FORCE FOR A SUSTAINABLE LIFE

Seeding the Future
We will be the seeds that grow strongly with resilience in the face of all future challenges.

SEEDS OF A SUSTAINABLE FUTURE

Branching out from a small seed into 8 businesses, across 100 years of growth.

We began as a seed shop in Thailand named ‘Chai Tai Chung,’ which means honesty and fairness. Back then, we manufactured packaged vegetable seeds and were the first vendors to put an expiration date on our products. From there, our seed shop branched out into eight main business groups across 21 countries and economic areas. For a century, we have committed to delivering sustainability and good qualities of life for all.

At the heart of our business is the ‘Three Benefit Principle’, which derives from the belief that others must benefit first – the country, the people, followed by our employees and businesses. This is fundamentally shaped by our deep and steady sense of gratitude, which allows our organization to grow strongly and sustainably, and enables us to enhance the quality of life for people all over the world through social responsibility, environmental care, and sustainability in all dimensions.

The report this year focuses on education promotion and sustainable environmental management. These priorities are:

Education Promotion
Promote and develop an inclusive learning society across the nation to increase opportunities for learning and reduce social inequalities.

Reducing Greenhouse Gas Emissions
Commit to becoming a carbon neutral organization, to build a healthy environment for all.

Reducing Food Waste
Commit to zero food waste and saving food to create a better world.
TABLE OF CONTENTS

Interactive User Guide
The Charoen Pokphand Sustainability Report 2019 is produced as an interactive PDF file to enhance user's reading experiences.

By clicking on an item in the Table of Contents, you will be directed to the relevant section. By clicking on the Content bar on the left-hand side on each page, you will also be directed to the relevant section.

Navigation Buttons
- Prev Page: Directs you to the previous page from your current location.
- Home (Contents): Directs you back to the Table of Contents.
- Next Page: Directs you to the next page from your current location.
Message from

SENIOR
CHAIRMAN

‘Three Benefits’: The Seeds of Sustainability – Guiding C.P. Group through 100 Years of Growth

C.P. Group is proud to have operated in Thailand for 99 years. Throughout this journey, we have fully recognized that our successes stem from the support of all stakeholder groups as well as consumers from Thailand and all over the world who have continued to place their trust in C.P. Group’s products and services. In turn, this has stimulated progress and sustainability for our organization and the country in all dimensions – economic, social, and environmental.

‘Sustainability’ at C.P. Group is possible because of our firm’s commitment to the ‘Three-Benefit Principle’. In practice, this means that first and foremost the country of our investment must benefit, followed by the people, and lastly the organization. At C.P. Group, we strongly believe that no business can achieve strong growth alone; it must also work closely to develop the strength of the people, society, and country. In addition, since we began our operations in 1921, and up to the present day, C.P. Group has upheld the values of honesty, integrity, and gratitude as guidance for our business, and will continue to do so in the future.

With the spread of the coronavirus (COVID-19) pandemic in 2020, which has impacted both Thai people and those around the world, C.P. Group has strongly recognized our duty to give back to the society. Therefore, within 5 weeks we constructed a factory to produce urgently-needed face masks particularly during the first stages of the pandemic despite various obstacles transporting the equipment and machinery to Thailand.

C.P. Group was able to proceed with manufacturing the surgical masks as planned thanks to the combined support of all parties. This enabled us to meet the production target of 3 million masks per month. These masks were then distributed, at no cost, to medical personnel, hospitals, and disadvantaged individuals. C.P. Group further provided safe food supplies to medical agencies and individuals under the COVID-19 quarantine, and distributed food to the general public to help alleviate any suffering that they might be facing. The Company also provided medical equipment to 77 hospitals throughout the country. Indeed, during the COVID-19 pandemic, C.P. Group has been fully committed to helping Thailand overcome this crisis successfully, to eventually restore the national economy, and bring back smiles and happiness for Thai society as soon as possible.

Over the past 100 years, C.P. Group has strived to cultivate the seeds of sustainability alongside business progress. Throughout this time, we have seen the fruits of these efforts grow strong and beautiful, and going forward we will not abandon these values that have allowed us to develop into a large organization of diverse businesses – one that is able to meet the needs of consumers all over the world. We will remain committed to leveraging all of our capabilities to build valuable livelihoods for all people, and to inspire happiness for the benefit of the community, the society, the country, and the world.
Message from
CHAIRMAN

In the midst of the economic disruptions caused by the virus, we are committing our resources and energy to supporting all the communities we serve globally and maintain our focus on sustainable business operations.

The challenge that we are facing today is unprecedented in scope and scale. The coronavirus (COVID-19) pandemic has quickly spread and caused tragic toll around the world. It is one of the foremost public health crises that Charoen Pokphand Group has ever witnessed in our almost century-long history. While the vital responses globally have come from dedicated frontline professionals who put themselves at risk to help others in hospitals, care facilities and emergency services, Charoen Pokphand Group, with gratitude to those individuals, is determined to support their efforts, and help strengthen the communities we serve around the world.

At Charoen Pokphand Group, we aim to create a sustainable world through our sustainable business practice by adhering to the ‘Three-Benefit Principle’ and our core values; benefiting first the country of our investment, then the people and company, along with innovation, simplification, speed and quality with the utmost integrity and honesty. We employed the multi-pronged initiatives ensuring the well-being of the communities we serve as well as our colleagues and their families globally. We have implemented rigorous measures to protect our colleagues and their families in order to control the spread of the virus along with the assurance of job security and safe workplace across the group worldwide.

With our strong network of global partnership, we have gathered knowledge, skills and resources to launch COVID-19 initiatives to provide comprehensive relief to our partners and those suffering. I feel grateful for dedication and synergistic strength of our management and colleagues who tirelessly tackle the situation in all aspects. Our global initiatives cover food security assurance, safe and efficient logistics, free delivery of food and essential supplies to hospitals, places of worship and households, medical supply donations, investment in surgical face mask factory in Thailand, along with digital infrastructure for working from home and e-learning.

We are operating in an uncertain time. With most countries worldwide in various stages of lockdowns, the global economy is suffering. At Charoen Pokphand Group, it is time for self-reflection and adhering to our essence and core values. The core elements of our sustainability efforts have always been our commitment to quality and safety, ethics and cutting-edge technology which have helped us find opportunity in crisis and created a sustainable business since the founding of the group. Amidst the crisis, we will continue to invest in advanced technology in order to mitigate risks, identify business opportunities, adjust and adapt to the ‘new normal’ and prepare for the economic recovery. Putting quality and safety at the heart of what we do is crucial during this time when, more than ever, customers rely on us the most to deliver the best value for their hand-earned money.

In this difficult time, trusted friends and ethical business conduct are of utmost importance. These elements contribute to our past achievements and will serve as foundation for our future success. I would like to thank all of our colleagues, customers, partners and stakeholders from across our global network. Their tireless efforts and dedication to finding the best solutions to the crisis and providing valuable support have ensured that our business operations can continue on the path towards sustainability during this challenging period.

Soopakij Chearavanont
Chairman
Charoen Pokphand Group
Today we are in the midst of global transformations at an unprecedented rate. Our ways of life are transitioning towards the ‘New Normal’ where not only consumer behaviors and business models are changing, but global temperature and environmental challenges are also steadily increasing. Most people may be aware of these changes, but may not know how best to deal with them. We should start with business leaders. From this point forward, we need to raise awareness and establish targets among leaders and incorporate technology for sustainability with business operations. We must decide whether we are willing and ready to take the first step. This is particularly relevant for the younger generation, who have the highest potential to create positive changes in the world. As for the role of businesses, we must develop strategies that respond to these changing needs, and rapidly adapt ourselves to a more digitized world. In particular, given the current period where change is being driven by a pandemic and an economic crisis, it is more important than ever for businesses to adapt quickly. In 2016, C.P. Group first announced our sustainability goals and indicators, and committed ourselves to accomplishing Phase 1 of the goals by 2020. Furthermore, by 2030, C.P. Group aspires to become a sustainability-leading organization globally.

In 2020, C.P. Group successfully achieved our Phase 1 sustainability goals, performing in accordance with the plans laid out in our ‘Heart – Health – Home’ framework. This was accomplished despite challenges in areas such as leadership and human resources development, and climate change. Nevertheless, we are confident that our targets will be met, and have continuously pursued our vision to become “a leading technology and innovative conglomerate, providing food for both the body and mind, that creates shared value and brings health and well-being for all.”

Looking towards the future direction and sustainability targets for C.P. Group in 2030, the most tangible and pressing global issue concerns the environment and climate change. While we recognize that the spread of the coronavirus (COVID-19) is a critical challenge, the issues of global warming and air, water, and soil pollution will present an even greater challenge. Indeed, C.P. Group will not stand idle on these major global issues. As a pressing issue that affects us all directly, global warming must be swiftly addressed. If humans do not help one another to maintain a balance in the world, the one day humanity could unknowingly face extinction. By 2030, the temperature is expected to increase globally by 1.5 degrees Celsius, and by 2050 this could increase further by 2 degrees Celsius. In view of these considerations, it is imperative that we prioritize global warming solutions.

Furthermore, as C.P. Group is now embarking on a new century of business operations, we have established a number of important sustainability targets including to become a ‘Zero Waste’ and ‘Zero Carbon’ organization. We plan to galvanize the efforts of all business groups within C.P. Group, and leverage innovations for a sustainable business, to help us move towards these targets. We further recognize that the issues of ‘Zero Waste’ and ‘Zero Carbon’ are global challenges that must be rapidly addressed. Therefore, by striving to meet these targets, we will not only tackle key environmental problems, but will also create a more sustainable economy and better livelihoods for the country and the people.

I am confident that our ‘Heart – Health – Home’ sustainability strategy will continue to join all forces of C.P. Group together on the path toward sustainability, and will deliver the ‘Three-Benefits Principle’ of C.P. Group – for the country, the people, and lastly, for our organization. It is my sincere hope that C.P. Group’s step into its new century of business will bring about sustainability and happiness to all.

Suphachai Chearavanont
Chief Executive Officer
Charoen Pokphand Group
2019 Performance Highlights

**ECONOMIC**
- 1,997,851 million THB Total Sales Revenue
- 26,234 million THB Taxes Paid to Governments
- 181,884 million THB Employee Benefits

**HEART : LIVING RIGHT**
- 90,197 employees from non-listed companies completed the C.P. Group Code of Conduct training
- 6 countries conducted C.P. Group’s Safety, Health, and Environment System Audit
- Male employees 49.98% (169,633 New + 59,674 Resigned = 54,977)
- Female employees 50.02% (169,798 New + 65,460 Resigned = 54,975)
- Male contractors 21,590
- Female contractors 33,931 persons

**HEALTH : LIVING WELL**
- 129,829 farmers supported
- 7,077 million THB R&D investment focusing on health and well-being
- 463 new products

**HOME : LIVING TOGETHER**
- 0.81 million tCO$_2$e GHI emissions reduction
- 1,468 million THB investment in environmental programs
- 0.45 million GJ energy consumption reduction
- 11.45% of renewable energy used

**Sustainability Management**
- Corporate Governance, Human Rights and Labor Practices, Leadership and Human Capital Development
- Education

**Home & Non-home Business Line**
- Sales revenues by Country and Main Business Line
- 12,282,400 CC volume of blood donated
- 490,767 children and youths gained access to food
- 546 million children and youths gained access to education and received necessary skills development
- 1,468 million THB investment in environmental programs
- 54.59% of waste converted to animal feed
- 100% of new suppliers passed the ESG selection criteria
- 90.16% of critical tier 1 suppliers and beyond passed the annual sustainability assessment
- 90.16% of water recycled/reused

**Social Impact**
- 82.45% of plastic packaging is reusable
- 77.93 thousand tons of water conserved to animal feed
- 10,989 people benefiting from projects
- 82.45% proportion of renewable energy used

**Introduction**
- Message from Our Leaders
- 2019 Highlights
- About C.P. Group
- History
- Philosophy
- Purpose
- Vision
- Mission
- Values
- Leadership
- Board of Directors
- President's Message
- Corporate Governance
- Sustainability
- Risk Management
- Accountability
- Stakeholders
- Communication
- Reports
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Supporting United Nations Sustainable Development Goals

**PEOPLE : PROMOTING PEOPLE’S QUALITY OF LIFE**

- **129,829 persons**
  - Promotes developing countries' social and economic development, improving their quality of life.

- **22,389 persons**
  - Volunteering group, including disabled persons, the elderly, and disadvantaged children received job and livelihood support.

**PLANET : ENVIRONMENTAL CONSERVATION**

- **82.45%**
  - Proportion of plastic packaging that is reusable, recyclable, and degradable.

- **62.32%**
  - Proportion of waste to fertilizer.

**PEACE : PROMOTING ACCOUNTABILITY, TRANSPARENCY, INCLUSIVENESS AND ANTI-CORRUPTION**

- **339,431 persons**
  - Farmers in developing countries received support with jobs and improved their quality of life.

- **129,829 persons**
  - C.P. Group’s total employees. The Group aims to conduct its human rights due diligence (HRDD) according to UN Guiding Principles on Business and Human Rights.

**PROSPERITY : FOSTERING GROWTH**

- **3,475,130 tons CO₂e**
  - Amount of greenhouse gas emissions reduced.

- **198**
  - Number of combined products and services certified for a carbon footprint label.

**PARTNERSHIP : ELEVATING PARTNERSHIPS FOR COLLABORATION**

- **706,100**
  - Number of SMEs receiving support for digitalization and e-commerce business.

- **7,078 million THB**
  - R&D expenditure.

- **12.06 : 14.91**
  - Proportion of male employees vs female employees.

- **15,347 Rai**
  - Forest areas conserved and restored.

- **11,268 Rai**
  - Agricultural areas where water sources and flora have been developed.

- **10,531 million THB**
  - Total investment.

- **2,864**
  - Number of disabled people employed.

- **5.27 million GJ**
  - Amount of renewable energy.

- **0.17 million GJ**
  - Amount of energy saved through the waste-to-energy process.

- **29.5 million**
  - Number of customers using the financial service True Money in 6 developing countries in Southeast Asia.

- **15,347 Rai**
  - Forest areas conserved and restored.

- **38,135 scholarships**
  - Number of C.P. Group’s scholarships accumulated for children of employees.

- **15,000,000 scholarships**
  - Number of tertiary students receiving scholarships.

- **38,135 scholarships**
  - Number of children of employees receiving scholarships.

- **13,07%**
  - Proportion of reused or recycled water.

- **54.59%**
  - Amount of water consumption reduced per revenue unit compared to baseline year 2015.

- **15,347 Rai**
  - Forest areas conserved and restored.

- **11,268 Rai**
  - Agricultural areas where water sources and flora have been developed.

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Awards And Recognitions 2019

Dow Jones Sustainability Indices
C.P. Group’s subsidiaries have been selected as members of the 2019 Dow Jones Sustainability Indices, in the DJSI Emerging Markets Index and DJSI World Index. This reflects the companies’ commitment to continuously operate on the foundations of sustainability.

True Corporation Public Company Limited was selected as a member of the DJSI Emerging Markets Index, in the Telecommunication Services Industry, for the third consecutive year. True Group received the highest score in the industry sector, globally, for the second year.

CP All Public Company Limited was selected as a member of the DJSI World Index for the second consecutive year, the DJSI Emerging Markets Index for the third consecutive year, and achieved the top industry leader status in the Food & Staples Retailing Industry on the World Index.

Charoen Pokphand Foods Public Company Limited was selected as a member of the DJSI Emerging Markets Index, in the Food Products Industry, for the fifth consecutive year.

SET Sustainability Investment Awards
SET-listed companies in C.P. Group were selected as members of the Thailand Sustainability Investment (THSI) list of the Stock Exchange of Thailand (SET), and also received SET Awards 2019 in the “Sustainability Excellence” awards group, under the “Highly Commended in Sustainability Awards” category.

Corporate Governance Report
Charoen Pokphand Foods Public Company Limited, True Corporation Public Company Limited, and CP All Public Company Limited were assessed to have Excellent CG Scoring by the Corporate Governance Report (CGR) of Thai Listed Companies of the Thai Institute of Directors Association.

Corporate Sustainability Index 100
Charoen Pokphand Foods Public Company Limited was selected as a member of the DJSI Emerging Markets Index, in the Food Products Industry, for the fifth consecutive year.

True Corporation Public Company Limited was selected as a member of the DJSI World Index, in the Telecommunication Services Industry, for the third consecutive year. True Group received the highest score in the industry sector, globally, for the second year.

CP All Public Company Limited was selected as a member of the DJSI World Index for the second consecutive year, the DJSI Emerging Markets Index for the third consecutive year, and achieved the top industry leader status in the Food & Staples Retailing Industry on the World Index.

Charoen Pokphand Foods Public Company Limited was selected as a member of the DJSI Emerging Markets Index, in the Food Products Industry, for the fifth consecutive year.

Asian Excellence Awards 2019
CP All Public Company Limited received awards for “Asia’s Best CEO,” “Asia’s Best CFO,” “Best Investor Relations Company,” and “Best Investor Relations Officer” at the 9th Asian Excellence Awards 2019, organized by Corporate Governance Asia magazine.

Top Employers APAC 2020
True Corporation Public Company Limited was awarded the Top Employers Thailand certification by the Top Employers Institute for the second year in a row. True Corporation Public Company Limited was the only Thai telecommunications company to be awarded with this certification. It reflects True’s outstanding and inclusive approach to human resources management and employee care.

ASEAN Energy Awards 2019
CP Food and Beverages Company Limited, CP All Public Company Limited, and Khao C.P. Co., Ltd. were the winners of the Renewable Energy Awards and Energy Management in Building and Industry awards at ASEAN Energy Awards 2019.
Our Portfolio

C.P. Group’s Vision

‘TO BE A LEADING TECHNOLOGY AND INNOVATIVE CONGLOMERATE, PROVIDING FOOD FOR BOTH THE BODY AND MIND, THAT CREATES SHARED VALUES AND BRINGS HEALTH AND WELL-BEING FOR ALL.’

Thailand (Headquarters)

<table>
<thead>
<tr>
<th>Production plants</th>
<th>Livestock/aquaculture farms</th>
<th>7-Eleven stores</th>
<th>Hypermarkets/superstores</th>
<th>R&amp;D centers/research centers</th>
<th>Total employees</th>
</tr>
</thead>
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<tr>
<td>73</td>
<td>352</td>
<td>11,712</td>
<td>134</td>
<td>37</td>
<td>204,920</td>
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</tbody>
</table>

East Asia

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<th>Production plants</th>
<th>Livestock/aquaculture farms</th>
<th>7-Eleven stores</th>
<th>Hypermarkets/superstores</th>
<th>R&amp;D centers/research centers</th>
<th>Total employees</th>
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</thead>
<tbody>
<tr>
<td>117</td>
<td>193</td>
<td>77</td>
<td>11</td>
<td>1</td>
<td>80,961</td>
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</tbody>
</table>

Southeast Asia

<table>
<thead>
<tr>
<th>Production plants</th>
<th>Livestock/aquaculture farms</th>
<th>7-Eleven stores</th>
<th>Hypermarkets/superstores</th>
<th>R&amp;D centers/research centers</th>
<th>Total employees</th>
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</thead>
<tbody>
<tr>
<td>49</td>
<td>233</td>
<td>77</td>
<td>11</td>
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<td>37,841</td>
</tr>
</tbody>
</table>

South Asia and West Asia

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<th>Production plants</th>
<th>Livestock/aquaculture farms</th>
<th>7-Eleven stores</th>
<th>Hypermarkets/superstores</th>
<th>R&amp;D centers/research centers</th>
<th>Total employees</th>
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</thead>
<tbody>
<tr>
<td>26</td>
<td>163</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>7,858</td>
</tr>
</tbody>
</table>

Europe and the US

<table>
<thead>
<tr>
<th>Production plants</th>
<th>Livestock/aquaculture farms</th>
<th>7-Eleven stores</th>
<th>Hypermarkets/superstores</th>
<th>R&amp;D centers/research centers</th>
<th>Total employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>10</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>7,851</td>
</tr>
</tbody>
</table>

Population in operating countries

- Thailand (Headquarters): 204,920
- East Asia: 80,961
- Southeast Asia: 37,841
- South Asia and West Asia: 7,858
- Europe and the US: 7,851

Total employees: 339,431 persons

Main business lines

- Production plants
- Livestock/aquaculture farms
- 7-Eleven stores
- Hypermarkets/superstores
- R&D centers/research centers

Symbol Index:

- Main business lines
- Agro-Industry and Food
- Retail and Distribution
- Media and Telecommunications
- E-Commerce and Digital
- Property Development
- Automotive and Industrial Products
- Pharmaceuticals
- Finance and Investment

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Our Portfolio
Introduction
- Message From Our Leaders
- 2019 Highlights
- About C.P. Group

Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report

HEART Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

HEALTH Living Well
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix

C.P. Group
Value Chain

The 8 business lines cover 14 business groups.

1. Agro-Industry and Food Business Group
2. Feed Ingredients Trading Business Group
3. Crop Integration Business Group
4. Pet Food Business Group
5. Seeds, Fertilizers and Plant Protection Products Business Group
6. Pharmaceuticals Business Group
7. Automotive Business Group

Charoen Pokphand Group (C.P. Group) operates a diverse business across its 8 business lines, including: Agro-Industry and Food Business, Retail and Distribution Business, Media and Telecommunications Business, E-Commerce and Digital Business, Property Development Business, Automotive and Industrial Products Business, Pharmaceuticals Business to Finance and Investment Business. C.P. Group has been integrating the strengths from each business group in order to sustainably maximize the benefits and deliver the utmost value to the country, people, and then the company.
Our Business

Main Companies
Charoen Pokphand Group Co., Ltd
CPG Overseas Company Limited

Main Businesses
Charoen Pokphand Group Co., Ltd. serves as the parent company of C.P. Group as its holding company. Charoen Pokphand Group Co., Ltd. holds shares of subsidiaries in Thailand and overseas. The Group operates across many industries, ranging from industrial to service sectors, that are categorized into eight Business Lines covering 14 Business Groups. Currently, the Group has investments in 21 countries and economies.

Highlights 2019

Our Business

Introduction
- Message From Our Leaders
- 2019 Highlights
- About C.P. Group

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- Sustainability Strategy
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- Corporate Governance
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- Education

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- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME: Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix

Agro-Industry and Food Business Group

Feed Ingredients Trading Business Group

Our Business
Our Business

International Trading Business Group
Agr-Industry and Food Business Line

Main Companies
CP. Intertrade Co., Ltd.
Khao C.P. Co., Ltd.
CP Food Store Co., Ltd.
Ayutthaya Port & ICD Co., Ltd.
Dynamic Transport Co., Ltd.
Dynamic Intertransport Co., Ltd.

Crop Integration Business Group
Agr-Industry and Food Business Line

Main Companies
Charoen Pokphand Produce Co., Ltd.
C.P. Starlanes Co., Ltd.
Charoen Pokphand Agriculture Co., Ltd.
Charoen Pokphand Engineering Co., Ltd.

Main Businesses
The Crop Integration Business Group specializes in research and development of fruits, and production of rice and maize seeds. The Business Group also operates other businesses including: plant nutrition, large-scale crop farming, rubber plantations, orchards, and service centers for agricultural inputs. Furthermore, the Business Group produces and distributes agricultural machines to farmers in Thailand and overseas, providing technological and engineering advice and innovations for their sustainable business growth.

Crop Integration Business Group
Agr-Industry and Food Business Line

Main Companies
Charoen Pokphand Produce Co., Ltd.
C.P. Starlanes Co., Ltd.
Charoen Pokphand Agriculture Co., Ltd.
Charoen Pokphand Engineering Co., Ltd.

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Pet Food Business Group
Agr-Industry and Food Business Line

Main Companies
Chia Tai Co., Ltd.

