line with the long-term interests of the Group and its stakeholders.



## 4. Our Boards provide leadership, set strategic objectives, and make decisions to build real value for the Group and all its stakeholders.

Each board provides clear directions and defines sustainable processes to ensure we continue to grow as a robust and forward-looking business. Management is then empowered to implement this direction and measure success.



## 5. Our Directors provide informed opinions and advice on governance to guide the Board. To execute their duties, they must be independent and steadfast.

Each of our Directors deliver a unique contribution to the Board on which they serve. We expect all of our Directors to carry out their duties with independence and resolve.



## 6. Up-to-date information and research is vital for our Boards to make sound business decisions.

All C.P. Group Boards and Directors must actively educate themselves on all aspects of the company, its industries and all relevant external developments so that they have the information they need to perform their duties.



## 7. We compose our Boards carefully to ensure that they have the knowledge and experience to make informed decisions.

We strive to ensure that the composition of our Boards is well-balanced. We identify a suitable size and structure for each business and we seek to fill those positions with Directors who have diverse experience and skills.



## 9. We are committed to open, effective and ongoing communications with all of our stakeholders.

Good corporate governance goes beyond regulatory compliance. It requires respectful management of the relationships between the Group and its stakeholders. Whenever appropriate, we engage in robust dialogue with these groups. Assessing our effectiveness in maintaining this dialogue is a key element in the way we measure our success.



## 8. We take a rigorous and transparent approach to evaluating and incentivizing performance at all levels.

It is the responsibility of the Board to set, oversee and, for listed companies, disclose the remuneration framework. The Board must establish and enforce clear guidelines on Director and Management compensation, as well as benchmarks and performance assessments on individuals, committees and the Board as a whole. Listed companies are also advised to appoint external consultants to ensure transparency.



## 10. We are committed to the rights of minority shareholders.

All our shareholders have the right to timely information about our business performance and the right to communicate with management. As a result, each Board must disclose clear and comprehensive financial reports and ensure that effective controls are in place to safeguard transparency and integrity in our reporting.



## 11. Integrity and honesty lie at the heart of who we are.

We expect our Boards, management and staff to maintain high ethical standards at all times. We require them to treat our suppliers, our customers and the environment with respect and dignity, and to perform the necessary due diligence to ensure that our partners do the same.



# Corporate Governance Committee Membership

(2016-2018)

## Executive Directors of C.P. Group and its Listed Companies:

1. **Dhanin Chearavanont**, (Senior Chairman of Charoen Pokphand Group)
2. **Soopakij Chearavanont** (Chairman of Charoen Pokphand Group)
3. **Suphachai Chearavanont** (CEO of Charoen Pokphand Group)
4. **Dr. Ajva Taulananda** (Vice Chairman of Charoen Pokphand Group; Former Vice Chairman of True Corporation Public Company Limited)
5. **Adirek Sripratak** (Senior Vice Chairman of Charoen Pokphand Group Company Limited; Director, Charoen Pokphand Foods Public Company Limited; Director of CP ALL Public Company Limited and CP Aextra Public Company Limited)
6. **Tanin Buranamanit** (Member of Executive Board of Charoen Pokphand Group Company Limited; Director of CP ALL Public Company Limited and CP Aextra Public Company Limited)
7. **Umroong Sanphasitvong** (Member of Executive Board of Charoen Pokphand Group Company Limited; Director of CP ALL Public Company Limited and CP Aextra Public Company Limited)
8. **Hans Werner Reich** (Senior Advisor of Charoen Pokphand Group)

## Independent Non-Executive Directors of C.P. Group Listed Companies:

9. **Dr. Chaiyawat Wibulswadi** (Former Independent Director of Charoen Pokphand Foods Public Company Limited; Former Director of CP Aextra Public Company Limited)
10. **Dr. Kosol Petchsuwan** (Former Independent Director of True Corporation Public Company Limited)
11. **Professor Prasobsook Boondech** (Former Independent Director of CP ALL Public Company Limited; Independent Director of CP Aextra Public Company Limited)
12. **Dr. Kittipong Kittayarak** (Independent Director of Charoen Pokphand Foods Public Company Limited; Independent Director of CP ALL Public Company Limited; Independent Director of True Corporation Public Company Limited)
13. **Andrew Ma** (Independent Director of C.P. Pokphand Company Limited)

## External Independent Members

14. **Paron Israsena Na Ayudhaya** (Former CEO of Siam Cement Group)
15. **Professor Hiran Radeesri** (Expert on Corporate Governance and Social Responsibility at the Stock Exchange of Thailand; Honorary Chairman of the Thai Institute of Directors)
16. **David Gordon Eldon** (Former Chairman of HSBC Asia Pacific)
17. **Kath Cates** (Former COO of Wholesale Banking at Standard Chartered; Global Head of Compliance at UBS)
18. **George Hongchoy** (CEO of Link Asset Management Limited)



# Ethisphere's "World's Most Ethical Companies"

## About Ethisphere

The Ethisphere® Institute is the global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust and business success. Ethisphere has deep expertise in measuring and defining core ethics standards using data-driven insights that help companies enhance corporate character and measure and improve culture. Ethisphere honors superior achievement through its World's Most Ethical Companies recognition program and provides a community of industry experts with the Business Ethics Leadership Alliance (BELA). More information about Ethisphere can be found at: <https://ethisphere.com>.

## Methodology and Scoring

Grounded in Ethisphere's proprietary Ethics Quotient®, the World's Most Ethical Companies assessment process includes more than 200 questions covering ethics and compliance, corporate governance, culture of ethic, environment and social impact, and third-party management

Membership comprises over 300 of the world's top organizations, including PepsiCo, Sony, Kellogg, Hershey's, L'ORÉAL, IBM, Kao Corporation.

## Honorees

The full list of the 2024 World's Most Ethical Companies can be found at <https://ethisphere.com/ethisphere-announces-the-2024-worlds-most-ethical-companies/>





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