Main Businesses
The Pet Food Business Group aims to elevate the quality of life of both pet owners and their pets by caring and constantly innovating new products. Their products and services foster good relationships between the pets and their owners. The products include pet foods for dogs, cats, fish, horses, birds, rabbits, mice, among others. The pet food is sourced from high-quality and nutritious raw materials and produced in the plants certified by international standards. The quality food certainly enhances the quality of life of the pets and help them to live a long and happy life.
Introduction
- Message From Our Leaders
- 2019 Highlights
- About CPG Group
Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report
HEART Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education
HEALTH Living Well
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation
HOME Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management
Appendix

Retail and Distribution Business Group
Retail and Distribution Business Line
Main Companies
CP All Public Co., Ltd.
Siam Makro Public Co., Ltd.
C.P. Lotus Corporation

Telecommunications Business Group
Media and Telecommunications Business Line
Main Companies
True Corporation Public Co., Ltd.

Main Businesses
Led by CP All Public Company Limited, the Retail and Distribution Business Group in Thailand currently comprises three businesses: retail, wholesale, and related businesses. These include: 11,712 7-Eleven stores, 134 Makro stores, bakery and ready meal production and distribution services, financial services, education, logistics, telecommunications, and media marketing. In China, C.P. Lotus Corporation, a leading retailer, operates shopping malls under the name ‘Lotus.’

Main Businesses
Headed by True Corporation Public Company Limited, the Telecommunications Business Group is the first fully integrated telecommunications and digital technology provider in Thailand, and a leader in the convergence business. The Business Group operates three main businesses: TrueMove H and TrueOnline, which areas broadband internet and WiFi provider, and TrueVisions, which is a nationwide television subscription service provider.

E-Commerce and Digital Business Group
E-Commerce and Digital Business Line
Main Companies
Ascend Group Co., Ltd.
Freewill Solutions Co., Ltd.

Main Businesses
The E-Commerce and Digital Business Group is a digital platform service provider in FinTech, e-Commerce, and digital solutions. It is also a software developer for information security and IT services. Moreover, the Business Group provides business advisory services and central platforms for e-procurement and e-auction, knowledge resources, and cloud services.

Property Development Business Group
Property Development Business Line
Main Companies
C.P. Land Public Co., Ltd.
Shanghai Kinghill Ltd.
C.P. Property Co., Ltd.
Chia Tai Land Co., Ltd.

Main Businesses
The Property Development Business Group in Thailand is a property developer of rental and sales services, hotels, and international convention and exhibition centers, and a provider of facility and industrial estate management services. In China, Shanghai Kinghill Limited, a developer of the Super Brand Mall, and Chia Tai Land Co., Ltd., develop real estate and provide consultation and property management services.

Main Companies
Ascend Group Co., Ltd.
Freewill Solutions Co., Ltd.
C.P. Land Public Co., Ltd.
Shanghai Kinghill Ltd.
C.P. Property Co., Ltd.
Chia Tai Land Co., Ltd.
Introduction

- Message From Our Leaders
- 2019 Highlights
- About C.P. Group

Sustainability Management

- Sustainability Strategy
- Materiality Assessment
- About this Report

HEART Living Right

- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

HEALTH Living Well

- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME Living Together

- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix

Our Business

Automotive Business Group
Automotive and Industrial Products Business Line

Main Companies
SAIC Motor-CP Co., Ltd.
Luoyang Northern Ek Chor Motorcycle Co., Ltd.
ECI Metro Investment Co., Ltd.

Main Businesses
The Automotive Business Group invests in the industrial sector, and the manufacturing and distribution of heavy equipment in China. The Business Group also manufactures the MG automobiles in Thailand, CHOK-Cross electric vehicles, CATERPILLAR heavy equipment and motors, and Dayang motorcycles.

Packaging Business Group
Automotive and Industrial Products Business Line

Main Companies
CPPC Public Company Limited

Main Businesses

Pharmaceuticals Business Group
Pharmaceuticals Business Line

Main Companies
Sino Biopharmaceutical Limited

Main Businesses
The Sino Biopharmaceutical Limited Group is a leader in pharmaceutical and innovation in China. Businesses of the Group consist of centers for research and development, production and distribution of medicines, chemical products, modern Chinese medicine, and other health products. The Group specializes in medicines for hepatitis, heart diseases, respiratory diseases, and bone and joint diseases, among others.

Finance and Banking Business Group
Finance and Investment Business Line

Main Companies
Zheng Xin Bank Company Limited
ITOCU Corporation
Ping An Insurance (Group) Company of China Ltd.
CITIC Group Corporation Ltd.

Main Businesses
C.P. Group has collaborated with leading international integrated banking, financial, and insurance companies. In China, the Ping An Insurance Group provides integrated financial services across three main businesses: insurance, banking, and investment. CITIC Group Corporation and Zheng Xin Bank Company Limited provide financial services, and ITOCHU Corporation manages finance and business investment in Japan and overseas.

*Not included in this report
For over a century, C.P. Group has earned trust from both the Thai society and the world by continuously innovating for better quality of life. The Group will also promote sustainability of the economy, society and environment.

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, and 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 business faces daily changing circumstances: from political, socio-economic and environmental trends to consumers’ needs and technological developments. Our key to handling such changes is to 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 innovative across 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.
C.P. Excellence

For more than nine decades since its foundation in 1921, Charoen Pokphand Group has expanded its business to 21 countries and economies around the world. We aspire to become a sustainable organization with a unique and distinctive management approach at the same level as leading global organizations.

Dr. Ajva Taulananda, Senior Vice Chairman of C.P. Group, has summarized C.P. Group’s unique management concept as follows: “In running a business, we cannot only aim for short-term profits. We still need to consider management efficiency by managing resources and the environment in a way that allows us to be competitive. The organization should exercise fairness to all shareholders. While treating all stakeholders fairly. Most importantly, the decisions and governance of all leaders in every aspect must be reached with sufficiency, reason, resilience, and applied knowledge in parallel with ethics. All of these ideas are reflected in C.P. Group’s six core values – which are the spirit of our organization.”

The “C.P. Excellence” Management Approach models its structure after not only the Malcolm Baldrige National Quality Award (MBNQA*), an international management principle from the U.S., but also the Group’s own management characteristics. C.P. Group’s management approach can be illustrated with an image of a house, comprising the following three components: 1) the pillars, which are the main management principles; 2) the foundation, connecting all parts of management together for a secure business foundation; and 3) the roof, symbolizing the principles that protect the organization and ensure sustainability. Through the C.P. Excellence Management System, we firmly believe that we can enhance the livelihood of people, build a stable business, secure social acceptance and support, and move towards sustainability, creating benefits for all countries in which we invest.

*The Malcolm Baldrige National Quality Award is now known as the Baldridge Excellence Framework.
C.P. Group has implemented a sustainability strategy that drives the Group’s operations in pursuit of its 2020 targets and vision, “Providing food for both body and mind that creates shared values and brings health and well-being for all.” In addition, C.P. Group has established the Sustainability, Good Governance and Corporate Communication Operating Committee (SGC Operating Committee), which takes responsibility for outlining management approaches, monitoring, verifying, and ensuring confidence that C.P. Group’s overall performance is efficient and in line with its targets and vision. Moreover, C.P. Group has carried out an assessment of its material sustainability issues and supported all 17 United Nations Sustainable Development Goals (SDGs).

C.P. Group has developed the “3Hs” Framework, covering three dimensions: Heart – Living Right, Health – Living Well, and Home – Living Together. This Framework serves as the driver behind C.P. Group’s sustainability strategy, and ensures that it can efficiently reach its intended targets. The 3Hs Framework supports the various principles and operational systems that C.P. Group has either established or adopted, including the ‘Three-Benefit Principle,’ the C.P. Excellence Management Approach, the Sufficiency Economy Philosophy, the Ten Principles of the UN Global Compact, the 17 UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights as well as all laws in each country where the Group operates.

C.P. Group further reviews, improves, and updates its sustainability strategy, including the strategy’s components, on a regular basis. As a result, key companies of C.P. Group have been recognized by various international sustainability rankings such as the Dow Jones Sustainability Indices (DJSI), FTSE4Good, and Morgan Stanley Capital International (MSCI). At C.P. Group, we promise to continuously enhance our sustainability performance to create benefits for the country, positive livelihood for the people, and stability for the company. The Group plans to develop a strategy and long-term sustainability targets in 2020.
Strategic Framework

Corporate Governance
100% of businesses within C.P. Group publicly disclose their corporate governance and sustainability performance through the Group’s Report.

Human Rights and Labor Practices
100% of businesses within C.P. Group conduct human rights due diligence.

Leadership & Human Capital Development
All leaders and employees are provided with the training necessary to create business sustainability.

Education
4,350,000 children, youths, and adults will be provided with access to education and necessary skills development by 2020.

Social Impacts
Improve employment prospects and quality of life for 100,000 farmers, small and medium-sized entrepreneurs (SMEs), and persons in vulnerable groups.

Health & Well-being
30% of new products will help promote health and well-being.

Stakeholder Engagement
100% of Business Groups in C.P. Group will develop a stakeholder engagement process.

Innovation
Increase value of products and process innovation by 50%, compared to the 2016 baseline.

Climate Change Management
Reduce greenhouse gas emissions per revenue unit by 10% compared to 2015. Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.

Water Stewardship
Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.

Ecosystem & Biodiversity Protection
100% of raw materials come from responsible sources without depleting forests and marine resources.

Responsible Supply Chain Management
100% of critical suppliers have been assessed for sustainability.

100% of businesses within C.P. Group publicly disclose their corporate governance and sustainability performance through the Group’s Report.

100% of businesses within C.P. Group conduct human rights due diligence.

All leaders and employees are provided with the training necessary to create business sustainability.

4,350,000 children, youths, and adults will be provided with access to education and necessary skills development by 2020.

Improve employment prospects and quality of life for 100,000 farmers, small and medium-sized entrepreneurs (SMEs), and persons in vulnerable groups.

30% of new products will help promote health and well-being.

100% of Business Groups in C.P. Group will develop a stakeholder engagement process.

Increase value of products and process innovation by 50%, compared to the 2016 baseline.

Reduce greenhouse gas emissions per revenue unit by 10% compared to 2015. Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.

Reduce water withdrawal per unit of revenue by 10%, compared to the 2015 baseline.

100% of raw materials come from responsible sources without depleting forests and marine resources.

100% of critical suppliers have been assessed for sustainability.
Introduction
- Message from Our Leaders
- 2019 Highlights
- About C.P. Group

Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report

HEART
Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

HEALTH
Social Impact
- Improved employment prospects and quality of life for 858,313 farmers, SMEs, and vulnerable groups, from a target of 100,000.

LIVING RIGHT
Progress Towards 2020 Sustainability Goals (Thailand)

Corporate Governance
All business groups in C.P. Group have publicly disclosed their performance through C.P. Group’s Sustainability Report. (This does not include the Finance and Investment Business Group.)

Human Rights and Labor Practices
Progressing according to plan, 13 out of 13 business groups in Thailand have assessed their salient human rights issues.

Leadership and Human Capital Development
75.5% of leaders and employees have received training to develop their knowledge and understanding of sustainability.

Education
4,590,352 children, youths and adults out of a target of 4,350,000 persons have gained access to education and skill development.

LIVING WELL
Health and Well-being
37% from a target of 30% of new products were developed to promote nutrition, health, and well-being.

Climate Change Management
Volume of greenhouse gas emissions per unit of revenue decreased by 7.52% from a target of 10%, compared to base year 2015.

Water Stewardship
Volume of water withdrawal per unit of revenue decreased by 39.46% from a target of 10%, compared to base year 2015.

Ecosystem & Biodiversity Protection
83.5% from a target of 100% of key raw materials have been sourced responsibly and are traceable.

LIVING TOGETHER
Stakeholder Engagement
All business groups within C.P. Group have stakeholder engagement processes.

Responsible Supply Chain Management
90.2% from a target of 100% of critical suppliers have been assessed on their sustainability performance.

Innovation Management
Value of product and process innovations selected from the C.P. Innovation Exposition increased to 7,921 million THB, from a base year value of 4,058 million THB.
Sustainability Governance

C.P. Group remains committed to sustainability governance within the organization as well as the "Three-Benefit Principle." Such governance will transform us into a world-leading company, operating on the basis of transparency and fairness to all. We uphold our social responsibility through a diverse and encompassing range of projects and activities that respond to the needs of all stakeholders equally. At the same time, we strive to maintain environmental well-being while responding to the demands of growing population and industries, through environmentally-friendly innovation and technological research. Furthermore, we have established the SGC Operating Committee, which is composed of 14 senior executives from the Group and its business groups. The Committee is responsible for driving C.P. Group's strategies, issuing C.P. Group's sustainability policies and measures, engaging with and disclosing information to stakeholders, and managing risks. The SGC Operating Committee reports on sustainability progress and performance bi-monthly at the "C.P. Group's Vision to Action" seminars, presenting to over 400 top executives from all of C.P. Group's Thai and overseas business groups.

Key Sustainability Decisions in 2019

- Target to become carbon neutral by 2030.
- Target to reduce food waste to zero by 2030.
- Establish the Sustainability, Good Governance and Corporate Communication Office in China.

“The Group’s dedication to sustainability is the most important goal. At its core, we have a strong foundation provided by our organizational values, innovation, and employee development, as we equip our employees with the knowledge and capabilities to be the pillar of sustainable development. We uphold the "Three-Benefit Principle," where the country and people must benefit first from our operation – before the company. We are also dedicated to the vital mission of conserving and protecting the environment, to help achieve a harmonious balance between humanity and the environment, so that all of us can live together as a peaceful family on this planet.”

Mr. Yang Xiaoping
Group Senior Vice Chairman, CPG Overseas CEO
Introduction
- Message From Our Leaders
- 2019 Highlights
- About C.P. Group
- Sustainability Management
  - Sustainability Strategy
  - Materiality Assessment
- About this Report
HEART: Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education
Sustainability Management
- Health
- Materiality Assessment
- Results of C.P. Group

Home
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

Materiality Assessment
- Materiality Assessment Process
- Significance of economics, environmental, & social impacts

The content and quality of this report have been determined by considering C.P. Group’s operations as a foundation as well as the material issues impacting the economy, society, and environment, from the perspective of both internal and external stakeholders. Through this process, C.P. Group is able to communicate to its stakeholders on its commitments and performance, in line with the strategic sustainability framework. Furthermore, C.P. Group has adopted the Global Reporting Initiative (GRI) Sustainability Reporting Standards in accordance with ‘Core’ option as the framework for report preparation. Both internal and external factors relevant to the Group’s operations have been considered for inclusion in the materiality assessment. In conducting the assessment, the Group carries out various processes and steps in accordance with the 10 GRI Standards’ principles for defining report content, which consist of Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness; and for defining report quality, which consists of Accuracy, Balance, Clarity, Comparability, Reliability, and Timeliness. The key processes and stages of the materiality assessment are discussed below.

Materiality Assessment Process

1. Identification
   - Review key material issues from 2018 along with relevant internal and external factors, specifically considering the scope of key issues for all businesses within C.P. Group at the global level. Develop a material sustainability issue against those of the eight business lines and review sustainability issues that are of interest to stakeholders.

2. Prioritisation
   - Gather feedback from top-level executives of C.P. Group in key business lines as well as representatives from other business groups to analyze and prioritize the issues that impact business operations, and that are important to stakeholders over the short term and long term. This is achieved through workshops, a weighting system, in-depth interviews, and a materiality matrix.

3. Validation
   - Validate the prioritization of key material issues and report results to the Executive Committee for their consideration and approval.

4. Continuous Improvement
   - Continuously review the preparation and information disclosure processes for the Group’s sustainability reports, and provide opportunities for stakeholders to offer feedback and recommendations on the Group’s sustainability approaches for future improvements.

Materiality Assessment Results of C.P. Group

HEART: Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

Sustainability Management
- Health
- Materiality Assessment
- Results of C.P. Group

Home
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

Materiality Assessment Results and Impact

Significance of economics, environmental, & social impacts

- 3.0
- 3.5
- 4.0
- 4.5
- 5.0

1. Corporate Governance
2. Human Rights and Labor Practices
3. Leadership and Human Capital Development
4. Education
5. Social Impact
6. Health and Well-being
7. Stakeholder Engagement
8. Innovation
9. Climate Change Management
10. Water Stewardship
11. Ecosystem & Biodiversity Protection
12. Responsible Supply Chain Management
C.P. Group places importance on engaging with stakeholders, including receiving feedbacks and suggestions, to help improve its performance and thereby effectively address the expectations of all stakeholders. C.P. Group has made available a diverse and inclusive range of channels for stakeholders to conveniently communicate with the Group, as outlined below.

Website

www.cpgroupglobal.com/sustainability

Bua Ban Magazine

Bua Ban Magazine: Seeds of Sustainability

Communication Channels

YouTube

‘Sustainable Life’ TV Program Series

Facebook

• CP for Sustainability
• We are CP

Office of Corporate Communications Affairs, C.P. Group

True Tower 23rd Floor
18 Ratchadaphisek Road,
Huai Khwang, Khlong Toei,
Bangkok 10310

+66 (0)2-858-8254
progrup@cp.co.th
C.P. Group operates on the principles of good governance, and in strict compliance with rules, laws, regulations, contracts, and agreements. We also have a role to foster engagement with all sectors, through creating opportunities for in education, innovation, and technology, ensuring that there is more efficient access. Finally, we promote sustainable growth of the organization, and aim to achieve trust and acceptance from the society and stakeholders.

Corporate Governance
- Corporate Governance
- Business Code of Conduct
- Embedding Corporate Governance
- Anti-Corruption
- Grievances and Whistle-blowing
- Risk Management
- Compliance Governance

Human Rights and Labor Practices
- Human Rights Management
- Human Resources Management
- Caring for Employees
- Safety, Occupational Health, and Work Environment Management at C.P. Group
- Results of Safety, Occupational Health, and Work Environment System Audits

Leadership and Human Capital Development
- Human Capital Development

Education
- Education Framework Development
- Supporting Education Scholarships
CORPORATE GOVERNANCE

Challenges
At C.P. Group, we firmly believe that operating with good governance principles, and having governance processes that are fair, ethical, transparent, and accountable to society, the environment, and stakeholders, will bring about the trust of all stakeholders. These measures are critical for ensuring our sustainable growth. We have implemented a robust corporate governance (CG) framework and encourage all directors, executives, and employees to properly comply with the Group’s Code of Conduct, policies, and guidelines. Furthermore, we established measures for risk and compliance management, and require internal audits and reporting of CG performance. All of these approaches will help us improve the efficiency of our management and performance, making sure that it is aligned with our business context and the constantly changing operating environment.

C.P. Group recognizes the challenge of integrating CG seamlessly into our business operations, to truly create sustainable value. This will require highly efficient management, and an embedding of organizational values that reflect good governance, so that they can eventually become a part of the organizational conduct and culture.

Supporting the SDGs

**SDG 12 Responsible Consumption and Production**
Reduce wastage in the Group to adopt sustainable practices and integrate sustainability information into their reporting cycle.

**SDG 16 Peace, Justice and Strong Institutions**
Strengthen public institutions and bring them to the fore of the Group's sustainable development strategy.

SDG 17.1 Ensure participatory, inclusive, and representative decision-making at all levels.
SDG 16.5 Substantially reduce corruption and bribery in all their forms.
SDG 16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels.
SDG 16.8 Business and enforce non-discriminatory laws and policies for sustainable development.

2020 Goal (Thailand)
100%

of businesses within C.P. Group will publicly disclose their corporate governance and sustainability performance through the Group’s Report.

Year-on-Year Progress

<table>
<thead>
<tr>
<th>Year-on-Year Progress</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Key Plans in 2020

- Streamline corporate governance processes across the Group
- Streamline risk management approaches across the entire organization
- Implement enterprise risk management in overseas operations
### Key Performances 2019

<table>
<thead>
<tr>
<th>Enabling Competitiveness</th>
<th>Corporate Cultivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing the CG System</td>
<td>CG Processes</td>
</tr>
<tr>
<td></td>
<td>Best Practices</td>
</tr>
<tr>
<td></td>
<td>CG Communication</td>
</tr>
<tr>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Developing a draft CG structure and policy management framework**

**Performance Disclosures and Stakeholder Engagement**

- **Disclosures**
  - Corporate Governance Report 2018
  - CG Newsletter
  - CG webpage
- **Employee Feedback Survey**
  - 98% of employees believe that complying with the Code of Conduct is part of their job responsibility.

**Risk Management**

- **883 Total number of managers**
  - in Thailand, China, and Myanmar that participated in the risk management workshop
- **>80% Managers receiving training**
- **22 Business units that were assessed for risks relating to corruption**

### Compliance

#### C.P. Group Grievances and Whistle-blowing Management, 2019

<table>
<thead>
<tr>
<th>Issue</th>
<th>Number of grievances</th>
<th>Number Resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Fair practices</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Conflicts of interest</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Labor practices</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Environment</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>General inquiries</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Data privacy</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Safety</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>50</td>
</tr>
</tbody>
</table>

6 Number of countries that conducted the Group’s Safety, Occupational Health, and Environment System audit:

- 1. Thailand
- 2. China
- 3. Vietnam
- 4. Myanmar
- 5. Laos
- 6. Cambodia

C.P. Group strives to continuously develop and elevate our CG practices. The Sustainability, Good Governance and Corporate Communications Committee (SGG), comprising top executives from each unit within the Group and Group subsidiaries, is responsible for overseeing CG processes and driving the systematic implementation of CG. In addition, companies within the Group have also established CG departments and compliance departments to communicate the Group’s Code of Conduct, and policies and guidelines relating to CG to employees in each company, in order to build their knowledge and awareness. These departments will also organize various training programs and activities to promote concrete implementation of CG, ensuring that it is streamlined across the organization and achieves the same target.

Each year, C.P. Group reviews and compares our CG standards against international standards to make sure that they are up-to-date and suited to our operational context. We prioritize, and aim to promote and respect basic human rights. This is underpinned by the conviction that, to achieve sustainable growth for the organization, all parties must have a common understanding and must trust and respect one another. For this reason, we developed the Best Practices on Diversity and Inclusion, and the Foreign Workers Recruitment Policy and Guidelines. Furthermore, we also place importance on compliance with the Group’s Code of Conduct. This is achieved through knowledge and behavioral trainings on compliance with the six core values and CG principles, through both the online systems and classrooms, to foster an ethical business culture.

As a way to increase the efficiency of organizational culture-building, the Group developed an Employee Feedback Survey to request the opinions of employees, across all Group companies, on our CG performance. The results from the survey were then developed into plans to improve communications and create awareness, and make sure that employees conduct is in accordance with regulations, rules, mandatory requirements, and the Group’s Code of Conduct.
Management Approach

C.P. Group has established a working process to drive the concrete implementation of CG. We work with representatives from Group companies to ensure that our management approaches are aligned, and adhere to the Group’s policies and guidelines.

The Group’s CG mechanism consists of CG structure development, work process creation, communication and engagement, reporting, and performance monitoring and performance disclosures.

- Corporate governance structure
- Corporate governance principles
- Corporate governance framework
- Corporate governance reporting

- Risk assessment and risk minimization
- Policy management approach
- Plans and performance indicators
- Awareness-raising and training

- Communication and engagement plans with Group companies
- Stakeholder communication plans

- Monitor performance progress
- Performance assessments and reviews
- Surveys on corporate governance knowledge and feedback
Embedding Corporate Governance

C.P. Group fully recognizes that organizational culture that embodies good governance will help employees to clearly understand this issue and enable them to apply the Group’s vision, values, Code of Conduct, and policies in their day-to-day work, such that they become standard practices. All employees must receive training and testing on the Code of Conduct, which is divided into four categories – Integrity, Quality, People, and Assets. This will enable employees to meet the expectations of the organization.

In 2019, 100% of employees from the Group’s companies not listed in the Stock Exchange of Thailand, and those in China, passed the Code of Conduct training. As for the Business Groups in other countries, it is expected that 100% of employees will pass the training in 2020. In addition, directors and top executives of the Group companies received training on conflict of interest, which aimed to foster both awareness of the topic and transparent business practices.

C.P. Group has also surveyed employees from non-listed companies in the Group to determine their level of awareness, understanding, and application of the Code of Conduct. The surveys also measured the engagement of supervisors in supporting and providing correct answers to their subordinates on any related queries, and measured the statistics of employees reporting through grievance channels once an action is found to violate the Code of Conduct. The survey results showed that employees have an excellent level of awareness of the Code of Conduct.

Finally, top executives of the Group companies have embedded a culture of CG by sharing their visions, opinions, and best practices with employees. This process must continue, as it relates directly to how they interact with employees. As a result, there have been group discussions that allow the management and employees to talk and exchange ideas. This raises awareness among employees about a proper conduct that is aligned with the organizational values.

We are committed to creating an open working culture that fosters an understanding of employees’ differences, is accepting each individual’s unique identity, and treats one another equally – for the benefit of our employees, society, and the Group.

Challenges
To become the number one organization of choice for job seekers and to attract talented, high-quality, and high-potential candidates with diverse qualifications to work and grow alongside us.

Commitment
C.P. Group has a fair and transparent recruitment process that respects basic human rights. We create a working environment that does not discriminate on any differences, whether that is in ethnicity, society, mindset, culture, belief, age, or gender. We provide equal opportunities for all to demonstrate their potential, to encourage respect and recognition of one another, and to support employees’ progress on their career path based on their capabilities.

Benefits Received
Our competitive advantage comes from the diversity of our employees. With diversity, we gain a new and useful perspective generating new ideas and innovations that respond to consumers needs, and deliver effective outputs. All of this emerges from collaboration, and equal respect and treatment of one another, which in turn drives our strengths and enhances our potential.
C.P. Group announced the Anti-Bribery and Anti-Corruption Policy and Guidelines for companies within the Group to raise awareness and encourage the management and employees of all levels, to be committed to combating corruption in all forms. Similarly, the Group also announced policies relating to other areas of high corruption risk, namely the Conflict of Interest Policy and Guidelines, and Gifts and Benefits Policy and Guidelines, which are to be applied together with anti-bribery and anti-corruption efforts to ensure greater clarity on these issues. The Group also enacted the Whistleblowing Policy and Guidelines to make sure that employees have proper channels to submit grievances or information about actions that may not comply with the Anti-Bribery and Anti-Corruption Policy and Guidelines. An investigation and its report on the rate of corruption and grievances will be shared with the top executives, for them to deliberate on protective measures.

In 2019, listed and non-listed companies under C.P. Group came together on National Anti-Corruption Day to collectively declare their commitment to operating with transparency, and a rate of corruption and grievances will be shared with the top executives, for them to deliberate on protective measures.

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In 2019, listed and non-listed companies under C.P. Group came together on National Anti-Corruption Day to collectively declare their commitment to operating with transparency, and a rate of corruption and grievances will be shared with the top executives, for them to deliberate on protective measures. Over 400 executives and employees from various C.P. Group Business Groups joined forces at the 2019 Anti-Corruption Day, demonstrating the Group’s firm stance in support of transparent business operations and against all forms of corruption in the workplace.

C.P. Group has enacted policies and guidelines on whistle-blowing in order to gather feedback, recommendations, and complaints from internal and external individuals who are impacted, or are potentially impacted, by the Group’s operations. Most importantly, the Group has ensured that these guidelines are aligned with international standards, for instance in the areas concerning the responsibilities of relevant parties, protection measures for whistle-blowers, the investigation process, and penalties. This demonstrates the Group’s commitment to implementing clear, ethical, and transparent approaches for grievances and whistle-blowing management. There are a number of grievances and whistle-blowing channels available, including via the C.P. Group Whistle-blowing Management System on the C.P. Group website; telephone; e-mail; postal mail; Group representatives; and in person. In 2019, C.P. Group received a total of 57 grievances/whistle-blowing reports, 55 of which were from Thailand, and one each from China and India. Of this number, 18 reports were related to the Code of Conduct.

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Heart

Corporate Governance

Compliance Governance

Ensuring alignment between internal and external rules and regulations

Enhancing Organizational Capacity

In addition to developing responses to assessment results, C.P. Group plans to achieve compliance governance objectives effectively within the Group’s companies. This will be accomplished through projects such as the Compliance Ecosystem, collaboration amongst C.P. Group companies to prepare for the inclusion of compliance governance into operational processes in a systematic way, where integration will be encouraged between each unit. C.P. Group’s efforts in this area have received the “Tone at the top” and the support of executives from Group companies, who have mandated that there be a “Compliance Network”. The Group will take a coordinating role in this Network to liaise with Group companies and create awareness, oversee compliance, and establish a system to report performance data to executives. Furthermore, the Group will ensure checks and balances, where existing laws and regulations relevant to business operations have now been adjusted to align with the changing business environment.

In 2019, the Group organized workshops on compliance governance for management and relevant employees in Thailand, China, Myanmar, Laos, the Philippines, India, Cambodia, Vietnam, Malaysia, and Turkey. These workshops helped build their knowledge and understanding of how to operate according to compliance governance guidelines. C.P. Group also arranged trainings on the topics of Compliance & Compliance Audit, Ethical Audit, and Control Self-Assessment Introduction in Thailand, which were attended by over 300 executive, managers, and employees.

Introduction

Message From Our Leaders

2019 Highlights

About C.P. Group

Sustainability Management

• Sustainability Strategy

• Materiality Assessment

• About this Report

HEART

Living Right

Corporate Governance

• Human Rights and Labor Practices

• Leadership and Human Capital Development

• Education

HEALTH

Living Well

• Social Impact

• Health and Well-being

• Stakeholder Engagement

• Innovation

HOME

Living Together

• Climate Change Management

• Water Stewardship

• Ecosystem and Biodiversity Protection

• Responsible Supply Chain Management

Appendix

Heart Charoen Pokphand Group Sustainability Report 2019

883 persons

Accumulative number of senior management members from both Thailand and overseas participating in the risk management workshop.

(ERM Executive Workshop)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>573</td>
<td>251</td>
<td>50</td>
</tr>
</tbody>
</table>

Risk Governance Structure

1st Line of Defense

- Business Group

- C.P. Group Risk Management Department

- C.P. Group Compliance Office

2nd Line of Defense

- C.P. Group Corporate Risk Management Committee

3rd Line of Defense

- C.P. Group SGC Committee

Top 3 Risks for C.P. Group

<table>
<thead>
<tr>
<th>Rank</th>
<th>Risk</th>
<th>Potential Business Line Impacted</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food safety and responsibility for damages due to unsafe goods</td>
<td>Agro-industry and Food</td>
<td>Quality control of raw materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retail</td>
<td>Review QA/QC process</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Automotive and Industrial</td>
<td>Compliance to food safety system standards</td>
</tr>
<tr>
<td>2</td>
<td>Pandemic</td>
<td>Agro-industry and Food</td>
<td>Develop measures to control the spread of infections</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retail</td>
<td>Develop crisis management plan and coordinate with relevant departments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operations of all business lines</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cyber-attacks</td>
<td>All business lines</td>
<td>Establish the Security Operating Center (SOC)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Implement the Digital Transformation Project</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cybercrime insurance</td>
</tr>
</tbody>
</table>

Under a constantly and rapidly changing business environment, risk management becomes an essential process for C.P. Group, helping us to develop plans for managing situations of uncertainty, as well as efficiently securing opportunities from risks. As a result, C.P. Group has adopted the risk management approaches of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), specifically the COSO Enterprise Risk Management, Principles & Guidelines of Integrating with Strategy and Performance 2018, and the ISO 31000 Risk Management System. This is further integrated with good governance principles, and the Group’s sustainable development framework. In 2019, C.P. Group developed an organization-wide risk management policy and management approach and clarified its risk management structure, specifically the roles and responsibilities for risks. This will create more efficient and effective risk governance and management within the organization, and streamline risk management approaches across all of C.P. Group.

In 2017, C.P. Group has participated in the risk management workshops in Thailand and overseas for both Thailand and overseas participating in the risk management workshop.

Risk Management

Eliminating the organizational objectives based on the changing business environment.
Challenges

Given a rapidly changing economy and society and C.P. Group’s expansion to various countries, business activities across C.P. Group’s supply chain have become increasingly more complex. This has led to human rights risks and challenges concerning human resources management, the promotion of equal opportunities, employee diversity and inclusion, and the safety of the Group’s employees, suppliers, and contractors. For this reason, C.P. Group has encouraged its suppliers and business partners to operate in strict accordance with international human rights standards and principles. In addition, the Group is also committed to maintaining a balance between the growth of its business and the achievement of targets on human rights and labor practices, including occupational health and safety, to ensure the sustainable coexistence of all parties across its entire supply chain.

Supporting the SDGs

- SDG 3 Good Health and Well-Being
  - Sustainably reduce the number of global deaths and injuries from road traffic accidents
- SDG 5 Gender Equality
  - End all forms of discrimination against all women and girls everywhere
- SDG 8 Decent Work and Economic Growth
  - Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value
  - Take immediate and effective measures to eradicate forced labor, modern slavery and human trafficking and sever the exploitation and exploitation of the worst forms of child labor
  - Promote labor rights and promote safe and secure working environments for all workers, including migrant workers
- SDG 10 Reduced Inequalities
  - Ensure equal opportunity and reduce inequalities of outcome
  - Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies
Human Rights Management and Performance

Announcing the C.P. Group Human Rights Policy

C.P. Group announced the Human Rights and Labor Practices Policy and Guidelines in 2017, which we have strictly and continuously implemented. To strengthen awareness and communicate the values and practices to respect human rights, C.P. Group developed the C.P. Group Code of Conduct (CoC), which has employees of all companies within C.P. Group for coherent implementation of the Code across the organization. Subsequently, in 2019, the Group announced the Foreign Workers Recruitment Policy and Guidelines, which mandate that the foreign worker recruitment process and fees are in line with relevant international standards.

Embedding (Building Awareness and Sharing Knowledge)

C.P. Group has developed a human rights capacity building plan with the aim of raising awareness and enhancing the understanding of human rights across the organization from management to employees of all levels. This is achieved through various formats.

Examples include seminars and workshops at both the Group and business line levels. Knowledge is also communicated through the C.P. Group CoC to establish standard guidelines for human rights practices.

In addition, C.P. Group has developed an e-Learning module on human rights, which covers its salient human rights issues, to facilitate expedient and effective capacity building.

Examples of integration of human rights topics:

• Assessments of safety and environmental management effectiveness.
• Suppliers’ sustainability assessments.
• Conduct initial assessment of recruitment agencies in Myanmar.
• Examine practices and labor management in Cambodia.

Human Rights Risk and Impact Assessment

5 Salient Human Rights Issues

- Occupational Health and Safety
- Forced Labor
- Child Labor
- Discrimination
- Environmental Impacts

Integration and Development of Protection Plans

C.P. Group has developed measures to protect and reduce the impacts of human rights issues in areas under its operational control and those of its suppliers. The Group focuses on an approach to prevent and mitigate high-risk human rights issues.

These measures have been integrated into C.P. Group’s policies, standard operating procedures, and existing assessment systems so that there is a sustainable and unified approach to human rights management.

Examples of integration of human rights topics:

- Assumptions of safety and environmental management effectiveness.
- Suppliers’ sustainability assessments.
- Assessments of progress on the UNGCC Principles.

Human Rights Performance

Demonstrating our respect for human rights

Occupational Health and Safety

Impacted Group(s) • Employees, contractors, suppliers, farmers, and workers

Supports SDGs • Develop assessment tools to be used throughout the supply chain and conduct health and safety audits.

Approach • Organize trainings for executives and employees of all levels to help them understand the importance of good governance throughout the supply chain.

Results • Conducted assessment with critical tier-1 suppliers in the supply chain, covering up to 90.63% of all C.P. Group companies.

Forced Labor

Impacted Group(s) • Employees, contractors, suppliers, farmers, and workers

Supports SDGs • Announce the Foreign Workers Recruitment Policy and Guidelines.

Approach • Develop C.P. Group’s Ethical Recruitment Standard.

Results • Established operating and governance standards on foreign workers’ Ethical Recruitment.

- Established guidelines that aligned with international practices.
- Developed the capabilities of 100% of suppliers.
- Gathered information to develop plans for Cambodian labor management.
In 2019, C.P. Group announced the Foreign Workers Recruitment Policy and Guidelines, which is applicable to all subsidiaries globally. This demonstrates the Group’s commitment to recruiting foreign workers in a way that complies with international standards, as well as the Group’s Human Rights Policy and the United Nations Guiding Principles (UNGPs) on Business and Human Rights.

After announcing the Policy, C.P. Group has communicated the Policy to companies in all business groups. This goes along with various initiatives to support foreign workers recruitment. For example, Charoen Pokphand Foods Public Company Limited (CPF) hired over 13,000 foreign workers from Cambodia and Myanmar. Throughout this process, CPF provides interpreters to effectively communicate during orientation training, and provided workers with regular skills training for the work required at each production stage. CPF also collaborated with the Labour Rights Protection Network Foundation (LPF) to set up the ‘Labour Voices Hotline by LPF’, which allows all of the Company’s workers, regardless of their nationalities, to voice their opinions, recommendations, and grievances, or to request help through a third party organization. The workers are also provided with knowledge trainings on human rights, Thai labor laws, and health and safety in the workplace.
**Human Resources Management Dashboard**

**Number of employees by gender and region**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe and America</td>
<td>7,851 persons</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>South Asia and West Asia</td>
<td>7,858 persons</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>37,841 persons</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Thailand</td>
<td>80,961 persons</td>
<td>59%</td>
<td>41%</td>
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<tr>
<td>East Asia</td>
<td>109,172 persons</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>Other</td>
<td>1,359 persons</td>
<td>55%</td>
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<td>45%</td>
</tr>
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</table>

**Employee Diversity**

- **Total**: 339,431 persons
- **Male**: 61%
- **Female**: 39%

**New Hires**: 125,134 persons

- **Under 30 years old**: 37%
- **30-50 years old**: 60%
- **Over 50 years old**: 3%

**Employee Turnover**: 109,172 persons

- **Under 30 years old**: 32%
- **30-50 years old**: 66%
- **Over 50 years old**: 2%

**Promoting Equal Opportunities, Employee Diversity, and Inclusion**

C.P. Group promotes fair and equal practices for all of its employees. This involves creating equal opportunities starting from the hiring process, as well as opportunities for career progress, regardless of gender, age, nationality, religion, skin color, or personal preferences.

The Group firmly believes that respect for fundamental human rights is essential for efficient business operations. Given this, the Group strives to develop employees’ knowledge and capabilities, and ensure that the workplace is a safe and positive working environment where there is mutual respect and understanding of differences. Furthermore, the Group has also revised its policy on fair practices, developed a Group-level guideline for all employees to uphold as a standard of practice, and strove to value and create a culture of inclusive work and collaboration.

**Employee Training**

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>16.56</td>
<td>14.92</td>
<td>15.70</td>
</tr>
<tr>
<td>2018</td>
<td>12.09</td>
<td>14.91</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>12.06</td>
<td></td>
<td></td>
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</tbody>
</table>

C.P. Group has promoted various future learning methods within the organization through the e-Learning system. Likewise, the Group has fostered a culture of limitless learning for all employees, giving them the opportunities to continuously develop their own knowledge bases in various areas, including through classroom learning, external site visits, and on-the-job training.
C.P. Group operates a highly diverse business. Today, the Group employs over 300,000 employees around the world, and therefore places the highest priority on the occupational health and safety of our employees and stakeholders. In order to become a ‘Zero Accident’ organization, the Group operates according to the Occupational Health and Safety Management System while upholding the belief that good health and safety at work is the fundamental rights of all employees. Furthermore, the Group has established a Safety Committee comprising representatives from all 14 business groups of C.P. Group, domestically and overseas, to govern and drive the safety management system.

In 2019, among companies within the Group, there were five employee fatalities and three contractor fatalities. In response, the respective companies implemented incident reporting and investigation processes, and shared experiences to prevent future incident recurrence. The companies also organized trainings and knowledge development sessions on risk assessments and measures to prevent and control hazard. Furthermore, modern tools, equipment, and technologies are used, and the Group conducts regular reviews of relevant safety guidelines. This ensures that the Group’s employees and contractors, including business suppliers are always safe at work, and that the Group can achieve its ‘Zero Accident’ target.
Safety Management Audits and Crisis Management

291 sites
Number of sites that passed the audits

In order to drive safety performance and engage all parties on this issue, C.P. Group has conducted Safety, Health and Environment (SHE) Management audits since 2018, in both domestic and overseas operations, using the SHE Performance Audit Framework. The assessments brought about shared learning within the organization and created a safety culture.

In 2019, C.P. Group carried out audits in China in 133 departments, where 548 managers participated as part of the Audit Committee.

2019 Audit Results
- Continuing increase in the capabilities of safety leaders. This was accomplished by encouraging managers at all levels to examine and observe their operations, and ensure that their employees are aware of and work to reduce risks from unsafe actions, ultimately building a safety culture.
- Exchanges of best practices. During the audit process, knowledge-sharing occurred between various work streams and departments. This is a way to elevate safety practices and develop them into organizational knowledge assets.

Vehicle Safety Management

Given that C.P. Group uses a large number of vehicles, and many of its employees work continuously on rotation, we have implemented a vehicle safety management approach that aims to elevate and develop knowledge on road safety for employees within C.P. Group and among our suppliers to prevent accidents and enhance vehicle safety.

Furthermore, C.P. Group has implemented a safety management approach involving vehicle selection to ensure that the vehicles are safe for use and that drivers are capable and experienced. Additional considerations include vehicle maintenance, reporting and monitoring, and the promotion of safe driving behaviors, which is achieved through centers that test and control the quality of C.P. Group’s drivers, making sure that they meet the Group’s vehicle safety standards. The physical fitness of drivers is also regularly checked before their licenses are renewed.

Key Performance 2019

- 100% of company freight vehicles have installed GPS and vehicle camera systems that are tracked by a central command center.
- 0 fatalities: No fatalities of freight vehicle drivers in the Group since 2016.
LEADERSHIP AND HUMAN CAPITAL DEVELOPMENT

Challenges
C.P. Group is well aware that rapid changes in innovation and technology are key risks that could potentially impact C.P. Group’s business operations today, both directly and indirectly. For example, using specialized Artificial Intelligence (AI) for operations could replace manual labor and increase production efficiency. Based on the trends that indicate such technologies will become more widely used, C.P. Group has set a target to develop the capabilities of its people by promoting a culture of learning, enhancing experiences, and building quality leaders among the new generation. This will enhance the skills of C.P. Group employees towards excellence, and support their stable growth alongside the organization.

Supporting the SDGs

SDG 4 Quality Education
4.4 Increase the number of youth and adults who have relevant financial skills.
4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development and global citizenship.

SDG 5 Gender Equality
5.5 Reduce gender disparities in all fields of access, participation, and equal opportunities for leadership at all levels of decision-making.

SDG 17 Partnership for the Goals
17.1 Enhance cooperation and apply science, technology, and innovation, and enhance knowledge sharing.

Key Plans in 2020

- Develop a new generation of leaders through the C.P. Leadership Institute courses
- Develop an e-Learning module on corporate governance and sustainability
- Develop the CP Connect Digital Platform system

2020 Goal (Thailand)
100% of leaders and employees will pass the sustainability knowledge training

Year-on-Year Progress

- 2020: 100%
- 2019: 76%
- 2018: 62%
Leadership Development Dashboard

Managers participating in the Strategy Seminar at the C.P. Leadership Institute, by country (number of participants)

Average training hours for employees By level (hours/person/year)

Sustainability Training of employees and leaders passed the sustainability training

Performance Assessments of employees were assessed on their performance and developed their capabilities and careers

C.P. Group is fully committed and prepared to guide the organization forward on the foundations of sustainability. For this reason, we have established the C.P. Leadership Institute (CPLI) under the vision “Joining forces, Creating leaders, Driving Business,” with the main objective of developing people and cultures, and driving the business into the future. This vision is achieved through annually rotating seminars, training sessions, and the Action Learning Program.

Mr. Hans Werner Reich
Senior Advisor, C.P. Group

On 10 September 2019, Mr. Hans Werner Reich, Senior Advisor of C.P. Group, spoke to C.P. Group’s executives and employees at the CPLI on the topic of “Feeding the Future.” Key points from his speech centered on our ability to produce enough food to feed a rapidly growing world in the midst of a climate change and changing consumer satisfactions.
C.P. Group believes that our people are the most valuable asset—they are the driving force behind the achievement of our aspirations. This is especially the case today, as C.P. Group is committed to growing its business and expanding investments globally. There now arises the challenge of creating “New Generation Leaders” who will carry forward the organization’s values, while preparing and developing over 300,000 employees across our diverse businesses with the necessary knowledge and skills, and mindsets to embrace and adapt to changes, as well as to reinforce positive experiences for our employees to be proud for taking a part in C.P. Group’s success.

Central to this is C.P. Group’s “Workforce 4.0” Human Resources Strategy, which is guided by the Six Core Values, digital information, and technology. The strategy consists of five core pillars, and focuses on developing a new generation of leaders through real-life learning experiences, with the CPLI being central to these efforts. It also focuses on creating a human resources management ecosystem to promote recruitment of ethical and competent individuals, learning from various world-class advisors, career planning and development, and transforming the “agile” organization to enhance the Group’s adaptability to business changes and changes prompted by generational gaps.

As industries are now entering the 4.0 era, organizations must develop their people and shift mindsets to raise awareness of basic use of technology and digitization at work. In view of this, C.P. Group established the True Digital Academy in partnership with General Assembly, a global leader in digital training and career transformation, to prepare and develop executives and employees on the essential knowledge and capabilities for the organization’s digital transformation. This development aims to create benefits for the organization, customers, and other industries, contributing to driving economic and social transformation in Thailand.

True Digital Academy will help to advance the capabilities of modern workers, equipping them with current, in-demand and practical skills, to meet the needs of a business operating in the industry 4.0 era driven by technology and innovation.

Developing Digital Capabilities for The Industry 4.0 Era

- **Benchmark**
  - Strengthen skills and capability, and identify and fill digital skill gaps

- **Reskill**
  - Add to the existing skill set the new in-demand skills to retain employees

- **Transform**
  - From entry-to-mid-level employees, to leaders with expertise

- **Simplify and economize hiring**
  - Before and after hiring, conduct activities customized for the organization

- **Empower new talent**
  - With real expertise and the skills for career advancement

- **Build cohorts**
  - of specialists from a broad range of perspectives and backgrounds

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy leader through the C.P. Leadership Institute</td>
<td>Strategic recruitment and recommendation of ethical and competent individuals</td>
<td>C.P. Group “Workforce 4.0” Human Resources Strategy</td>
<td>Career planning and development for ethical and competent employees</td>
<td>Agile organization</td>
</tr>
</tbody>
</table>
Heart
Leadership and Human Capital Development

Human resources development at C.P. Group aims to develop leaders at all levels. With the CPLI at the center, courses are designed to suit the qualifications of all participants. All courses are developed based on real-life applications, focusing on learning through practicing by implementing cross-business and cross-function projects. The projects reinforce trainees to enhance business problem-solving skill and learn from experiencing actual impacts.

FLP
CP Future Leaders Development Program

PLP
CP Potential Leaders Development Program

LDP
CP Leaders Development Program

SLP
CP Senior Leaders Development Program

A leadership development course for employees with proven leadership potentials focuses on business development and integrated management within the scope of their responsibilities, aiming to generate profit and revenue for the sustainable business growth.

A development course for leaders at the operational level is designed to help them manage strategic operational projects. It focuses on reengineering processes for efficiency and quality, stimulating cross-functional actions, and maximizing resources used.

The course focuses on enhancing and sustainably developing C.P. Group through the formulation of strategic projects that execute C.P. Group’s vision.

Operational Program

Course Overview

The first training course for the Group’s ‘Young Talents’ in Thailand and overseas, which aims to build well-equipped leaders according to the Group’s leadership model.

A development course for employees with proven leadership potentials focuses on business development and integrated management within the scope of their responsibilities, aiming to generate profit and revenue for the sustainable business growth.

A development course for leaders at the operational level is designed to help them manage strategic operational projects. It focuses on reengineering processes for efficiency and quality, stimulating cross-functional actions, and maximizing resources used.

The course focuses on enhancing and sustainably developing C.P. Group through the formulation of strategic projects that execute C.P. Group’s vision.

Strategic Program

Participant Qualifications

New graduates and young talents from business groups

Graduates of the FLP Program and employees from business groups

Managing directors and mid-level executives

Top-level executives

Project Supporters

CEO and CEO-1

CEO and CEO-1

CEO and CEO-1

CEO and Group Chairman

CP Freshmart Store Launch Project Delivered by the 4th FLCP Cohort, China

The CP Freshmart Store Launch Project in China is a successful case study on leadership development, specifically on optimizing store operation and sales generation. For the new-generation leaders participating in the FLP program, C.P. Group provided training and development, shared experiences from current leaders, and importantly, allowed participants to apply new business development approach that are more suited to a young generation. With the focus on implementation, the project team completed project planning within 150 days, including times to scout for prime locations to establishing 2 model stores. Both stores operated with outstanding results. The stores integrated B2C, B2B, and O2O business models, and adopted a customer-centric approach to analyze and develop sales strategies, product selection for target groups, brand development, and use social network platform to increase sales and engage customers. The results were model stores for future business expansion.

24 years old average age of the ten-member teams

150 days project duration

1 million yuan/day revenue from two stores

Introduction

- Message from Our Leaders
- 2019 Highlights
- About C.P. Group

Sustainability Management

- Sustainability Strategy
- Materiality Assessment
- About this Report

HEART: Living Right

- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

HEALTH: Living Well

- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME: Living Together

- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix

Charoen Pokphand Group Sustainability Report 2019
Increasing Sales for C.P. Lotus in 100 Days delivered by FLP Cohort, China

For five consecutive years, C.P. Group has implemented the Project ‘C.P. One Young World’, which aims to build a new generation of young and capable leaders aspired to ‘Create Change’ for a better society. In 2019, 21 young leaders were selected to participate in the annual ‘One Young World Summit 2019’ in London, England, organized under the theme, ‘Ignite Future Leaders.’ The event was attended by over 2,500 young leaders from 196 countries, who gathered to create innovative solutions for a more sustainable world.

"Participating in the One Young World Summit this year changed my mindset. Instead of participating only for myself, the Summit encouraged me to feel that I should be participating for the benefit of others.”

Ms. Walawan Panyung
CP Retailink Co., Ltd.

20 young leaders
representatives from C.P. Group

From
7 business groups

5th consecutive year
that the young leaders attended the summit

C.P. One Young World Summit

One Young World Summit 2019
London, England

100 days transforming strategy into profits

13.77% of customers progressed on B2B development

1 million RMB/day sales revenue/day
Challenges

Education has been the foundation of national development across all generations. It is a critical factor in reducing social inequalities. Today, the issue of education continues to be an international topic of interest – as shown by UN SDG 4, Quality Education. Therefore, C.P. Group, as a leading national company that upholds our commitment to creating benefits for the nation and the people, engages with various sectors to develop society and address problems of inequality, and provides access to basic education for youth and adults of all ages. The Group has operated according to the five key strategies for education development, which involve elevating the quality of education, granting opportunities, and helping youth to develop themselves – providing them with knowledge and expertise in both technical areas, as well as instilling the value of applying that knowledge for their own benefit, and for society and country.

**SDG 4 Quality Education**
- 4.1 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
- 4.5 Eliminate gender disparities in education
- 4.6 Substantially expand globally the number of scholarships available to developing countries
- 4.7 Substantially increase the supply of qualified teachers in developing countries

**SDG 8 Decent Work and Economic Growth**
- 8.5 Substantially reduce the proportion of youth not in employment, education or training

**SDG 9 Industry, Innovation and Infrastructure**
- 9.5 Significantly increase access to information and communications technology

**Year-on-Year Progress**

<table>
<thead>
<tr>
<th>Year</th>
<th>100%</th>
<th>75%</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>78%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
“If you want the society to be strong, our youth have to be strong. If you want to see new innovations, we have to encourage our youth to be creative. And if you want a peaceful society, we have to ensure that our youth recognize the value of life.”

Mr. Suphachai Chearavanont
Chief Executive Officer, Charoen Pokphand Group
Chairman of the Executive Committee,
True Corporation Public Company Limited
Chief of the Private Sector Working Party, CONNEXT ED

Key Performances 2019

502 School Partners
leaders for sustainable education development

3,351
Pracharat Schools
supported by C.P. Group

30,000
principals and teachers
of Pracharat schools

750,000
students
involved in the Project

3 million parents and families
of students involved in the Project

38,135 scholarships
awarded

Value of scholarships
1,173 million THB

4.61 million
children and youths
received opportunities to access education and critical skills development

Promoting Education and Opportunities to Access Good Quality Education
C.P. Group believes that access to education for children and youth is at the heart of people and national development. Therefore, in our role as a leading organization, we stand firm in our dedication to promoting education for the future of the country. In 2007, True Corporation Public Company Limited launched the ‘True Plookpanya’ Project, with an objective of broadening learning opportunities for schools in remote areas of the country, to enable them with equal access to learning. The Project provided equipment and digital communications tools for learning, and established online learning courses on websites, applications, and television. This was the starting point of our efforts in education promotion. Eventually, in 2016, this was transformed into the CONNEXT ED Project, with CPF, CP ALL, and True Corporation from C.P. Group participating.

Connecting Education with CONNEXT ED
Connecting and engaging all sectors
Creating an inclusive culture for sustainable education

Development Journey of CONNEXT ED

2007
• True Plookpanya channel
• www.trueplookpanya.com
• True Plookpanya application

2008
• Project to broaden learning opportunities using integrated media tools and technologies for teaching and learning

2013
• Phase 1: 3,351 participating schools
• Established by 12 organizations
• Developed KPIs for Pracharat Schools
• Engaged with 714 School Partners

2014
• ICT Talent 200 persons
• Learning process for autistic children
• Phase 2: 4,781 participating schools
• 33 participating organizations
• 500 ICT Talents from the public sector
• 900 School Partners

2015
• Establ
• Engaged with 714 S
• Devel

2016
• 33 participating organizations
• 500 ICT Talent from the public sector
• 900 School Partners

2017
• Phase 2: 4,781 Pracharat Schools
• 33 participating organizations
• 500 ICT Talents from the public sector
• 900 School Partners

2018
• Phase 2: 4,781 Pracharat Schools
• 33 participating organizations
• 500 ICT Talents from the public sector
• 900 School Partners

2019
• ICT Innovation 1.1 million
• ICT Talent 4.4 million

2020
• ICT Innovation 7.2 million
• ICT Talent 11.87 million

Development and Enhancing the Quality of Education Management Strategy

C.P. Group strives to respond to the Pracharat Policy, which calls for collaboration between three parties: the public sector, civil society, and the private sector. The Group is involved in the CONNEXT ED Project, which aims to elevate the country’s educational management up to international standards, in line with the Thailand 4.0 Strategy, to develop strategies that reduce inequalities, educate people, and enhance national competitiveness. The CONNEXT ED Project was formed through the collaboration of public and private sectors as well as national initiatives that seek to help Thai youth and children become “capable and ethical” individuals, through sustainable means. The Project also includes creating an inclusive culture for learning management through the “Pracharat Schools,” where the target is for 15% of more than 30,000 schools under the oversight of the Office of the Basic Education Commission (OBEC) to be improved by the Pracharat School model. At present, 50 private organizations have committed to supporting the Project and to expanding education development, through the five key strategies, to enhance the quality of education management in Thailand for the 21st century.
Results of Projects to Enhance the Quality of Thai Education in the 21st Century

Leadership Program for Sustainable Education

C.P. Group contributes to creating a new model of leadership development, or a ‘School Partner’, which leverages the leadership strengths of each private organization towards leadership development for sustainable education. The Group met with ‘Pracharat Schools’ to exchange learnings with principals, teachers, and students, to stimulate leadership development alongside school development. Consequently, this can help them create their own school and community development plans, and foster an inclusive culture of learning that delivers the highest benefits.

School Partner Model

Creating a Sustainable School Development Plan and Developing ‘School Partners’

‘School Partner’ Performance
2016-2019

<table>
<thead>
<tr>
<th>School Partner of C.P. Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>502 persons</td>
</tr>
</tbody>
</table>

Phase 1 2016-2017

<table>
<thead>
<tr>
<th>School Partner of the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>714 persons</td>
</tr>
</tbody>
</table>

Localized School Development Plan

Support development plans that cover technical skills, academics, and the development of principals and teachers.

Results
- Students increase their career skills through real-life applications
- Teachers develop ‘child-centric’ teaching techniques

Proactive Leaders

Conduct a workshop on leadership for learning management in educational institutions.

Results
- Principals and schools understand the processes of creating quality development plans through an active learning method
- Proactive development of leadership skills

Process Learning Development

Support ‘student-centric’ learning processes, and engage with communities to achieve sustainability.

Results
- The students’ O-NET, NT scores (Math and English) increased higher than the national average

Action-based Learning

Enhance ‘technical skills’ with the local wisdom of local community members, and develop learners through real-life practice.

Results
- Creation of products and development into 55 projects as learning courses
- Connectively with other disciplines

Notebook for Education

Provide 5,000 notebook computers for educational use to pilot schools in 17 provinces.

Results
- Students have access to learning sources anywhere and at any time
- Promote an active learning model

Projects according to School Development Plans

The Group supports the development of plans to improve the quality of ‘Pracharat Schools’ under various forms of governance. The plan should be suited to the context of each school, where the ‘School Partners’ participate in exchanging knowledge, analyzing problems together with schools and communities. They also monitor and assess performance on a regular basis through the School Management System, in order to deliver the highest benefits in line with Project objectives.
Projects according to School Development Plans

Project-based Learning
Design and implement projects to suit the context of the school’s problems and environment; foster engagement between schools and communities.

Results
• Concrete development of the “School Partner” and public sector education leaders
• Collaboration between schools, temples, and communities

Giving and Sharing Opportunities
Provide career opportunities for students with hearing impairment through coffee shop business; offer financial support for opening coffee shops, and trainings on coffee shop management techniques.

Results
• Develop technical learning for teachers and students
• Create a coffee shop management course for high school students
• Implement a learning model for other auditory education schools

Work-based Learning
Create opportunities for students to work in the Parayanak Technical College network at the high school and vocational education levels, and offer scholarships up until the completion of education.

Results
• Develop technical skills through hands-on applications
• Generate income to support families and reduce social problems

Education Relationship Program (ERP)
Support processes for building relationships between management, teachers, and School Partners, and achieve a common understanding of project development.

Results
• Managers and teachers recognize how to implement projects according to targets

Train the Trainer by Professional
Staff elevate professionalism for the management team and teachers.

Results
• Managers understand management concepts for innovation projects
• Teachers gain skills on career-based projects that will deliver genuine results

Train the Trainer by SP Junior
Volunteer students organize learning skills development activities through active learning approaches

Results
• PIM students learn and organize activities through an integrated approach, to create jobs for students
• Students learn about careers through work-based learning approaches

ICT Talent Project
True Corporation Public Company Limited conceptualized and launched the “ICT Talent” Project. It connects teachers with learners, helping them to apply technology to learning processes as a way to enhance the quality of education management in the digital age. The Project is open to applicants who have expertise in information and communications technology (ICT), where they will be posted at Pracharat Schools to share knowledge and develop technology applications for teaching and learning in communities. Overall, this will enhance learning and qualities of life in the 21st century.

2017 (Model 1:1)
Pilot 100 ICT Talents in 100 schools

2018 (Model 1:5)
208 ICT Talents in 1,000 schools

2019 (Model 1:5)
212 ICT Talents in 1,000 schools

“1 would like the students to access technology like in other schools. This school is like our home, our family.”

Established nine community learning centers in all regions of the country.

Community Learning Center
The Community Learning Center focuses on creating “problem-based learning” processes that help learners think, research, analyze, and understand the problems facing their own communities, and foster collaborations within their own communities to collectively find solutions to those problems or build learning processes. This will encourage the view that “schools belong to the community,” supports student-centric learning, and helps students connect learning with community problems to achieve sustainability.
Quality Graduates

To leverage our expertise and understanding of business operations, C.P. Group established various educational institutions that address the needs of all business sectors in the country. The objectives of these institutions are to develop people, leadership potential, skills for teachers, and provide quality knowledge for children and youth. Furthermore, the Group encourages youth to take up careers that best suit their capabilities and to engage with communities. They should also be aware that all stakeholders involved in their future careers should receive benefits and better quality of life.

C.P. Group, through CP ALL Public Company Limited, established the Panyapiwat Technological College (PAT) in 2005, with the intention to create ‘strength towards greatness.’ PAT aims to equip students with technical knowledge, foundational skills, and real-life experiences. Courses prepare their readiness for each sector, and inspire them with the confidence to take on real jobs, ultimately helping them to become quality workforce of the country.

<table>
<thead>
<tr>
<th>Institution</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panyapiwat Technological College Vocational Education Levels (Vocational Certificate and Certification of Technical Vocation)</td>
<td>1,920</td>
<td>2,679</td>
<td>2,949</td>
</tr>
<tr>
<td>Panyapiwat Institute of Management Higher Education Level (Bachelor’s Degree and Higher)</td>
<td>2,412</td>
<td>2,917</td>
<td>3,067</td>
</tr>
</tbody>
</table>

In response to the government’s strategy under the Thailand 4.0 Policy, CP ALL Public Company Limited established the first Panyapiwat Institute of Management (PIM) in the Eastern Economic Corridor (EEC) region. PIM EEC aims to equip the graduates with knowledge and specialized capabilities through action-based learning. Such workforce supports the expansion of the S-Curve industries that rely on advanced technologies in the manufacturing process. Moreover, the Institute will strive to build a foundation for technology and innovation development, and can also serve as a resource for business, management, tourism, food, and sustainable agriculture and the environment. Likewise, it can support the expansion of business and industry, the model for developing future human capital, and elevate economic competitiveness of the country. PIM EEC is currently under construction, and is expected to be completed in 2020.

Pilot Curriculum
• Bachelor of Engineering, Automation Department
  Focusing on designing and installing automated systems, train technology systems, and retail technology systems.
• Bachelor of Science, Digital Technology Department
  Focusing on current technology applications such as Internet of Things, Big Data, and Artificial Intelligence.

Panyapiwat Institute of Management:
Eastern Economic Corridor Campus (PIM EEC)

“College is not just about teaching by the book. We also have the responsibility to develop the human capital.”

Mr. Pornvit Pacharintanakul
Vice President for Academic Affairs
Panyapiwat Institute of Management
For over 40 years, C.P. Group has helped to maximize human capital potential across communities by promoting access to education through all Business Groups’ strategies. Each year, the Group awards over 38,097 education scholarships to youth. In 2019, across the country, the Group awarded scholarships, with no commitments, to students in higher education who demonstrated good academic performance but lacked financial resources. The Group also awards scholarships to the children of employees who display good academic performance, and encourages for all youth to apply for the Group’s scholarships.

KEY PERFORMANCES 2019

38,135 scholarships for education awarded

1,173 million THB value of scholarships

26 educational institutions received scholarship support

Opportunities to work with C.P. Group companies

Three-year scholarships from C.P. Group support the completion of education at the relevant level

Scholarship Support by Business Line

<table>
<thead>
<tr>
<th>Business Line</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail and Distribution</td>
<td>34,962</td>
<td>28,546</td>
<td></td>
</tr>
<tr>
<td>CP Group</td>
<td>2,503</td>
<td>2,345</td>
<td>2,278</td>
</tr>
<tr>
<td>Agro-industry and Food</td>
<td>580</td>
<td>588</td>
<td>N/A</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>559</td>
<td>599</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Business Lines</td>
<td>674</td>
<td>674</td>
<td>N/A</td>
</tr>
</tbody>
</table>

"People are at the heart of a good and sustainable society. We have to develop people who can grow, people with capabilities and integrity. These people will then inspire capabilities and integrity in a new group of people, and this cycle will go on, and lead to the creation of a sustainable community and society."

Assoc. Prof. Dr. Ruangsak Kaewthammachai
Former C.P. Group scholarship recipient

"The C.P. Group scholarship is much more than just an education scholarship; you also gain experience and leadership skills. I would like to thank the C.P. Group scholarship for giving me the opportunity to complete my Bachelor’s education. It has made my life so much better, and now I can also support my sibling who is studying as well."

Ms. Hazana Kolae
Former C.P. Group scholarship recipient

"Because of my participation in activities with the Group, which helped me to develop my leadership skills and use my thinking and communications skills, I was able to apply those skills during my internship. I feel that they were very useful and applicable in real life. I would like to work for the Group. I would like to give back to the Company that has given me both scholarship support and valuable experiences."

Ms. Nutthawadee Plusuri
Current C.P. Group scholarship student
C.P. Group is committed to creating value for a sustainable society. We strive to build a society that is strong in various dimensions – good health, secure jobs that provide stable incomes, access to knowledge and information, quality education, and capabilities to benefit from technologies. C.P. Group continues to implement projects that target health, alongside initiatives for innovations that promote good health and well-being for our consumers. We reach out to our stakeholders, communicate with transparency to strengthen engagement and foster understanding of our business operations. In addition, the Group shares knowledge and innovations with partner organizations, working together to create positive social impacts.

**HEALTH**

**LIVING WELL**

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A survey of progress on Sustainable Development Goals (SDGs) implementation by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in 2019 found that progress on SDG 4, Quality Education, and SDG 8, Decent Work and Economic Growth, in the Asia Pacific region is still lagging significantly behind expectations. Indeed, working to achieve these goals within the specified timeframe continues to be a challenge for many countries. As a large private organization with operations in all regions of the world, we fully recognize that creating positive social value is one of our main tasks. For this reason, the Group has implemented various projects in support of these objectives, such as enabling access to financial capital and technology. The groups that C.P. Group specifically supports are farmers, small and medium-size enterprises (SMEs), and vulnerable groups.

**Supporting the SDGs**

**SUSTAINABLE DEVELOPMENT GOALS**

<table>
<thead>
<tr>
<th>SDG 1 No Poverty</th>
<th>12. Reduce poverty by at least 50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 4 Quality Education</td>
<td>4.4 Increase the number of people with the necessary financial skills</td>
</tr>
<tr>
<td>SDG 8 Decent Work and Economic Growth</td>
<td>8.6 Increase youth employment, education, and training</td>
</tr>
<tr>
<td>SDG 10 Reduced Inequalities</td>
<td>10.1 Reduce income inequality</td>
</tr>
</tbody>
</table>

**Challenges**

A survey of progress on Sustainable Development Goals (SDGs) implementation by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in 2019 found that progress on SDG 4, Quality Education, and SDG 8, Decent Work and Economic Growth, in the Asia Pacific region is still lagging significantly behind expectations. Indeed, working to achieve these goals within the specified timeframe continues to be a challenge for many countries. As a large private organization with operations in all regions of the world, we fully recognize that creating positive social value is one of our main tasks. For this reason, the Group has implemented various projects in support of these objectives, such as enabling access to financial capital and technology. The groups that C.P. Group specifically supports are farmers, small and medium-size enterprises (SMEs), and vulnerable groups.

**2020 Goal (Thailand)**

**100,000 beneficiaries**

**Year-on-Year Progress**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Key Plans in 2020**

- Promote knowledge assets and technology transfers to local communities and society at large
- Build engagement and social responsibility
- Promote jobs, generate incomes, and develop quality of life
Key Performances 2019

Social Value Creation Dashboard 2019

Supporting Farmers and Developing Rural Communities

For a better quality of life

The agricultural sector is integral to economic progress and for elevating the well-being of societies in many countries around the world, such as in China, where agriculture constitutes up to 7.2% of the national GDP. Meanwhile, in Thailand, over 40% of land is devoted to agriculture, and the sector employs over 30% of the national workforce. Given these reasons, agricultural development – including developing the capabilities of farmers themselves – has always been an important national and international priority. However, the majority of Thai farmers continue to face poverty and encounter obstacles to accessing financial capital for developing know-how about the production and distribution of their products, as well as to procuring technology to support their production processes. C.P. Group has concentrated on elevating farmers’ qualities of life, and has been supporting them through various means. This includes strengthening their skills on farming and technology, enhancing capabilities on land management, and expanding distribution channels for agricultural goods. Over the past year, C.P. Group developed the C.P. Cixi Agricultural Eco-Industrial Park that focuses on developing farmers’ knowledge so that they are able to earn a living and improve the quality and sustainability of their livelihoods.

In addition, our work promoting farmers’ livelihoods also supports SDG 1, No Poverty, in economic and other relevant dimensions.
Global Examples of Charoen Pokphand Group’s Social Impact Projects for Shared Value Creation

Supporting Farmers and Developing Rural Communities

- Piggys Modern Agriculture Integrated Project (China)
- Supporting Animal Feed Corn Farmers Project (Sri Lanka)
- Local Village Fund, Layer Chicken Farm Project, Pea Tho Village (Myanmar)
- Sufficiency Economy Learning Center Project (Bangladesh)
- C.P. Cixi Agricultural Eco-Industrial Park Project (China)
- Large-scale Rice Plantation Plot Combination Project (Thailand)

Supporting SMEs

- Online Shopping Platform Development for Rural Farmers, Mianyang Project (China)
- Traditionally Supporting Small Entrepreneurs Project (Vietnam, Cambodia, Myanmar, the Philippines, and Indonesia)
- Community Park Shop Project (Laos)
- 34Shopping for Community Businesses Project (Thailand)
- Big Brother Project (Thailand)
- Business Matching, Negotiations for Partnerships Project (Thailand)

Supporting Vulnerable Groups

- Orphanage Foundation (Vietnam)
- Third Annual Milk for Kids Project (Myanmar)
- 11th Annual Food for Life Project for the Elderly (Myanmar)
- Sarai Enterprises Project with the Thailand Association of the Blind (Thailand)
- Supporting Organizations for Disabled Persons with Social Enterprise Development (Thailand)
- True Coffee Deaf Barista Project (Thailand)
CASE STUDY

In 2009, the Chinese government provided an opportunity for C.P. Group to participate in the operation of the Pinggu Modern Agricultural Integration Project in Pinggu District, Beijing, China. The project falls under the ‘New Agriculture’ Policy, and is implemented through a ‘Four-in-One’ collaboration approach between four parties – the public sector, the private sector, financial institutions, and farmers. In this project, farmers become project owners by forming a cooperative supported by the Chinese Government, while C.P. Group rents the land and manages the project absorbing the operational risks. From its implementation, the Pinggu Project has helped improve farmers’ quality of life, and has contributed directly and indirectly to the development of the local economy through employment and tax revenue. The net economic benefit provided to society was 125.5 million RMB in 2018, and the latest economic, social, and environmental evaluation of the Project revealed that its positive impacts for Pinggu, both direct and indirect, were valued at over 73.6 million RMB.
Supporting Small Entrepreneurs
Creating job opportunities

One of the approaches under C.P. Group’s Social Value Creation strategy is to provide support to small-scale entrepreneurs. In the past, these small business owners have faced a number of obstacles and challenges including adapting to market changes, accessing working capital, recruiting sufficient workforce, technology applications, and management. If these obstacles are not properly addressed, these small businesses could gradually shut down and, as a result, impact the country’s economy and the well-being of society as a whole.

It is for these reasons that the Group has continuously supported small entrepreneurs and businesses through diverse types of projects. Examples include projects to promote access to financial capital to help business operations, opportunities to launch businesses, and support for sales and distribution channels to help business owners grow and expand. The Group is also engaged in helping communities develop products and services to international standards, as this will elevate local economies and strengthen the country’s capabilities and competitiveness.

Examples of SMEs Promotion Projects of C.P. Group’s Businesses

Makro Retailer Alliance
Small-scale retailers and mom and pop’s stores are key customer groups for Makro. As a member of Thai society, Makro contributes to economic development of local economic ecosystem through various social responsibility projects. Specifically, Makro focuses on extending support to small-scale retailers to help them enhance their capabilities and competitive advantage.

Day of Opportunities Project
CP ALL Public Company Limited has provided the opportunity for small businesses and farmers to develop their businesses by providing additional distribution channels across the country for their products. This initiative not only provides career, business, and educational opportunities, it also stimulates employment and knowledge transfers to small-scale retailers and SMEs, guided by the Company’s overarching concept of ‘Giving and Sharing Opportunities for All.’

True Merchant 4.0
True Merchant 4.0 is a mobile application for payments. By scanning a QR Code using the cashless TrueMoney Wallet, the app helps to facilitate the sales and purchasing process for both merchants and customers. The application, which is able to take online payments, and has a system summarizing and analyzing sales in real-time, as well as a planning feature for marketing and promoting their stores to increase sales revenue, transforms regular stores into ‘4.0 stores’ in the digital era.

SMEs Support Model

<table>
<thead>
<tr>
<th>Category</th>
<th>Support to SMEs</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development</td>
<td>SMEs</td>
<td>Increase in economic value for communities</td>
</tr>
<tr>
<td>Direct purchase</td>
<td>456 million THB</td>
<td>350 entrepreneurs interested in opening 7-Eleven stores</td>
</tr>
<tr>
<td>Career support</td>
<td>17 million times</td>
<td>382 mom and pop stores participated in the project</td>
</tr>
<tr>
<td>E-commerce</td>
<td>380,000 stores</td>
<td>382 small-scale retailers received opportunities to propose their products</td>
</tr>
<tr>
<td>Retail and customer satisfaction</td>
<td>6,403 mom and pop stores participated in the project</td>
<td></td>
</tr>
</tbody>
</table>
Supporting Vulnerable Groups
For social equality

The current increase in the global population, natural resource shortages, natural disasters, and rapid advancements in technology, all have the cumulative impact of widening social gaps for the most vulnerable groups in society. This poses a significant challenge for many countries around the world; indeed, it is also one of the UN SDGs. C.P. Group, in our role as a leader in the agro-industry and food sector, the retail and distribution sector, and the pharmaceutical business, is focused on promoting and enhancing the quality of life for populations in vulnerable groups, to enable access to basic rights on an equal basis. In 2019, the Group organized a number of projects to respond to the needs of vulnerable groups.

Developing People, Creating Jobs, and Providing Opportunities for Students with Impaired Hearing Project

CP ALL Public Company Limited, in partnership with CP Retailink Co., Ltd., conceptualized the ‘Career Building Café’ for schools participating in the Future Education Project of CONNEXT ED, to provide sustainable career opportunities to students with hearing impairments. The Project provides skills training to students that can be applied towards their real jobs and careers such as opening their own businesses or becoming specialized and professional employees. The Project has also been expanded in the form of a ‘Coffee Classroom’ Project to support skills development for students with hearing impairments and other disabilities in special needs schools in the Bangkok Metropolitan Area.

The Project provided skills training to 388 students with hearing impairments. The Project provides skills training to students that can be applied towards their real jobs and careers such as opening their own businesses or becoming specialized and professional employees. The Project has also been expanded in the form of a ‘Coffee Classroom’ Project to support skills development for students with hearing impairments and other disabilities in special needs schools in the Bangkok Metropolitan Area.

388 students participated in the project
390,460 million THB value of financial support

Social Enterprises Project, in collaboration with the Thailand Association of the Blind

C.P. Group and True Corporation, guided by the commitment to the sustainable development of society, established social enterprises and helped community and disabled organizations set up social enterprises. This enabled all people, regardless of their disabilities, gain more access to jobs. In collaboration with the Thailand Association of the Blind, C.P. Group and True provided support in various areas, including knowledge on raw material sourcing, construction of separation plants, capital management, and raw materials procurement. Over the past year, the Thailand Association of the Blind organized a project in Kalasin province that involved delivering raw materials to the CPRAM factory in Khon Kaen province, and earned a profit for the Association. Going forward, the Association plans to increase its income from more diverse channels to reduce dependency on only one product or one source of income. The enterprise itself is also highly flexible in management and is results-focused. For example, it recruits other persons with disabilities for employment instead of only personnel from the Thailand Association of the Blind. Furthermore, the integration of machinery and automated systems has helped to facilitate the work of persons with disabilities, and has increased the proportion of farmers with disabilities through skills development, enabling them to embrace professional farming methods, secure stable incomes, and improve the quality of life.

Social Enterprise Management Model, in collaboration with the Thailand Association of the Blind

- Market-driven
- Self-sufficient income
- An equal member of society
- Product quality
- Generate income from multiple channels
- Highly flexible focused on results
- Technology for productivity
- Create shared value with the Group
HEALTH AND WELL-BEING

Challenges

At present, the health of the global population continues to be an issue of interest among the international community, who are working to identify cooperative means of addressing this problem. Meanwhile, the demand for products that are environmentally-friendly and healthy for consumers is increasing significantly. As a leader in the agro-industry and food, retail, and pharmaceuticals businesses, it has been Charoen Pokphand Group’s (C.P. Group) priority to innovate and develop products that respond to these diverse consumer needs. We do this by innovating and offering nutritional products that are suitable for each age group, using antibiotics in animals responsibly, increasing opportunities to access quality and safe products, and promoting the good health and well-being of consumers.

2020 Goal (Thailand)

30%

Percentage of new products that promote good health and well-being

Year-on-Year Progress

<table>
<thead>
<tr>
<th>Percentage</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Supporting the SDGs

SDG 2 Zero Hunger
2.1 Access to food that is nutritious and safe based on international standards
2.2 End all forms of malnutrition

SDG 3 Health and Well-being
3.4 Reduce mortality from non-communicable diseases and support good well-being
3.6 Support research, development, and access to affordable essential medicines and vaccines

Product development with focus on health and nutrition
Promote access to food
Promote animal welfare

Key Plans in 2020

- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix

Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report

INTRODUCTION
- Message From Our Leaders
- 2019 Highlights
- About C.P. Group

Appendix
- Health
- Sustainability Management
- Heart
Key Performances 2019

Health and Well-Being Performance 2019

A safe and high-quality production process 100% of food factories received quality and safety standard certifications

Promote Food Access

533,795 children and youth with support for food access

Healthier Products

525 new products that promote good health and well-being

Promote Health & Well-Being

30,706 units
12,282,400 C.C. blood donations received

Promote Animal Welfare

32% of pregnant sows on swine farms are nurtured in group gestation pens

Sports Promotion

2.53 million THB value of food support for sports promotion

1,661 persons participating in basic first-aid and CPR training projects

219,782 persons number of people committing to organ and eye donations

3.63 million THB total value of donations to the ‘Let Them See Love’ Project

Mr. Prasit Boonthongprasert
Chief Executive Officer
Charoen Pokphand Foods Public Company Limited

Developing Healthy Products
Promoting the best health and well-being for consumers

The rapid changes that are occurring today in a number of areas have brought about risks and opportunities for C.P. Group’s business, particularly in the agro-industry and food sector. Indeed, changes in consumer behavior have always been an issue of interest for the Group. As a leader in the food industry, the Group’s products have become a part of the well-being and daily lives of the people. For this reason, the Group is acutely aware of our responsibility to create, research, and develop innovative products that support the good health of our consumers, and to continuously operate with the goal of reducing natural resource use and negative impacts on the environment.

The Group operates on the concept of continuous improvements. Everything that we do can create value for society. The good that we do for society and the environment is in turn good for the people who consume our products. This is what sustainability means. And as a major company, we have to remain firm in these objectives.

525 new products that focused on good nutrition, health, and hygiene passed through the product development process and into the market. This was a direct result of the Group’s commitment to developing products that are healthy for consumers, and to providing correct, complete, and clear information on product use and consumption including key ingredients, proper use, storage, and nutritional information. Given this, in 2019, the Group did not receive any product-related complaints, and did not recall any products that might have impacted the health of the population.

35% area used for raising broiler chickens that are below or equal to 30 kg/m² in density

2.53 million THB value of food support for sports promotion

1,661 persons number of recipients of organ and eye transplants

3.63 million THB total value of donations to the ‘Let Them See Love’ Project

The Group has established a process to develop healthy products. The key factors include product quality and safety, complete nutritional value, affordable prices, market and consumer trends, and value for society. Over the past year, 525 new products that focused on good nutrition, health, and hygiene passed through the product development process and into the market. This was a direct result of the Group’s commitment to developing products that are healthy for consumers, and to providing correct, complete, and clear information on product use and consumption including key ingredients, proper use, storage, and nutritional information. Given this, in 2019, the Group did not receive any product-related complaints, and did not recall any products that might have impacted the health of the population.

30,706 units
12,282,400 C.C. blood donations received

11,857 persons participating in basic first-aid and CPR training projects

877 schools participating in projects

5.3 million THB value of food support for sports promotion

175

100

2019

2018

2017

2019

2018

2017

525

283

168

*Based on the results of assessed animal welfare performance of main products throughout our global value chains.
As a way to further our commitment to ideating and creating products that are beneficial to consumer health and well-being, and to meet our objective of increasing the number of products that promote good health to 30% by 2020, C.P. Group has established food research and development (R&D) centers both in Thailand and overseas. These R&D centers are equipped with modern laboratories, state-of-the-art technologies, and teams of expert researchers. In Thailand, the Group has two food R&D centers: the CPF Food Research & Development Center and the CPRAM Food Research & Development Center. Overseas, there are R&D centers. The first is the Sino-Biopharmaceutical Research and Development Center in China, and the second is the Bellisio Foods Research & Development Center in the USA. Likewise, the Group has also built partnership networks with various public and private institutions to jointly research, innovate, and develop new healthy products for the market.

Healthy Product Research and Development Centers

CPF Food Research & Development Center (Thailand)

CPF’s food R&D applies the CPF Healthier Choice principle, which prioritizes creating healthy food that reduces quantities of sugar, salt, and fats. This will help reduce the risks of obesity and non-communicable diseases, while maintaining taste standards and full nutritional value.

CPRAM Food Research & Development Center (Thailand)

CPRAM’s food R&D is divided into two parts. The first is the foundational research and application center for bio-technology, and the second is the new-product development center, which applies the knowledge and technologies generated from the first part towards the further development of products that directly respond to consumers’ needs.

Sino-Biopharmaceutical Research & Development Center (China)

The Group collaborates with leading pharmaceutical institutions and organizations, in Thailand and overseas, to apply and further develop research. This includes developing research on healthcare using new, modern applications of technology and innovation.

Bellisio Foods Research & Development Center (USA)

Bellisio Foods is committed to being a global leader in innovation. The Center collaborates with expert agencies and universities on R&D, focusing on products and technologies, to develop foods that are beneficial and nutritious for each age group, and that are satisfying for consumers.

For more information about our commitment on ‘Striving for a Quality Production System,’ please visit https://www.cpgroupglobal.com/th/health/SD_Health-and-Well-being
No Beak Trimming for Chickens

C.P. Group encourages chickens to exhibit their natural behaviors of digging and scratching at the ground, and we provide materials for these activities to occur. We do not trim the beaks of chickens.

Pig Farming and the 3Ts: No Testicles Cutting, No Teeth Clipping, and No Tail Docking

C.P. Group raises pigs in closed facilities with proper air ventilation, and has committed to reducing, avoiding, and eliminating any practice that alters the physical features of pigs, or the 3Ts – No Testicles Cutting, No Teeth Clipping, and No Tail Docking. Today, 100% of our operations in Taiwan and Malaysia do not practice tail docking or teeth clipping.

Introduction
Message From Our Leaders
2019 Highlights
About C.P. Group
Sustainability Management
Sustainability Strategy
Materiality Assessment
About this Report
HEART: Living Right
Corporate Governance
Human Rights and Labor Practices
Leadership and Human Capital Development
Education
HEALTH: Living Well
Social Impact
Health and Well-Being
Stakeholder Engagement
Innovation
HOME: Living Together
Climate Change Management
Water Stewardship
Ecosystem and Biodiversity Protection
Responsible Supply Chain Management
Appendix

No Beak Trimming for Chickens

C.P. Group encourages chickens to exhibit their natural behaviors of digging and scratching at the ground, and we provide materials within our facilities to ensure that this happens. For this reason, it is not necessary to trim the beaks of chickens. All countries where the Group operates chicken farming businesses – breeding chickens, broiler chickens, and layer chickens – strictly adhere to this practice.

Pig Farming and the 3Ts: No Testicles Cutting, No Teeth Clipping, and No Tail Docking

C.P. Group raises pigs in closed facilities with proper air ventilation, and has committed to reducing, avoiding, and eliminating any practice that alters the physical features of pigs, or the 3Ts – No Testicles Cutting, No Teeth Clipping, and No Tail Docking. Today, 100% of our operations in Taiwan and Malaysia do not practice tail docking or teeth clipping.

Promoting Animal Welfare through the Five Freedoms

Farming: Prepare adequate food and water at all times. Living spaces for animals should not be crowded and should permit them to move freely. Vets and animal husbandmen should take regular care of the animals’ health, and conditions on the farm or facility, such as temperature, humidity, and air ventilation, should be appropriate and sufficient for the animals.

Transportation: The methods of transporting animals must be good and appropriate. For example, animals should not be in danger during transport, animals should not be crowded beyond the recommended requirement, and conditions during transport should not cause animals stress or fear.

Processing Plant: Once the transport vehicle has reached the plant, it should be parked in an area that is appropriate and comfortable for the animals, to reduce their stress. All stages of processing must be smooth and overseen by expert staff such as CPF Poultry Welfare Officers, who have received training on animal welfare.

Health and Well-Being

Promoting Animal Welfare
To achieve the best health and well-being for consumers

Animal welfare is directly linked to food quality and safety. In recognizing this, C.P. Group developed a policy and guidelines on animal welfare in line with the international guidelines of the Farm Animal Welfare Committee (FAWC). In addition, the Group develops and enhances welfare practices for farm animals and other animals in accordance with the FAWC’s Five Freedoms: 1) freedom from hunger and thirst; 2) freedom from discomfort; 3) freedom from pain, injury, and disease; 4) freedom to express normal behavior; and 5) freedom from fear and distress. The Group has additionally established an Animal Welfare Committee to drive policy and approaches to manage animal welfare in a systematic and efficient way, in line with international standards.

Responsible and Prudent Use of Antibiotics

C.P. Group is conscious of the importance of using antibiotics responsibly and prudently in animals, as this will help reduce problems such as antibiotic residues in animal products, resistance to antimicrobial drugs, and negative impacts to human and environmental health. To deliver safe and quality foods to our consumers, the Group has strictly adhered to guidelines on antimicrobial drug use in animals across our global protein production supply chain. The Group’s process in this regard encompasses the ideation, research, and development of products, raw material selection; animal food production processes; farming; food processing; and finally, adherence to health management practices. This ensures that we respond to social demands for “One Health,” which refers to the integration of human, animal, and environmental health practices into one, for good health as a whole.

C.P. Group’s Principles for Antimicrobial Use in Animals

1. Adopt best international practices on responsible antimicrobial use in animals that are raised as food, and use drugs with care.

2. Ban the use of shared-class antimicrobials, which are medically important for both humans and animals, for the purpose of growth promotion.

3. Search for new and better ways to care for animals to promote animal welfare principles, reduce the need for antimicrobial drug use, and stimulate continuous innovation development.

4. Increase the roles of veterinarians and conduct trainings to enhance capabilities and manpower.

5. Develop processes for monitoring antimicrobial resistance to ensure that the problem can be accurately identified and monitored.

Health

Antibiotics

C.P. Group has identified and monitored.
Sustainable Swine Production and Integrated Raw Material Cultivation across the Supply Chain, Xianyang

The Project on "Sustainable Swine Production and Integrated Raw Material Cultivation across the Supply Chain" in Xianyang, Hubei province, was formed as a strategic collaboration on new rural development between C.P. Group and the government of Hubei Province. This Project was the first integrated industrial supply chain project on pig farming where the Group made the largest investment, with smart capabilities, and is currently the best level of integration for the industry sector. The entire Project can be traced across its production supply chain in an integrated manner, from the raw materials used for animal feed, to pig farming, to food processing plants and logistics components. Overall, the Project comprises four aspects: 1) integrated industrial supply chain development; 2) smart production; 3) traceability of the production process; and 4) recycling of resources. As a result, the Project delivers its core value ‘Three Benefits’ to farmers, society, and the organization.

Benefits to Farmers
- Over 10,000 farmers have received an increase of 150 million RMB in income per year
- Farmers are able to reduce fertilizer use by 5,400 tons per year, and save 15 million RMB on costs

Benefits to Society
- Create awareness of safe food production systems
- Develop a large market for agriculture

Benefits to the Organization
- Company receives a safe and secure supply of pigs
- Responds to needs across the supply chain

C.P. Group partnered with Danish Farm Group (DFG) of Denmark on a project to breed top-quality pigs. The Group received recommendations on process design, production equipment, and marketing and has constructed 6,000 pig farms and 26,000 breeding farms.

Importantly, measures are in place to protect and control African Swine Flu in pigs. Three days before pigs are sent to the abattoir, they must be tested for African Swine Flu, and before they are loaded for transportation, they must also receive health tests. Furthermore, at the food production plant, the finished product can only be sold after passing 100% of the blood tests. Following the announcement of the Ministry of Agriculture and Cooperatives, production must also include a polymerase chain reaction (PCR) testing tool and testing kits for detecting African Swine Flu in pigs in order to certify product safety. Finally, the Group has set up 32 cleaning and disinfecting centers, and designed measures for cleaning and disinfecting across three levels to ensure comprehensive control and monitoring of the vehicles used, and that personnel have completed the cleaning and disinfecting process.

Logistics trucks across the entire supply chain are monitored with a GPS system.
C.P. Group has leveraged and built upon our established strengths in the agro-industry and food business to support the good health and well-being of the people, as well as to mitigate the impacts that arise from limitations in accessing food for consumers, communities, and society as a whole. We promote proper and nutritious food consumption and nutritional principles through projects and activities that are implemented domestically and internationally.

To recognize the importance of good nutrition among children and youth, who are the critical foundations of social development, C.P. Group supports food access and promotes good nutrition for students. We believe that good nutrition is a vital factor that will enable children and youth to grow to their fullest potential.

Examples of projects that promote access to food and good nutrition include the Raising Layer Chickens for School Lunches Project; the Open World of Learning Project; the CPF Growing Happiness, Growing Futures Project; Milk for Kids; and the Food for Life Project.

### Results: Projects to Promote Access to Food and Good Nutrition (Thailand)

<table>
<thead>
<tr>
<th>Project</th>
<th>Number of Children and Youths</th>
<th>Number of Participating Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk for Kids</td>
<td>236,300</td>
<td>747</td>
</tr>
<tr>
<td>Hand in Hand, Let Children far from Hunger</td>
<td>222,000</td>
<td>702</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk for Kids</td>
<td>236,300</td>
<td>222,000</td>
<td>222,000</td>
</tr>
<tr>
<td>Hand in Hand, Let Children far from Hunger</td>
<td>222,000</td>
<td>218,000</td>
<td>218,000</td>
</tr>
</tbody>
</table>

The ‘Milk for Kids’ Project promotes access to nutritious cow’s milk for children and youth, in line with the Group’s policy to develop dairy milk as a quality source of protein, and create a foundation for a stable career for local dairy farmers. Employees at all levels get involved by establishing networks with customers and suppliers to purchase pasteurized milk from the Naypyidaw dairy farm, which C.P. Group supports. The milk is then donated to boarding temple schools operated by communities and religious organizations, for children and youth who are vulnerable groups in society.

**Hand in Hand, Let Children far from Hunger**

C.P. Lotus China, in collaboration with Xiangnian Food Co., Ltd. and the World Food Programme, launched the ‘Zero Hunger’ program to improve child nutrition among preschool-aged children in rural areas.

**Food Donations to the FareShare Charity**

C.P. Foods UK Limited partnered with FareShare to donate food that is still of good quality and edible to groups who have limited access to food and/or have low incomes.

**Raising Layer Chickens for Lunches for Orphans**

C.P. Vietnam Corporation organized the layer chicken farming project to use eggs as ingredients for children’s lunches, and to promote good health and nutrition among school-aged children, particularly those from disadvantaged groups.

<table>
<thead>
<tr>
<th>Project</th>
<th>Number of Children and Youths</th>
<th>Value of Donations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk for Kids</td>
<td>1,043</td>
<td>3,098,355 THB</td>
</tr>
<tr>
<td>Hand in Hand, Let Children far from Hunger</td>
<td>160,000</td>
<td>3,098,355 THB</td>
</tr>
<tr>
<td>Food Donations to the FareShare Charity</td>
<td>13 tons of food</td>
<td>30,964 meals for recipients</td>
</tr>
<tr>
<td>Raising Layer Chickens for Lunches for Orphans</td>
<td>13 (project expansions)</td>
<td>1,043 children received protein from eggs</td>
</tr>
</tbody>
</table>
In addition to our commitment and effort to deliver good and safe products to the hands of consumers, C.P. Group also focuses on improving the health of the people. We believe that sustainable health can be achieved through access to good quality food at affordable prices, and by having a strong and robust health.

C.P. Group, through the Special Projects Management Office, partnered with the National Blood Center of the Thai Red Cross Society to organize the ‘C.P. Group 100 Years: Giving Back through Blood Donations’ Project, which encourages blood donations from companies within the Group, in Thailand and overseas. In 2019, the Project received the support of 172 C.P. Group companies.

C.P. Group encourages our employees to equip themselves with the knowledge and skills of first-aid and life-saving. Therefore, we organize trainings to develop employees into volunteer CPR instructors, also known as the ‘CP CPR Volunteer,’ who are responsible for sharing knowledge and providing support to victims of incidents within the Group and in society. In addition, C.P. Group has expanded the Project to include external youth participants through the project, ‘CPR Youth Volunteers.’

**C.P. Group 100 Years: Giving Back through Blood Donations**

**CP CPR Volunteer Project**

C.P. Group encourages our employees to equip themselves with the knowledge and skills of first-aid and life-saving. Therefore, we organize trainings to develop employees into volunteer CPR instructors, also known as the ‘CP CPR Volunteer,’ who are responsible for sharing knowledge and providing support to victims of incidents within the Group and in society. In addition, C.P. Group has expanded the Project to include external youth participants through the project, ‘CPR Youth Volunteers.’

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of participants involved in basic first-aid training and CPR (number of trained persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>61,790</td>
</tr>
<tr>
<td>2018</td>
<td>53,594</td>
</tr>
<tr>
<td>2017</td>
<td>46,776</td>
</tr>
</tbody>
</table>

**Number of participants in the “Youth CPR Volunteer” Project**

Total number from 2013 - 2019

- **2019:** 22,727 persons
- **2018:** 22,727 persons
- **2017:** 22,727 persons
- **2016:** 22,727 persons
- **2015:** 22,727 persons
- **2014:** 22,727 persons
- **2013:** 22,727 persons

**Volunteers in the Project**

- **2019:** 107 schools
- **2018:** 107 schools
- **2017:** 107 schools
- **2016:** 107 schools
- **2015:** 107 schools
- **2014:** 107 schools
- **2013:** 107 schools

**Volume of blood donated by C.P. Group companies between 1991 and 2019**

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume of Blood Donated by C.P. Group Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>173.09 million C.C.</td>
</tr>
<tr>
<td>2018</td>
<td>153.59 million C.C.</td>
</tr>
<tr>
<td>2017</td>
<td>133.15 million C.C.</td>
</tr>
<tr>
<td>2016</td>
<td>113.70 million C.C.</td>
</tr>
<tr>
<td>2015</td>
<td>94.56 million C.C.</td>
</tr>
<tr>
<td>2014</td>
<td>76.41 million C.C.</td>
</tr>
<tr>
<td>2013</td>
<td>58.27 million C.C.</td>
</tr>
</tbody>
</table>

**CASE STUDY**

**C.P. Group 100 Years: Giving Back through Blood Donations**

CP Group, through the Special Projects Management Office, partnered with the National Blood Center of the Thai Red Cross Society to organize the “C.P. Group 100 Years: Giving Back through Blood Donations” Project, which encourages blood donations from companies within the Group, in Thailand and overseas. In 2019, the Project received the support of 172 C.P. Group companies.

**Health and Sports Promotion**

Promoting the best health and well-being for consumers

C.P. Group has organized a diverse range of projects to promote health and sports, which are held frequently, to enable people full and equal access to good health. Examples of these projects include C.P. Group 100 Years: Giving Back through Blood Donations, Health Promotion Projects for Employees and Communities, and the CP CPR Volunteer Project, among others.
Let Them See Love Project
Campaigning for Organ and Eye Donations

C.P. Group and True Corporation, in support of the Organ Donation Center and Eye Bank of the Thai Red Cross Society, established the ‘Let Them See Love’ Project in 2007 to raise knowledge and awareness on the importance of donating organs, to help patients with degenerative organs achieve successful organ transplants. Consequently, these transplants help patients regain their strength, prepare to embrace a normal life, and reawaken their passion for living. In 2019, the Group created a short video commercial to create awareness amongst the general public about the importance of eye donations. In addition, True Corporation launched various channels to support fundraising efforts for organ and eye transplant operations, including short message service (SMS) on the TrueDrive network, the TrueCarey Wallet application, and the exchange of ‘True Points’ into monetary donations through the TrueYou application.

Good Community Health Project

Data Plus Pharmacy, under C.P. Group, provided basic health checks and knowledge on healthcare to communities. The pharmacy also offered advice on nutrition and proper ways to exercise regularly. In 2019, the Group organized health checks for communities in 18 areas.

Generous Love by Acupuncture Needle over Thousand Miles Project

CP Lotus China, led by Mr. Li Wen Hai, Chief Executive Officer, organized the ‘Free Acupuncture Treatment’ program for the Tio Chew Association of Thailand, as a way to show love to Thai society and foster positive relationships between the people of the two countries – building a cultural bridge between China and Thailand.

Supporting the Thai National Team at International Competitions

C.P. Group, in collaboration with Charoen Pokphand Foods Public Company Limited, CP All Public Company Limited, and True Corporation Public Company Limited, was entrusted by the National Olympic Committee of Thailand, and the Sports Authority of Thailand to provide food and formal communications services for over 1,700 members of the Thai national team, including staffs and medias, at the Southeast Asian Games (SEA Games) 2019 in Manila and Clark, The Philippines. The Group provided support through good nutrition to foster physical and mental well-being. The Group offered clean, safe, quality, and nutritious foods, giving the athletes familiar tastes of home to strengthen their morale and prepared them for competitions with support at the total of 1,550,485 THB. Furthermore, the Group provided international roaming services to make it easier for the athletes to communicate with their families and boost their morale during the SEA Games 2019, with support at the total of 1,847,627 THB. In addition, C.P. Group and Group companies launched a commercial on the concept of ‘Thais: Hearts of Fighters,’ to inspire support and unity among Thais throughout the country. We also carried out public communications activities and repeated on competition results throughout the games, to encourage the people to pin forces and send encouragement to Thai athletes during important competition. This is another reflection of C.P. Group’s commitment to driving and promoting good health and well-being for Thai society.

### Results and Benefits

- **2,390 persons** accessed in the community
- **1,000 persons** received acupuncture treatment

### Number of Athletes who Received Food Support (persons)

- **6,870 persons**

<table>
<thead>
<tr>
<th>Event</th>
<th>Number of Athletes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olympic Games and Paralympic Games 2016</td>
<td>570</td>
</tr>
<tr>
<td>SEA Games and ASEAN Para Games 2017</td>
<td>2,300</td>
</tr>
<tr>
<td>ASEAN Games and ASEAN Para Games 2018</td>
<td>2,300</td>
</tr>
<tr>
<td>SEA Games 2019</td>
<td>1,700</td>
</tr>
</tbody>
</table>
Introduction
- Message From Our Leaders
- 2019 Highlights
- About C.P. Group

Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report

HEART Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

HEALTH Living Well
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix

STAKEHOLDER ENGAGEMENT

C.P. Group is committed to maintaining positive relationships with all groups of stakeholders. However, as our Business Groups have production bases and activities in all regions around the world, managing and engaging all stakeholders become a key challenge. Ensuring the satisfaction of all stakeholder groups requires arranging for different types of channels for stakeholder communications, organizing activities that respond equally to the needs of all groups, and participating in international sustainability networks to build confidence for stakeholders over the long term.

2020 Goal (Thailand) of Business Groups within C.P. Group will develop a stakeholder engagement process.

Supporting the SDGs

SDG 16 Peace, Justice, and Strong Institutions
16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels

SDG 17 Partnerships for the Goals
17.1 Enhance the global partnership for sustainable development
17.7 Encourage and promote effective partnerships

Challenges
C.P. Group is committed to maintaining positive relationships with all groups of stakeholders. However, as our Business Groups have production bases and activities in all regions around the world, managing and engaging all stakeholders become a key challenge. Ensuring the satisfaction of all stakeholder groups requires arranging for different types of channels for stakeholder communications, organizing activities that respond equally to the needs of all groups, and participating in international sustainability networks to build confidence for stakeholders over the long term.

2020 Goal (Thailand)

100%

of Business Groups within C.P. Group will develop a stakeholder engagement process.

Year-on-Year Progress

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Key Plans in 2020

- Review material sustainability issues from stakeholders
- Monitor plans with stakeholders of C.P. Group’s Business Groups
- Develop digital communication channels for stakeholder engagement

Supporting the SDGs

SUSTAINABLE DEVELOPMENT GOALS

SDG 16 Peace, Justice, and Strong Institutions
16.7 Ensure responsive, inclusive, participatory, and representative decision-making at all levels

SDG 17 Partnerships for the Goals
17.1 Enhance the global partnership for sustainable development
17.7 Encourage and promote effective partnerships
C.P. Group is fully committed to maintaining positive relationships with all stakeholder groups. This will enable the organization to grow and respond efficiently to the expectations of all stakeholders. As the framework for our stakeholder engagement, C.P. Group has adopted the AA1000 Stakeholder Engagement Standard, which provides guidances on developing effective engagement and communications plans, preparing data and sufficient personnel for on-the-ground engagements with stakeholders to collect key information, assessing performance, and revising the Company’s business plans, to better respond to stakeholders’ needs and deliver sustainable values.
## Stakeholder Engagement Framework

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Method of Engagement</th>
<th>Issues of Interest</th>
</tr>
</thead>
</table>
| **1. Employees and Families** | • Intranet, CFG Connect Mobile Application  
• E-mail, HR Communications  
• Conferences, meetings, and working team meetings  
• Innovation presentations  
• Activities of the Welfare Committee  
• Feedback and grievance channels  
• Satisfaction and engagement survey | • Compensation, benefits, and remuneration  
• Career progression  
• Work environment  
• Occupational health and safety |
| **2. Customers and Consumers** | • Feedback and grievance channels  
• Customer surveys and interviews  
• Meetings and site visits  
• Websites and consumer newsletters  
• Consumer center | • Quality and safety of products and services  
• Product traceability  
• Post-sale information about products and services  
• Personal data privacy |
| **3. Farmers** | • Site visits and participatory meetings  
• Farmer promotion centers/collaboration projects  
• Website and news/communications materials  
• Surveys  
• Grievance channel | • Capacity building for farmers  
• Timely and sufficient access to resources  
• Fair business practices |
| **4. Business Partners (Suppliers)** | • Site visits and joint meetings  
• Supplier capacity-building projects, partnerships, and joint innovation development  
• Assessments, consultations, and technical services  
• Grievance channel | • Supplier capacity building  
• Human rights and environmental impacts in the supply chain  
• Fair business practices |
| **5. Communities and Societies** | • Opinion survey and training to recommendations  
• Grievance channel  
• Dialogues and regular visits  
• Activities to promote quality livelihoods | • Business impacts on societies, communities, and the environment  
• Engagement in promoting community livelihoods  
• Promoting community employment  
• Transparent and efficient communications on performance |

### Response

- Treat employees with respect for human rights principles
- Continuously develop employees’ capability
- Retain and train talented employees
- Develop a human resources management system
- Comply with Thai labor standards
- Enact the Safety, Occupational Health and Workplace Policy and Guidelines
- Develop products and services that meet quality and safety standards
- Help consumers understand products and services through product labeling, and protect customer data privacy
- Develop a product traceability system
- Support knowledge, skills, technologies, and responsible operations that are appropriate and sufficient for farmers’ needs
- Guarantee sources of income, and find markets and sale channels for farmers
- Develop fair contracts according to the law
- Continuously develop supplier partnerships projects
- Develop criteria for supplier assessment according to the Sustainable Procurement Policy
- Communicate with suppliers to help them understand requirements
- Treat all suppliers equitably and fairly according to business agreements/Business Code of Conduct
- Promote community engagement and partner with government agencies, private sector organizations, educational institutions, and independent organizations
- Leverage the Company’s competitive advantages as tools to create positive impacts and mitigate negative impacts on societies

### Benefits Received by Stakeholders

- Employees receive appropriate training
- Leadership training and development
- Grievances and whistle-blowing management
- Assessments on safety, occupational health, and workplace environment
- Commitment to quality production processes
- Product labels, websites, and direct consumer hotline
- Raw material sourcing and traceability
- Farmer support and rural community development projects
- Sustainable supply chain management
- Projects to promote small-scale entrepreneurs
- Open innovation
- Supplier capacity building
- Communications on the Supplier Code of Conduct
- Operations based on the foundations of ethics and transparency
- Initiations that create values for society
- Climate change management
- Water stewardship
- Ecosystem and biodiversity protection
# Stakeholder Engagement Framework

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Method of Engagement</th>
<th>Issues of Interest</th>
<th>Response</th>
<th>Benefits Received by Stakeholders</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6. Governments</strong></td>
<td>Meetings and visits on various occasions</td>
<td>Compliance to relevant laws and regulations</td>
<td>Monitor and strictly comply with all relevant laws and operating guidelines</td>
<td>Good corporate governance</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Collaboration and support for initiatives, project development, and beneficial activities</td>
<td>Being a model business for social and environmental responsibility</td>
<td>Collaborate on and support initiatives, and develop projects and activities that will benefit the country</td>
<td>Oversight of compliance across the Group</td>
<td>59</td>
</tr>
<tr>
<td></td>
<td>Grievance channel</td>
<td>Complete, transparent, and efficient performance disclosures</td>
<td>Communicate and disclose performance in a complete, transparent, and efficient manner, and receive recommendations for improving operational plans</td>
<td>Partnerships for sustainable development</td>
<td>136-137</td>
</tr>
<tr>
<td><strong>7. Shareholders, Investors, and Creditors</strong></td>
<td>Meetings and roadshows</td>
<td>Corporate Governance</td>
<td>Operate in compliance with laws, corporate governance principles, objectives, company’s regulations, and decisions of the Shareholders</td>
<td>Corporate governance</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Site visits to operational units</td>
<td>Complete, transparent, and efficient performance disclosures</td>
<td>Comply strictly with the creditor’s conditions</td>
<td>Corporate sustainability management</td>
<td>144-145</td>
</tr>
<tr>
<td></td>
<td>Letters to creditors</td>
<td>Enhancing competitiveness and business direction</td>
<td>Listen to the recommendations and reflections from shareholders and investors</td>
<td>Innovation management and promotion</td>
<td>144-145</td>
</tr>
<tr>
<td></td>
<td>Investor Relations Office</td>
<td></td>
<td>Collaborate with relevant agencies to improve operational efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grievance channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>8. Non-Governmental Organizations (NGOs)</strong></td>
<td>Regular feedback and dialogues</td>
<td>Impacts of business operation on societies, communities, and the environment</td>
<td>Conduct work locally to jointly address problems</td>
<td>Operations that uphold human rights and labor practices</td>
<td>102-103</td>
</tr>
<tr>
<td></td>
<td>Support collaboration through networks as appropriate</td>
<td>Social projects</td>
<td>Listen to recommendations to inform determination of operational approach</td>
<td>Value-added initiatives for societies</td>
<td>184</td>
</tr>
<tr>
<td></td>
<td>Site visits to operational units</td>
<td>Complete, transparent, and efficient performance disclosures</td>
<td>Communicate and disclose performance in a complete, transparent, and efficient manner, and receive recommendations for improving operational plans</td>
<td>Ecosystem and biodiversity protection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grievance channel</td>
<td>to the public</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>9. Media</strong></td>
<td>Communications through all formats/channels</td>
<td>Corporate governance</td>
<td>Engage media to strengthen good relations</td>
<td>Good relations with the organization</td>
<td>136-137</td>
</tr>
<tr>
<td></td>
<td>Media visits to operational units</td>
<td>Complete, transparent, and efficient performance disclosures</td>
<td>Provide factual, useful, and timely information for official communication to the public</td>
<td>Useful and timely information based on facts</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Press conferences and regular media interviews</td>
<td>Business impacts on societies, communities, and the environment</td>
<td>Monitor news reports to inform future operational approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support and engagement in media activities</td>
<td>Social projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grievance channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>10. Competitors</strong></td>
<td>Meetings with third party organizations, such as the Federation of Thai Industries</td>
<td>Compliance with ethics of competition, laws, and trade regulations</td>
<td>Adhere to the rules/ethics of competition and establish a monitoring mechanism to ensure that there is no conduct associated with gaining trade secrets from competitors</td>
<td>Good corporate governance</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>News and information obtained through public media and forums</td>
<td></td>
<td>Prohibit any actions to harm competitors’ reputation based on unfounded facts</td>
<td>Anti-corruption</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Grievance channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Listening to Our Stakeholders

“C.P. Group can contribute to enhancing the country’s competitiveness by developing education and public health infrastructures, and co-investing with the government in the right sectors. To enhance the Group’s competitiveness, the agro-industry sector is a stable value sector, and future investments need to consider long-term sustainability. Technology and retail businesses are fast growing sectors; therefore, it is necessary for C.P. Group to increase value and utilizes new business approaches, while ensuring that their businesses in these sectors will not be disrupted, and that they can handle various levels of changes.

Today, C.P. Group has strength in sustainability. This will play an important role in the market, as businesses must not push the burden of sustainability to consumers in order to increase their profits. Instead, they must be responsible to society.

Here, C.P. Group has done well by choosing sustainability as the key goal of the organization.”

Prof. Arturo Bris
Director, IMD World Competitiveness Center

“Sustainable development refers to the balanced development of societies, communities, environmental ecology, the economy, and governance. In turn, this translates to continuity, equality, inclusiveness, and responsibility for the environment, economy, and society. In all of this, we have to consider the education of the next generations, because the majority of agricultural families still lack the opportunity to access basic education. We must also consider stakeholder engagement, because the participation of all people in society is what will drive development – much more than conflicting viewpoints. Engagement is also vital for development given our limited natural resources – soil, water, forests, and biodiversity. For balancing the needs of different generations, especially when the elderly population is growing, and for the new generation to have a role in determining their future, C.P. Group is a large business, with a highly interconnected supply chain that is strongly organized. Because of this, the company must look back and take responsibility for term projects, or they would pause or terminate their work as soon as they encountered problems. Because of this, our communities and networks became reluctant to work with the private sector.

Very importantly, it is the company to also integrate the perspectives and needs of the community into their operational framework, so that the projects or activities that we undertake will achieve the targets that we set, and create sustainability for both the company and the community.”

Mr. Vatchai Jun-lem
President of the Local Fishing Association of Hua Sai
Muang Chang district, Phu Phiang subdistrict, Nakhon Si Thammarat province

“Overall, C.P. Group’s sustainability strategy is good in that it covers the challenges concerning health and sustainable development. However, we must enhance our consideration for other environmental variables, such as nitrogen and phosphorus buildup and soil erosion, and revise those targets that are linked to impact solutions. For example, the target to develop 30% new products that promote health and well-being is good, but might not be enough. C.P. Group should strive to eliminate the most damaging products, or improve upon them, and assess whether these better products are consumed or used to replace other products. Likewise, we should encourage consumers to eat better foods, and find ways to make these foods easily accessible, affordable, and attractive.

For example, this could include plant-based alternatives for protein. The World Business Council on Sustainable Development’s (WBCSD) 2050 Vision will be disclosed in depth in the future about future trends and changes that will impact businesses, and we encourage involvement through the WBCSD platform.”

Mr. Virachat Jae-leem
President of the Local Fishing Association of Hua Sai
Muang Chang district, Phu Phiang subdistrict, Nakhon Si Thammarat province

“C.P. Group has strong capabilities in tropical forest and coastal ecosystems, and also generates income, could move forward on secure footing. We now see the genuine commitment of C.P. Group who, despite the many obstacles we have encountered over the past three years, did not leave this area behind.

C.P. Group came in with their community relations and partnerships, the local villagers relied only on their own ideas – much like having a body with no heart or head, and no way to establish. However, once C.P. Group come in with their community relations team, they brought the heart and the brain to complete the picture. This helped nurture the local villagers’ ideas, so we work together in harmony, and gave us strength and ability. As a result, our conservation work to increase the number of aquatic animals, produce food, and generate income, could move forward on secure footing. We now see the genuine commitment of C.P. Group who, despite the many obstacles we encounter each year, did not leave this area behind.”

Mr. Samruay Padpol
President of the Subdistrict Administration Organization of Muang Chang
Thammarat province

Stakeholder Engagement

Introduction
• Message From Our Leaders
• 2019 Highlights
• About C.P. Group
Sustainability Management
• Sustainability Strategy
• Materiality Assessment
• About this Report
HEALTH
• Corporate Governance
• Human Rights and Labor Practices
• Leadership and Human Capital Development
• Education
HEALTH Living Well
• Social Impact
• Health and Well-being
• Stakeholder Engagement
• Innovation
HOME Living Together
• Climate Change Management
• Water Stewardship
• Ecosystem and Biodiversity Protection
Responsible Supply Chain Management
Appendix

Emeline Fellus
Director, Fairtrade Asia

Mr. Samruay Padpol
President of the Subdistrict Administration Organization of Muang Chang
Thammarat province

The success of the partnership between the local community and C.P. Group on marine resources conservation and restoration, and on improving the lives of our local fishermen, happened because C.P. Group came in to work with us. Before the partnership, the local villagers relied only on their own ideas – much like having a body with no heart or head, and no way to establish. However, once C.P. Group come in with their community relations team, they brought in the heart and the brain to complete the picture. This helped nurture the local villagers’ ideas, so we work together in harmony, and gave us strength and ability. As a result, our conservation work to increase the number of aquatic animals, produce food, and generate income, could move forward on secure footing. We now see the genuine commitment of C.P. Group who, despite the many obstacles we encounter each year, did not leave this area behind.

As for what I want to see improved in our collaboration going forward, I would like to see projects to continue with genuine commitment. Prior to this, various organizations and private sector agencies would just come into the area for a short-term project, or they would pause or terminate their work as soon as they encountered problems. Because of this, our communities and networks became reluctant to work with the private sector.

Very importantly, it is the company to also integrate the perspectives and needs of the community into their operational framework, so that the projects or activities that we undertake will achieve the targets that we set, and create sustainability for both the company and the community.”
Partnerships For Sustainable Development

World Economic Forum
Mr. Suphachai Chearavanont received the honor to be a Co-Chair of the 2019 Annual Meeting of the New Champions in Dalian, China. The meeting aimed to discover ways of achieving inclusive and sustainable future-growth, and eliminating inequalities. He also joined the panel, “Leadership 4.0: Succeeding in a New Era of Globalization” and “The Quest for Leadership 4.0”

UN Global Compact
C.P. Group, as a member of the United Nations Global Compact (UNGC), COP Advance level, discloses its sustainability performances and implementation of the 10 Principles of the UNGC, which cover anti-corruption, the environment, labor, and human rights. C.P. Group representatives also participated in the Leaders summit organized by UNGC during the High-Level Segment of the UN General Assembly in September 2019. C.P. Group aims to become LEAD member of UNGC in 2020.

Global Compact Network Thailand (GCNT)
As one of the 15 founding members of GCNT, C.P. Group has actively and continuously promoted cooperation among GCNT members and partners across all sectors to support GCNT’s initiatives. In September 2019, the Group supported GCNT in organizing the 3rd National Dialogue on Business and Human Rights under the topic ‘Sustainable Financing: What Companies Need to Know?’, in partnership with Ministry of Justice of Thailand (MOJ) and UNDP Thailand. The Group and GCNT also supported the MOJ’s event to announce the first National Action Plan (NAP) on Business and Human Rights (2019-2022) in December 2019. Furthermore, the Group has actively supported GCNT in its strategy development to promote private sector collaboration. The Group work with partners from all sectors in contributing to the achievement of the SDGs in Thailand.

WBCSD
C.P. Group is firmly committed to its membership of the WBCSD and other member organizations to promote global sustainability, particularly through WBCSD’s Action for Sustainable Agriculture (TAPA), and WBCSD’s social agenda as the Group is interested in eliminating and reducing food waste, and promoting human rights among businesses.

World Economic Forum, Dalian:
Mr. Suphachai Chearavanont (Senior Chairman) participated in the opening ceremony of the World Economic Forum for Asia Annual Conference 2019 and served as a panelist on the “How can we advance business and society’s commitment to a common future for humanity” roundtable speaking on the topic, building a common future for humanity, ensuring human engagement and opportunities.

World Economic Forum, Dalian:
Mr. Suphachai Chearavanont (Chief Executive Officer) shared his experiences during the session, “The Quest for Leadership 4.0,” with world-leading business representatives and academicians, including Huang Yiping (Beijing University), Enass Abo-Hamed (Imperial College), John Meacock (Deloitte), and Michelle Zatlyn (Cloudflare), with Amy Bernstein (Harvard) as moderator.

World Economic Forum, Dalian:
Mr. Suphachai Chearavanont (Chief Executive Officer) spoke with Dr. Anil Menon of the World Economic Forum on the topic, “Conversation on Leadership 4.0.”

WBCSD, Singapore:
Mr. Noppadol Dej-Udom (Chief Sustainability Officer) discussed with Peter Risken (WBCSD) and Diane Kiddell (WBCSD) during the WBCSD Board on Sustainable Development 2019 council meeting.

C.P. Group recognizes the importance of building partnerships with organizations as this supports the Group’s ability to efficiently meet our sustainability targets. In 2019, in addition to being a member of the United Nations Global Compact (UNGC) at the advanced level, the Group was also one of 15 private sector organizations to have co-founded Global Compact Network Thailand.

In order to drive the UN’s Sustainable Development Goals and national sustainable development, the Group supports domestic and international organizations and trade associations that have the potential to support policies, rules, and other regulations related to the agro-industry, food, pharmaceutical, and retail sectors.
INNOVATION MANAGEMENT

Introduction
- Message from Our Leaders
- 2019 Highlights
- About C.P. Group

Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report

HEART: Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

HEALTH: Living Well
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME: Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Appendix

INNOVATION
MANAGEMENT

Challenges
Innovation is essential in the 4.0 era economy. With the needs of consumers transforming in new directions, C.P. Group must adapt within the business operation demonstrate greater responsibility, and create value for society and the environment.

Supporting the SDGs
- SDG 8 Decent Work and Economic Growth
  - Diversification, innovation, and lifting economic productivity
- SDG 9 Industry, Innovation and Infrastructure
  - Science, research, and technological capabilities of industrial sectors
  - Support efficient technology development and industrial diversification
- SDG 17 Partnerships for the Goals
  - Support effective partnerships

Key Plans in 2020
- Digital transformation
- Share knowledge on innovation at the C.P. Innovation Exposition
- Create C.P. Group ‘Innovators’

2020 Goal (Thailand)
Increase in product and process innovation value, compared to the 2016 baseline.
50%

Year-on-Year Progress
2019
2018
100%
100%
"Digital Transformation" is one of the visions that C.P. Group is applying to drive the business forward. It comprises six strategies, each focusing on how technology can be applied to enhance work efficiency for customers and internal operations, and analyzing big data from the manufacturing, marketing, and service processes to expand and strengthen the business and future investments. Over the past year, each strategy has progressed well according to our set targets and indicators. Looking forward to 2020, the Group will continue to drive all six strategies in pursuit of our targets, as we believe that they will help enhance our potential in fulfilling the vision, "To be a leading tech and innovative conglomerate, providing food for both body and mind, that creates shared value and brings health and well-being for all."

**CYBER SECURITY**
Develop a cybersecurity policy and provide training on the Personal Data Protection Act (PDPA) for employees and top-level executives.

**USER EXPERIENCES**
Use digital technologies to build positive user experiences, such as TRUE ID, TrueMoney, and ALL Member, where more than 30 million customers are currently subscribed to the platforms.

**NEXT-GEN TECHNOLOGY**
Apply cloud technology as a standard in the Group’s technology development, e.g., in service platforms and smart robotics systems.

**DIGITAL WORKPLACE**
Develop basic knowledge on digital technology for employees, and build a main digital platform (CPG Connect) to connect employees.

**DATA & ANALYTICS**
Link 95% of retail data and 50% of animal farming and manufacturing data onto a central dashboard for faster and more efficient decision making.

**AUTOMATION**
Apply the Internet of Things (IoT) in the retail business to create a digital retail store, pilot smart sales systems, and integrate artificial intelligence (AI) into animal farming and plantation operations.
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- Education
HEALTH: Sustainability Management
- Health
- Sustainability Management
- Innovation Management

CASE STUDY
Applying Artificial Intelligence (AI) for Swine Farming, Northern China

The vision of the C.P. Group’s Senior Chairman is to help develop rural northern China, transforming it into a greener area and a business model for Agriculture 4.0 using two strategies – Agriculture 4.0, which focuses on modern environmentally-friendly agricultural practices, and joint investments approach, creating synergy between the Group and local communities. Following on from this vision, to raise 1 million pigs, the Group launched a project that applies technology and innovations across the entire value chain. This involves, for example, raising pigs in enclosed facilities with computer-controlled temperature and environmental parameters, designing the farming structure with positive pressure to reduce 99% of PM2.5 levels, and moving pigs using automated machinery. Within the facility itself, AI is useful for various controls and activities, such as measuring the weight and fat content of a pig, and counting the number of pigs to calculate appropriate food ratios. An AI system is also used to analyze the sounds of pigs and sows to access their health. It is used to determine their readiness for breeding. All of this information is consolidated onto a smart platform, accessible via mobile phone, enabling swine farmers to make real-time decisions on animal care.
Building Innovation Infrastructure
Paving the way for future research, development, and innovation

To achieve excellence in research and innovation in all types of businesses within the Group, we have invested in developing our research infrastructure to allow for continuous R&D. C.P. Group currently has 106 R&D centers around the world. Each center is supported by specialist researchers and R&D support personnel to ensure efficient operations, with 5,402 staff in total. Our efforts in innovation infrastructure development not only focus on food and agriculture research centers, but also on technological research that can be used to support and enhance agriculture, education, health, and new lifestyles – keeping up with changing trends all around the world.


The 5G technology implemented by True Corporation, launched in 2019, is a critical infrastructure that will help inspire innovations, develop livelihoods, and promote a more equal society. It is well known that 5G technology does not merely help speed up communications or data transfers and downloads. Once 5G technology is connected to existing IoT devices through the internet, it will be possible to transfer information between home appliances, remote equipment, and machinery on the production line. This means that work instructions can be ordered remotely, and remote learning and healthcare will be more accessible to all.

5G technology will help build capabilities, reduce costs for the business and manufacturing sectors, and reduce pollution. This can be achieved, for example, by using IoT to transfer information within the production process for more accurate calculations on how much raw material is needed to produce products at appropriate quantities and reduce waste materials. All of this will elevate Thailand’s potential and sustainably strengthen the country’s competitiveness in a new economic era.

True 5G Technology: Sustainability Potential

World of Agriculture
Strengthen Thai agriculture for a balanced ecosystem

• Solutions for monitoring cow behaviors
• Smart corn plantation
• Smart chicken farms
• Remote medicine with 5G
• Surveillance and health services with 5G drones
• Home Health Care

World of Education
New models for limitless learning

• Smart Campus
• Virtual Reality (VR) for teaching and learning
• True 5G Hologram Teacher

World of Security
Access to support and safety, anywhere and at anytime

• 5G Smart Rescue Helmet
• True 5G Drone to search for survivors

World of Health & Wellness
Accessible care for all with 5G

• Remotely patient monitor
• Home and health services with 5G drones

World of Entertainment
Transforming entertainment for everyone to access, everywhere

• 5G VR Game
• 5G Dancing Robot
• True 5G Tech Concert

Higher Efficiency
4G vs 5G

<table>
<thead>
<tr>
<th>4G</th>
<th>5G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network latency of 20-30 milliseconds (ms)</td>
<td>Latency &lt; 30ms</td>
</tr>
<tr>
<td>7.2 Exabytes of data transfers per month</td>
<td>Data Traffic</td>
</tr>
<tr>
<td>Data transfer rate 1 GB/second</td>
<td>Peak Data Rates</td>
</tr>
<tr>
<td>Frequency 3GHz</td>
<td>Available Spectrum</td>
</tr>
<tr>
<td>Connection density of 100,000 people/1 square kilometer</td>
<td>Connection Density</td>
</tr>
<tr>
<td>Peak Data Rates</td>
<td>Data transfer rate 20 GB/second</td>
</tr>
<tr>
<td>Available Spectrum</td>
<td>Frequency 3GHz</td>
</tr>
<tr>
<td>Connection Density</td>
<td>Connection density of 1 million people/1 square kilometer</td>
</tr>
</tbody>
</table>

4G > 5G

Instruct IoT or smart devices 10 times faster
Receive 7 times greater volume of data transfers
Receive 7 times greater volume of data transfers
Becoming an Innovative Organization

“Becoming an organization whose employees at all levels have the outlook and heart for, and believe in the importance of, driving, supporting, and sharing to co-create innovation.”

As a way to encourage all employees to participate in the creative process of developing innovations, C.P. Group organizes the C.P. Innovation Exposition every two years, and has done so for the past ten years, to stimulate knowledge and experience-sharing across Business Groups, and to encourage and recognize employee contributions through exhibitions displaying innovations from all Business Groups around the world. Similarly, innovation exhibitions are also organized at the Business Group level to maintain a culture of innovation. Over the past year, the Agro-Industry and Food, Retail and Distribution, Telecommunications, and International Trading Business Groups, as well as our Business Groups in China, organized their own innovation exhibitions. The winning submissions from these competitions will be selected through a rigorous process to compete against all Business Groups at the C.P. Innovation Exposition in 2021, which marks the 100th anniversary of C.P. Group’s establishment. This collaboration on driving innovation development – at both the Business Group and Group levels – has made innovation an essential part of our business, which can be leveraged to further strengthen our competitiveness.

C.P. Group Innovation Promotion Platforms

<table>
<thead>
<tr>
<th>Group level</th>
<th>Business Group/Country level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Innovations</td>
<td>Number of Innovations that received the CHAIRMAN AWARD</td>
</tr>
<tr>
<td>252</td>
<td>27</td>
</tr>
<tr>
<td>112</td>
<td>36</td>
</tr>
<tr>
<td>215</td>
<td>43</td>
</tr>
<tr>
<td>267</td>
<td>285</td>
</tr>
</tbody>
</table>

Robot Accountant, an innovation from the C.P. Innovation Exposition 2019.
One Day Satisfaction Project
From Values to Applications, Transforming into a Sustainable Innovative Organization

Guided by the objective of putting our Six Core Values into practice, the ‘One Day Satisfaction’ Project encourages employees to get involved in initiating ideas, improving them, and creating innovations – to cultivate a mindset that embraces change, where they are satisfied with their success for one day, but continue to strive for improvement the next. The Project encourages them to innovate new ideas for projects based on the concepts of simplification, achieving speed and quality, and benefiting multiple stakeholders. This concept has helped employees develop a more concrete understanding of the Group’s values, and a core part of this Project involves encouraging employees to participate more actively in projects. Afterwards, participating employees receive scores that go towards the criteria for recognizing them as a Group ‘Innovator.’

The One Day Satisfaction Project is now in its second year, and as of year-end 2019, a total of 15,962 employees participated in 17,882 work improvement projects. The participating employees also collected scores to become ‘Innovators,’ resulting in a total of 5,325 ‘Innovators’ from all levels. Likewise, it has enabled employees to adopt a good perspective on improving their own work through new ideas and methods. This is the idea of putting values into practice, which is one of the essential foundations for becoming an innovative organization.

Example of One Day Satisfaction Project

BEFORE IMPROVEMENT
The Self Service Project allows customers to review and change their own promotions, as appropriate.

AFTER IMPROVEMENT

In addition to developing innovations through research centers and other means of promotion, the Group places importance on developing innovations through an ‘Open Innovation’ approach, which involves collaborating with external agencies outside of the Group to leverage external knowledge for innovations. C.P. Group has created opportunities for Open Innovation through a number of platforms, such as 7Innovation, a platform with suppliers, and Startup Thailand 2019, a collaboration with the National Startup Committee (NSC) focusing on technology, to launch startups in Thailand. Aside from innovation and business development, the suppliers and startups that undergo learning and share experiences with the Group can also build upon these experiences to further deliver positive impacts for the national economy.
C.P. Group is committed to protecting and caring for natural resources and the environment through efficient operations, a policy that also aligns with international targets on greenhouse gas (GHG) emissions reductions to combat the impacts of climate change. The Group drives the advancement of water resources through sustainable water resource management to minimize the impacts of water use on the environment and surrounding communities.

In addition, C.P. Group partners with various organizations to protect ecosystems and biodiversity, as this is crucial to achieving a balance for natural resources and the environment as a whole. Apart from improving our own operations, the Group has also expanded its management approach in these areas to our suppliers and business partners across the supply chain to build a truly sustainable society.

**Climate Change Management**
- Assessment of Climate-related Risks and Opportunities according to Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- Disclosed GHG Emissions
- Climate Change Management
- Scope 3 Emissions (Thailand)
- Energy Management and Efficiency Improvements, and Promoting Renewable Energy Use
- Engaging with Public GHG Emissions Reduction Mechanisms
- Product Life Cycle Assessments
- Waste Management
- Reducing Plastic Packaging

**Water Stewardship**
- Integrated Water Risk Assessments
- Circular Water Management
- Promoting Community Water Access

**Ecosystem and Biodiversity Protection**
- Measuring Natural Capital
- Raw Material Sourcing and Traceability
- Conservation and Restoration of Forest and Marine Resources

**Responsible Supply Chain Management**
- Responsible Supply Chain Management
- Enhancing Suppliers’ Capabilities
Introduction
- Message From Our Leaders
- 2019 Highlights
- About C.P. Group
Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report
HEART: Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education
HEALTH: Living Well
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation
HOME: Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management
Appendix

CLIMATE CHANGE MANAGEMENT

Supporting the SDGs

<table>
<thead>
<tr>
<th>SUSTAINABLE DEVELOPMENT GOALS</th>
<th>Key Plans in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 7 Affordable and Clean Energy</td>
<td>- Increase the proportion of renewable energy consumption</td>
</tr>
<tr>
<td>SDG 11 Sustainable Cities and Communities</td>
<td>- Reduce plastic use and increase plastic recycling</td>
</tr>
<tr>
<td>SDG 12 Responsible Consumption and Production</td>
<td>- Reduce food waste from all activities</td>
</tr>
<tr>
<td>SDG 13 Climate Action</td>
<td>- Increase the proportion of renewable energy consumption</td>
</tr>
</tbody>
</table>

Challenges
Given the challenge of the climate crisis today, C.P. Group recognizes the opportunity to inspire change and encourage and contribute to reducing GHG emissions across all of its Business Groups in 21 countries. The Group is firmly committed to reducing both direct and indirect GHG emissions, promoting renewable energy use instead of fossil fuel-based energy, and enhancing the capacity for renewable energy use. In addition, the Group supports public sector GHG reduction mechanisms and products. In addition, the Group has set targets to reduce and reuse plastic for packaging and achieve zero food waste across all of its business activities in all business sectors.

2020 Goal (Thailand)

- Reduce greenhouse gas emissions per unit of revenue by 10% by 2020, compared to the 2015 baseline.

Key Plans in 2020
- Increase the proportion of renewable energy consumption
- Reduce plastic use and increase plastic recycling
- Reduce food waste from all activities

Year-on-Year Progress

- Key Plans in 2020
- Increase the proportion of renewable energy consumption
- Reduce plastic use and increase plastic recycling
- Reduce food waste from all activities

2019
- 75%
2020
- 34%
Circular Economy to Drive a Sustainable Business
(Circular Economy)

The Group adopts the ‘Circular Economy’ approach to driving business sustainability, focusing on optimizing the use of valuable resources, minimizing losses, and reusing resources throughout the value chain.

GAP Plus project supporting farmers to increase rice farming efficiency and protect ecosystems

1.21 million GJ bioenergy production

1.11 million tons waste to organic fertilizer

77.93 thousand tons waste converted to animal feed

BIOLOGICAL CYCLES

Farming/Collection
Regeneration
Biogas
Cascades
Extraction of Biochemical Feedstock

TECHNICAL CYCLES

Raw Materials
Raw Materials

Products
Products

Services
Services

Consumers
Organisation

Disposal with minimal pollution
Disposal with minimal pollution

Electricity 25.98 million GJ
Renewable Energy 5.27 million GJ
Non-renewable Energy 14.91 million GJ

Greenhouse Gas Emissions
Scope 1: 0.91 million tCO₂e
Scope 2: 4.49 million tCO₂e
Scope 3: 6.93 million tCO₂e

11.45% proportion of renewable energy use
0.81 million tCO₂e reduction in greenhouse gases
82.45% reusable plastic packaging used
13.07% water recycled/reused
16.4 million cubic meters external water discharge

82.45%
Recycle
13.07%
Reuse/Redistribute
16.4 million cubic meters
Maintenance/Prolong
82.45%
Refurbish/Remanufacture
11.45%
Recycle
0.81 million tCO₂e reduction in greenhouse gases
82.45% reusable plastic packaging used
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16.4 million cubic meters external water discharge

Greenhouse Gas Emissions
Scope 1: 0.91 million tCO₂e
Scope 2: 4.49 million tCO₂e
Scope 3: 6.93 million tCO₂e
Assessment of Climate-Related Risks and Opportunities According to TCFD

C.P. Group has put in place a framework for climate change management covering our entire supply chain. We have established policies and targets to boost energy efficiency, renewable energy use, water management, and reduction in plant packaging use. We further assess climate-related risks and opportunities, conduct scenario analysis according to the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD), and develop comprehensive risk management plans that include physical, technology, market, policy and legal, and reputational risks. In addition, the Group communicates with our stakeholders on our progress on climate change management initiatives and perspectives through various channels. These include our sustainability report, the Communication on Progress for the UN Global Compact, and COP25’s climate change disclosure system.

### Climate Change Management Framework

- **Champion Engagement**: Group top management responsibility for climate change management throughout the value chain.
- **Assess Risks, Opportunities, and Impacts**: Wider perspective, strategy, and operational context of each business unit.
- **Define Targets and Policies**: Policy and 2020 sustainability goals on climate change.
- **Implement Resilience**: Change impacts management and projects throughout the supply chain.
- **Monitor Results**: Monitor progress against goals and analyze performance.
- **Communicate with Stakeholders**: Implement a communication strategy to improve understanding of climate change management initiatives and perspectives through various channels.

### Low-carbon Future 15°C

<table>
<thead>
<tr>
<th>Risks</th>
<th>Financial Impact</th>
<th>Time Period</th>
<th>Possible Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td>Acute</td>
<td>1-5% increase in product revenue</td>
<td>1-5 years</td>
</tr>
<tr>
<td>Market</td>
<td>10-20% increase in material costs, reduced energy efficiency</td>
<td>1-5 years</td>
<td>20% increase in investment in new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
<tr>
<td>Resilience</td>
<td>10% increase in material costs, reduced energy efficiency</td>
<td>1-5 years</td>
<td>10% increase in investments for new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
<tr>
<td>Governance</td>
<td>10% increase in capital cost</td>
<td>1-5 years</td>
<td>10% increase in investments for new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
<tr>
<td>Risk Management</td>
<td>10% increase in capital cost</td>
<td>1-5 years</td>
<td>10% increase in investments for new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
<tr>
<td>Metrics &amp; Targets</td>
<td>10% increase in capital cost</td>
<td>1-5 years</td>
<td>10% increase in investments for new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
</tbody>
</table>

### Rapid Alignment with the Paris Agreement

<table>
<thead>
<tr>
<th>Risks</th>
<th>Financial Impact</th>
<th>Time Period</th>
<th>Possible Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>10% of costs saved from using non-carbon-emitting energy technology</td>
<td>1-3 years</td>
<td>10% increase in revenue from new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
<tr>
<td>Market</td>
<td>Reduced demand for the goods or service that have a rise in demand</td>
<td>1-2 years</td>
<td>10% increase in revenue from new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
<tr>
<td>Resilience</td>
<td>10% increase in product revenue</td>
<td>1-2 years</td>
<td>10% increase in revenue from new energy technology, policies to support the reduction of emissions, and the development of new products and services.</td>
</tr>
</tbody>
</table>

### Opportunities

- **Enhanced risk awareness**: Increased understanding of climate-related risks and opportunities, leading to improved risk management and decision-making.
- **Increased resilience**: Improved ability to adapt to climate-related impacts, reducing financial losses.
- **Enhanced stakeholder engagement**: Improved relationships with stakeholders, leading to greater support for climate action.
- **Enhanced innovation**: Stimulated development of new low-carbon products to meet the demand for energy efficiency.
- **Increased revenue**: Higher demand for low-carbon products and services, leading to increased revenue.

### Assessment of Climate-Related Risks

- **Climate-related**
  - **Opportunities**: Market opportunities, technology advancements, increased awareness, and improved regulatory frameworks.
  - **Challenges**: Physical risks, market risks, policy and legal risks, and reputational risks.

### TCFD Framework

- **Transparency Risks**: Policy and legal impacts.
  - **Opportunities**: Market opportunities, technology advancements, increased awareness, and improved regulatory frameworks.
- **Technical Risks**: Energy use, waste management, and reductions in energy consumption.
  - **Opportunities**: Market opportunities, technology advancements, increased awareness, and improved regulatory frameworks.
- **Market Risks**: Changes in consumer demand, supplier costs, and competitor behavior.
  - **Opportunities**: Market opportunities, technology advancements, increased awareness, and improved regulatory frameworks.
- **Policy and Legal Risks**: Government regulations and industry standards.
  - **Opportunities**: Market opportunities, technology advancements, increased awareness, and improved regulatory frameworks.
- **Reputational Risks**: Negative media coverage, public backlash, and loss of consumer trust.
  - **Opportunities**: Market opportunities, technology advancements, increased awareness, and improved regulatory frameworks.

### Financial Impact

- **Risks**: Reduced demand for the goods or service that have a rise in demand.
- **Opportunities**: Increased demand for new energy technology, policies to support the reduction of emissions, and the development of new products and services.

### Time Period

- **Risks**: 1-3 years.
- **Opportunities**: 1-5 years.

### Possible Outcomes

- **Risks**: Reduced demand for the goods or service that have a rise in demand.
- **Opportunities**: Increased demand for new energy technology, policies to support the reduction of emissions, and the development of new products and services.
C.P. Group recognizes that our business operations have contributed to GHG emissions, and so we share the responsibility of addressing the issue of climate change. We do so in accordance with our sustainability targets and the Paris Agreement, which aims to control the global temperature increase to below 2 degrees Celsius, and is currently attempting to keep the global temperature increase to below 1.5 degrees Celsius. The Group has made it a policy to become a carbon neutral organization by 2030, and to set the target to reduce GHG emissions per unit of revenue by 10% by 2020, compared to base year 2015. Concrete measures have been put in place to meet these objectives.

Energy Efficiency

- Improve energy efficiency in areas with significant energy use in order to reduce GHG emissions, such as by improving production processes and installing high-efficiency equipment.
- Apply the ‘Circular Economy’ approach within the Group to create an efficient recycling and reuse process.

Renewable Energy

- Increase the proportion of renewable energy use, such as using solar power to generate electricity and improving biogas production efficiency, and expand the use of renewable energy to all Business Groups around the world.

Carbon Removal

- Encourage all Business Groups to meet GHG absorption targets by planting perennial plants within their premises and applicable areas.
- Promote using Nature-Based Solutions (NBS) through various projects, such as by encouraging farmers to practice cultivation methods that mitigate GHG emissions, and developing animal feed with lower climate impacts.

Becoming a Carbon Neutral Organization by 2030

To become a “Carbon Neutral Organization” in accordance with our environmental management strategy, C.P. Group is focused on managing energy and resources by using the Circular Economy principle. This principle focuses on improving energy efficiency and related activities to minimize as much environmental impact as possible, starting with the design process, to the management and selection of high-efficiency equipment and technology, in order to reduce GHG emissions. This also includes promoting reforestation and farming projects to absorb emissions over the long term.
Greenhouse Gas Management Data

2019 Performance

- **Total greenhouse gas emissions**: 5.40 million tCO2e
- **Greenhouse gas reduction**: 0.81 million tCO2e
- **Greenhouse gas emissions intensity**: 2.70 tCO2e/million THB

**Greenhouse Gas Emissions Ratios 2019**

- **Greenhouse Gas Emissions Intensity (per unit of revenue)**
- **Emissions intensity**
- **Reduction**
- **Greenhouse gas**
- **Total greenhouse**

**2017 Performance**

- **Total greenhouse gas emissions**: 5.03 million tCO2e
- **Greenhouse gas reduction**: 0.64 million tCO2e
- **Greenhouse gas emissions intensity**: 2.66 tCO2e/million THB

**2018 Performance**

- **Total greenhouse gas emissions**: 5.46 million tCO2e
- **Greenhouse gas reduction**: 0.26 million tCO2e
- **Greenhouse gas emissions intensity**: 2.61 tCO2e/million THB

**2019 Performance**

- **Total greenhouse gas emissions**: 5.40 million tCO2e
- **Greenhouse gas reduction**: 0.81 million tCO2e
- **Greenhouse gas emissions intensity**: 2.70 tCO2e/million THB

**Remarks:**

- **GHG Scope 1** refers to direct GHG emissions.
- **GHG Scope 2** refers to indirect GHG emissions from energy use.
- **GHG Scope 3** refers to indirect GHG emissions from other sources, including:
  - Purchased goods and services
  - Business travel
  - Waste management
  - Employee commuting
  - Buildings
  - Buildings
  - Utility services
  - Franchises
  - Purchased electricity
  - Use of sold products
  - End-of-life treatment of sold products
  - Mobile Combustion
  - Purchased electricity
  - Mobile Combustion
  - Renewable Energy

**By Scope**

- **Scope 1**
- **Scope 2**

**By Business Line**

- **Purchased Electricity**
- **Retail and Distribution**
- **Transportation and Distribution**
- **Mobile Combustion**
- **Stationary Combustion**
- **Renewable Energy**

**By Type**

- **Purchased goods and services**
- **Business travel**
- **Waste management**
- **Employee commuting**

**GHG Scope 3 Emissions (Thailand)**

C.P. Group plans to expand the scope of our data collection for Scope 3 GHG emissions, making it much more comprehensive, as it is our responsibility and determination to reduce emissions across our entire supply chain.
Environmental Investments

The natural environment belongs to all members of society. For this reason, individuals, public agencies, and the private sector must all play a part in the preservation and conservation of nature and the environment. C.P. Group fully recognizes the importance of caring for the environment, in particular considering the problems caused by industrial pollution, including GHG emissions that lead to the current global warming crisis we face today. The Group and its subsidiaries have always prioritized solutions to these issues, as well as other environmental problems, regardless of whether it is air, water, or waste pollution. We strive to achieve this by investing in the environment and adopting internationally-certified environmental management systems across all Business Groups and in all countries where we operate. Similarly, we work to instill a sense of awareness among employees, encouraging them to recognize the importance of environmental conservation, to reduce energy use, and to optimize resource use or minimize plastic use.

As for environmental management, the Group regularly assesses its use of resources, types of energy use, and waste management from business activities. The Group has invested in many different types of environmental management projects, including renewable energy development projects such as solar energy, geothermal energy, and biogas, to reduce the need for grid electricity and other carbon intensive sources of energy. In addition, the Group continues to expand its investment in green buildings. During the past year, the Group invested over 1,290 million THB in various environmental projects.

### Environmental Investments (million THB)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>1,290</td>
<td>2,822</td>
<td>544</td>
<td>644</td>
</tr>
</tbody>
</table>

Examples of Environmental Returns on Investments

All Business Groups under C.P. Group prioritize the efficient use of natural resources, and recognize the rapidly changing impacts of climate change. Therefore, C.P. Group has developed an Environmental Management Accounting (EMA) tool to support more efficient decision-making and budget planning.

**Solar-powered electricity generation with around 60 MWp installed capacity**

**Generating biogas from wastewater treatment systems at swine farms and food processing factories**

**Increasing energy efficiency for electricity and thermal energy**

### Performance Summary

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investment</td>
<td>million THB</td>
<td>1,150</td>
<td>2,511</td>
<td>1,056</td>
</tr>
<tr>
<td>Total operating cost</td>
<td>million THB</td>
<td>144</td>
<td>310</td>
<td>204</td>
</tr>
<tr>
<td>Total cost savings</td>
<td>million THB</td>
<td>403</td>
<td>854</td>
<td>495</td>
</tr>
<tr>
<td>Total energy reduction</td>
<td>GJ</td>
<td>452,791</td>
<td>683,622</td>
<td>648,312</td>
</tr>
</tbody>
</table>
C.P. Group is firmly committed to managing climate change, and all of our Business Groups in Thailand and overseas have implemented energy efficiency improvement projects. The Group focuses on promoting renewable energy use through solar-powered electricity generation, biomass utilization, and improving the efficiency of bioenergy production, among others. Once tested successful, these best practices are then expanded to our Business Groups worldwide.

Data on Energy Efficiency and Renewable Energy Promotion

- **Energy reduction**: 0.45 million GJ
- **Cost savings**: 486 million THB
- **Renewable energy consumption**: 5.27 million GJ
- **Greenhouse gas reduction**: 0.81 million tCO2e

**Greenhouse Gas Reduction Breakdown 2019**

- **By project type**
  - 73% From renewable energy use
  - 27% From energy efficiency improvements

**By country**

- China
- Thailand
- East Asia
- Southeast Asia
- Europe, and America
- South Asia and West Asia
- Asia

**Energy Consumption Breakdown 2019**

- **Electricity**: 42.22, 30.12, 24.32
- **Stationary Machinery**: 35.17, 25.88, 20.96
- **Renewable Energy**: 5.77, 3.37, 2.31
- **Logistics**: 16.8, 17.5, 16.6

*Unit: million GJ*
Solar-powered Electricity Generation

All companies within C.P. Group have fully recognized the consequences of using energy sources that impact the environment and global climate change. The Group is committed to playing a part in minimizing these impacts, by encouraging organizations to improve their energy use efficiency, and providing support for the concrete adoption of renewable energy.

C.P. Group’s companies have implemented multiple renewable energy projects, starting with installing solar rooftop electricity generation systems at animal feed factories, food processing factories, distribution centers, office buildings, base stations, and 7-Eleven stores. The solar rooftop system has an installed capacity of 58.9 MWp, and is able to produce over 85 million kWh of electricity per year, which is equivalent to around 49,200 tCO2e of GHG emissions reduction.
Product Life Cycle Assessment

A Life Cycle Assessment is an environmental management approach that comprehensively evaluates the impact of a product across its entire lifespan, starting from raw material sourcing through to transport, production, distribution, use, and finally, disposal. C.P. Group has adopted this concept as part of its climate change management strategy, and since 2009, has applied for Carbon Footprint of Product certifications from the Thailand Greenhouse Gas Management Organization (Public Organization).

In 2015, CPRAM Co., Ltd. (Chonburi), applied for a carbon footprint certification for its ‘Big Bao Minced Pork’ steamed bun product. This is part of the Company’s approach to analyzing the environmental impacts of the product throughout its life cycle, and to minimizing impacts on climate change. As part of this, the Company implemented various projects to improve production efficiency for the ‘Big Bao,’ including reusing waste to minimize disposal in a landfill, improving product delivery management, and revising methods for heating up the product in stores. These measures have helped to reduce the product’s carbon footprint, and have resulted in CPRAM’s ‘Big Bao’ being the first steamed bun product to receive the carbon footprint reduction label.

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In addition, from 2015 onwards, the Group also requested certifications for the Carbon Footprint Reduction label, demonstrating its joint efforts to reduce greenhouse gases.

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<table>
<thead>
<tr>
<th>Number of Certified Products</th>
<th>Examples of Certified Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>198 Products</td>
<td></td>
</tr>
<tr>
<td>21 Products</td>
<td></td>
</tr>
<tr>
<td>21 organizations</td>
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Waste Management

Waste management is a priority at C.P. Group. From waste that is generated by the activities of its Business Groups and from manufacturing processes or services, to those activities of suppliers upstream and downstream, the Group has enacted a waste management approach and framework that covers our entire supply chain. One of the biggest issues concerning the global community today is food waste. The Food and Agriculture Organization (FAO) of the United Nations has estimated that 1 in 3 of food produced globally is lost or becomes food waste. Apart from negatively impacting the economy, food waste also contributes to GHG emissions, and reduces the efficiency of water and land resource utilization.

CP Food World: Food Waste Management at the United Nations

CP Food World has been selected by the United Nations in Bangkok, Thailand, to be the provider for its international cafeteria and banqueting services within the UN building, which serves around 300-500 UN staff per day. CP Food World and the UN have in place a ‘Zero Waste Management’ policy that focuses on reducing waste to zero, and managing waste to ensure that the minimum amount is sent for disposal. This serves as a model for waste management in other restaurant businesses within the Group, where this same policy will be promoted to drive business sustainability.

CP Group, as a manufacturer, distributor, and provider of agricultural products and food, recognizes the importance of our role in addressing this issue and meeting the Sustainable Development Goals (SDGs), especially Target 12.3. We have therefore mandated that companies in C.P. Group, in Thailand and overseas, commit to the joint target of zero food waste across all of our operations by 2030. A monitoring and reporting system has been developed to track progress, in line with international standards.

Food Waste Management Approach

- Provide knowledge and understanding to employees to help them recognize the importance of waste management and separation.
- Record the weights of different types of waste, and send waste to be produced as biofertilizer or animal feed, recycled, or donated to foundations.
- Control and limit the procurement of products to match actual demand, and arrange products according to the expiration dates labeled on their packaging.
- Improve and adapt different food recipes to minimize food waste.

Waste Management Data

2019 Performance

Total waste: 1.78 million tons
Percent of waste recycled/reused: 12.16%
Waste intensity

Waste by Disposal Method

- Non-hazardous waste
  - Composting
  - Recycling
  - Mixed with other materials
  - Landfill
  - On-site storage
  - Energy recovery
  - Infiltration

- Hazardous waste
  - Recycle
  - Energy recovery
  - Incineration
  - Landfill

Waste by Type

- Non-hazardous waste
  - Meat
  - Bakery
  - Ready meals
  - Drinks
  - Mixed food waste

- Hazardous waste
  - Vegetables and fruits
  - Seafood
  - Frozen foods and dairy products
  - Bread foods and rice
  - Condiments
  - Others

2017 2018 2019

Non-hazardous waste

Hazardous waste

*Unit: thousand tons
**Unit: million tons
***Unit: ton/million THB

CDP | 26
Reducing The Use of Plastic Packaging

C.P. Group recognizes the importance and necessity of solving the global problem of plastic waste. This aligns with the Group’s own sustainable business principles, where we are committed to promoting and conserving the quality of the environment, providing knowledge, and fostering engagement in consumer behavioral change for sustainable development. This is achieved through our “5Rs” strategy, which comprises: Re-educate consumers to minimize waste creation, Reduce plastic waste, Recycle plastic waste, Replace with alternative materials, and Reinvent through research and innovation. All Business Groups in Thailand have committed to the joint 2025 target – that 100% of all plastic packaging used should be ‘reusable, recyclable, or biodegradable.’ C.P. Group has further mandated that all Business Groups in Thailand and overseas uphold this commitment and operate in the same direction, in order to align with the Group’s overall mission and sustainability policy, and to contribute to the solution of plastic waste, care for the environment, and create a sustainable society.

Recycling Manufacturing Waste

CPPC Public Company Limited is committed to more sustainable plastic packaging manufacturing processes. The Company has implemented a project to recycle leftover plastic materials from the manufacturing process, where they undergo a separation and melting process, and are then reused to create new products of higher value. Information on the type of plastic and recycling instructions is labeled on the product packaging for ease of waste segregation.

Sustainability Plastic Packaging Dashboard

2019 Performance

- Total plastic packaging used: 219,729 tons
- Percentage of recyclable plastic packaging used: 82.45%
- Plastic packaging used: 17,290 tons

2025 Goal (Thailand)

- 100% of manufacturing waste recycled by 2022
- 100% of products labeled for ease of waste segregation

Year-on-Year Progress

- 91% vs. 97%
- 3,749 tons vs. 3,901 tons
- 3,901 tons vs. 21,743 tons
- 82,938 tons vs. 80,938 tons

Plastic Packaging Use by Type

- Difficulty of Recycling
- Easy, Manageable, Difficult, Very Difficult

<table>
<thead>
<tr>
<th>Plastic by Type</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy</td>
<td>3,749 tons</td>
<td>3,901 tons</td>
</tr>
<tr>
<td>Manageable</td>
<td>21,762 tons</td>
<td>17,243 tons</td>
</tr>
<tr>
<td>Difficult</td>
<td>32,861 tons</td>
<td>16,38 tons</td>
</tr>
<tr>
<td>Very Difficult</td>
<td>7,388 tons</td>
<td>180 tons</td>
</tr>
<tr>
<td>Others</td>
<td>80,938 tons</td>
<td>18,232 tons</td>
</tr>
</tbody>
</table>
Introduction

Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report

HEART: Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

HEALTH: Living Well
- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

HOME: Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

Supporting the SDGs

WATER STEWARDSHIP

Challenges
Water shortage remains a top global environmental issue, given the demand for water in all sectors – including in agriculture, industry, and households – coupled by the expansion of the global population. To respond to this higher demand for water and to promote more efficient use of this valuable resource, C.P. Group has strived to safeguard water resources throughout its entire supply chain and to mitigate the impact of water shortage. We achieve this through an integrated water resources management, and through technologies and innovations that enable efficient water management of both agriculture and manufacturing processes. This increases the capacity for business resilience and ensures that access to quality water resources is equally shared with communities.

Key Plans in 2020

2020 Goal (Thailand)

Reduction of water withdrawal per unit of revenue compared to base year 2015: 10%

Year-on-Year Progress

Supporting the SDGs

SDG 6 Clean Water and Sanitation
6.1. Clean and affordable drinking water for all
6.3. Improved water quality through safe treatment and recycling
6.4. Increased water use efficiency and ensure sustainable supply
6.5. Implement integrated water resources management
6.6. Support the participation of local community in improving water and sanitation management

SDG 12 Responsible Consumption and Production
12.2. Achieve the sustainable management and efficient use of natural resources

SDG 14 Life Below Water
14.1. Reduced marine pollution

Increase water use efficiency according to the 5Rs principle
Assess water risks according to the management framework
Promote community access to water resources
Key Performances 2019

C.P. Group has developed a water resources risk assessment framework that is applied across all of its units and Business Groups. The assessment evaluates risk factors in various dimensions, including the volume of water withdrawal by organization, and baseline water stress levels. C.P. Group has adopted the internationally-recognized Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI) for use as our preferred assessment tool. The results of the assessment are ranked according to three levels of water risk, and are then used to develop appropriate management plans.

Integrated Water Risk Assessment

Enabling water management planning throughout the supply chain

Water Risk Assessment Framework

<table>
<thead>
<tr>
<th>Baseline Water Stress</th>
<th>Water Withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low – Medium volume</td>
<td>High volume</td>
</tr>
<tr>
<td>Low – High volume</td>
<td>Extremely High</td>
</tr>
</tbody>
</table>

Water and Effluents by Geography

Units with high water risks level, classified by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Water Withdrawal</th>
<th>Water Discharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe and America</td>
<td>5.34</td>
<td>4.18</td>
</tr>
<tr>
<td>South Asia and West Asia</td>
<td>10.20</td>
<td>8.17</td>
</tr>
<tr>
<td>Thailand</td>
<td>159.35</td>
<td>76.97</td>
</tr>
<tr>
<td>East Asia</td>
<td>31.80</td>
<td>15.49</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>98.45</td>
<td>59.28</td>
</tr>
</tbody>
</table>

Reduction in water withdrawal intensity

54.59% compared to base year 2016

*Unit: million cubic meters
C.P. Group has adopted the Circular Water Management approach, in accordance with the ‘5Rs’ principle, for water management within the organization, as well as to improve water efficiency through various measures.

Shrimp cultivation in Vietnam is generally practiced using an outdoor pond and phytoplankton, which relies on photosynthesis. This results in limitations due to pH levels, vast differences in the ability of oxygen to dissolve between mornings and afternoons, difficulties in controlling shrimp cultivation, and high amounts of built-up ammonia and nitrites.

To overcome these limitations, C.P. Vietnam developed a technology for shrimp farming, covering the process from juvenile shrimp hatching all the way to cultivation, that uses a greenhouse structure for shrimp cultivation instead of the traditional outdoor pond. This helps to protect against environmental contaminants, and enables C.P. Vietnam to regulate temperature changes and pH levels. C.P. Vietnam has also integrated Biofloc technology into its shrimp nurseries and cultivation process.

Following improvements to its shrimp cultivation using a Biofloc system for nursing juvenile shrimp and growing them into adults, C.P. Vietnam was able to increase its output up to 15 tons per rai per year, and reduce water use from 74,250 cubic meters to merely 26,850 cubic meters – a 64% reduction.

Circular Water Management
Maximizing water use efficiency

To address this issue, C.P. has applied electrochemical technology in shrimp aquaculture. This involves using electrochemical cells to produce hypochlorous acid (HOCI) from the water used in shrimp cultivation, where HOCI then converts ammonium ions (NH₄⁺) into nitrogen gas (N₂) which is then safely released into the air. This has resulted in up to a 90% reduction in the quantities of organic substances and inorganic nitrogen found in the water used for shrimp aquaculture, compared to just using the two technologies alone, and as much as an 83% reduction in water use compared to cultivation using previous water exchange methods.
Recycling Water in the Production Process for Ready Frozen Meals

Due to the high volume of water consumption in its production processes, CPRAM Company Limited (CPRAM) has developed water management plans that emphasize maximizing resource efficiency, reducing discharges to the environment, and enhancing the capabilities of its wastewater treatment system. CPRAM further set up a unit to oversee water use within its factories, utilizes groundwater on a sustainable basis to reduce dependence on surface water, and municipal water supply, alleviating water shortage problems in surrounding communities. As a result of these measures, in 2019, CPRAM was able to reduce withdrawal of municipal water supply by 1,078,230 cubic meters. In addition, the Company installed an aeration control system in its wastewater treatment system, which enables the wastewater that passes through the treatment process to achieve higher quality than that required by law. The treated wastewater can then be reused for other purposes, including watering plants and cleaning outdoor spaces, resulting in “Water Zero Discharge” and further reduction of municipal water use by 355,804.15 cubic meters per year.
Collaborating with Partners to Promote Access to Water for Communities

Optimizing benefits from water resources

Water resources are essential for all livelihoods. C.P. Group fully recognizes the importance of access to clean and sufficient water resources for all community members, and has therefore initiated partnerships with various sectors to promote sustainable access to water resources for all communities, in all the countries where we operate.

Groundwater Well Construction Projects
C.P. Bangladesh constructed groundwater wells for children and communities living near the company’s headquarters and facing water shortages. Wells were constructed in seven locations, including schools, markets, and mosques, serving 7,000 people.

‘Nam Phang’ Model
In partnership with the Northern Development Foundation, the Group constructed check dams to help retain water within the forest and support farmers’ livelihoods in Nam Phang Subdistrict, Mae Charim District, Nan Province. A total of 200 check dams and one pond was constructed, benefiting 285 farmers.

Safe Nature Project
Constructed 11 wells for farmers in areas with water scarcity for agricultural use, allowing farmers to store a total of 2,050 cubic meters of water.

Water for Life Project
Given the difficulties of accessing clean water resources in India, C.P. India installed reverse osmosis (RO) water filtration systems to provide clean and safe drinking water for communities in 17 villages, comprising 4,250 households, and for 21 schools with a total of 2,180 students.

Water Resources for Agricultural Development Projects
The Group partnered with the Highland Research and Development Institute and the Land Development Department to construct ponds and pipelines to deliver water to the Ban Mae Wak community in Chiang Mai Province, ensuring that they have access to water resources for agriculture. A series of seven community ponds were constructed, and polyvinyl chloride (PVC) pipelines spanning 6,524 meters were installed.

Living Water Projects
The Group collaborated with Nan Civil Society Coordination Center to rehabilitate a watershed forest, which involved constructing weirs to prevent flooding, and to help manage the issue of sufficient water resources for communities. Overall, 12 weirs were constructed for communities in the 17 Northern provinces of Thailand.

Sharing Water Resources with the Barangay Gugo Community Project
C.P. Philippines supported the Barangay Gugo community, near the Company’s factory, in accessing clean water by installing water pumps and pipelines to feed water from the groundwater well within the factory to the 62 households within the community. This resulted in around 1,673 cubic meters of water available for use per year.

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Ka Nau Village Water Pipeline Installation Project
C.P. Vietnam, in collaboration with the Youth Union of Vietnam in Binh Dinh province, installed a 1,500-meter pipeline system to enable the villagers of Ka Nau, located in a remote area of the province and consisting of 68 households, or 250 people, to access clean water.
Challenges

Rapid advancements in digital technology and business practices help businesses and industries to operate more efficiently, but they may have a positive impact on the biodiversity of ecosystems. Examples include the destruction of forests for agricultural land, reduced fish populations caused by overfishing, and the use of natural water resources in areas with water shortages. C.P. Group is aware of the impact of these issues on the ecosystem functions. The Group is therefore dedicated to playing its part in restoring the ecosystem. It also prioritizes the protection of the ecosystem and biodiversity for future generations.

Key Plans in 2020

- Expand raw material sourcing assessment to sources that do not deplete forest and marine resources.
- Conduct research and development on sustainable fishing with coastal communities.
- Increase efforts on forest resources conservation and restoration.

2020 Goal (Thailand)

100% of key raw materials come from responsible sources that do not contribute to the depletion of forest and marine resources.

Year-on-Year Progress

<table>
<thead>
<tr>
<th>Year</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>87%</td>
</tr>
<tr>
<td>2019</td>
<td>72%</td>
</tr>
</tbody>
</table>

Supporting the SDGs

- **SDG 6 Clean Water and Sanitation**
  - 6.4 Protect and restore water-related ecosystems
- **SDG 14 Life Below Water**
  - 14.2 Sustainably manage and protect marine and coastal ecosystems
  - 14.4 Sustainably managed fisheries
  - 14.5 Conserve coastal and marine areas
  - 14.6 Reduce access to overfished areas to marine resources and markets
- **SDG 15 Life on Land**
  - 15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services
  - 15.2 Halting deforestation, restore degraded forests
  - 15.4 Ensure the conservation of mountain ecosystems
  - 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity

ECOSYSTEM AND BIODIVERSITY PROTECTION
Key Performances 2019

**15,347 rais** forest areas restored

**11,268 rais** agricultural areas with water resources development

**14 provinces** receiving marine resources restoration

**10,989 persons** benefiting from projects

**Marine and Coastal Ecosystem Protection Projects**
- CPF Grow-Share-Protect Mangrove Forestation Project, Charoen Pokphand Foods Public Company Limited
- Samut Sakhon Province, Rayong Province, Chumphon Province, Phang Nga Province, Songkhla Province

**Inland Freshwater and Forest Projects**
- Sustainable Blue Crab for Thai Seas Project, Charoen Pokphand Group
- Surat Thani Province
- Aquatic Animal Bank Projects, Charoen Pokphand Group
- Trat Province, Chanthaburi Province, Samut Songkhram Province, Nakhon Ratchasima Province, Surat Thani Province, Krabi Province, Trang Province, Pattani Province

**Database and Knowledge Integration Project on Thai Mackerel in the Gulf of Thailand, Charoen Pokphand Group**
- Chonburi Province, Chachoengsao Province, Phetchaburi Province, Samut Songkhram Province, Surat Thani Province, Prachuap Khiri Khan Province, Chumphon Province, Samut Prakan Province, Samut Sakhon Province

**Ecosystem and Biodiversity Protection**
- Artificial Reef Project, Charoen Pokphand Group
- Songkhla Province, Pattani Province, Narathiwat Province

- Mun River Canal Conservation Project, Charoen Pokphand Foods Public Company Limited
- Nakhon Ratchasima Province

- Multi-purpose Forest Management Project, Espousing His Majesty’s Philosophy, Ban Gong Gai, Charoen Pokphand Group
- Phayao Province, Lampang Province

- CPF Rak Ni-Ves Project at Pasak Watershed, Khao Phraya Doen Tong, Charoen Pokphand Foods Public Company Limited
- Lopburi Province

- Safe Nature Project, Charoen Pokphand Produce Co., Ltd.
- Chiang Mai Province

- Multi-purpose Forest Management Project, Thai Buffalo Conservation Center, Charoen Pokphand Group
- Chonburi Province

- Modern Agriculture Learning Center, C.P. Seeds
- Kamphaeng Phet Province

- Inland Mountain Top Rehabilitation Project, Charoen Pokphand Group
- Nan Province

- Thai Bhubas Conservation Center, Charoen Pokphand Group
- Chonburi Province
Raw Material Sourcing and Traceability
Building confidence for consumers

Management Approach:
Despite our ever-expanding and increasingly complex supply chain network, C.P. Group has always been committed to sourcing agricultural raw materials responsibly and sustainably. In our approach, we emphasize supply engagement and promote partnership networks in different sectors, including public, private, community, and non-governmental organizations (NGOs). The Group has set the target to source five key raw materials for the production of animal feed through responsible and sustainable means. These are maize, soybean meal, palm oil, cassava, and fishmeal. In addition, Charoen Pokphand Foods Public Company Limited has implemented various projects to promote skills development on proper cultivation methods in accordance with agricultural product standards, namely the Thai Agricultural Standard – TAS 4402-2010 and Good Agricultural Practices for Maize. An example is the ‘Self-Sufficient Farmers, Sustainable Corn Project,’ implemented since 2014 to support small-scale farmers occupying a total area of 225,000 rai. The Project further encourages corn suppliers for animal feed to source their raw materials from farmlands that have the following qualifications: proper legal title deeds; no encroachment on forests; 100% traceability back to their plot using GPS coordinates and title deeds; and registration on the ‘Corn Traceability’ system.

Performance:
Progress on the traceability of five key raw materials for animal feed, by the Agro-Industry and Food Business Line

Purchasing Point
100%

Crushing mill
100%

Crushing mill
100%

Processing plant
100%

Processing plant
100%

Cultivation area
100%

Cultivation area
100%

Cultivation area
100%

Fishing area
100%

Remarks: Animal feed business in Thailand

C.P. Group Integrated Traceability System

The traceability of a product is very important at C.P. Group. The Group has developed an integrated product traceability system that can trace a product starting from its raw material source to its area of cultivation, animal feed mill, farm, food processing factory, warehouse, and all the way through to distribution and sales channels, into the hands of consumers. Consumers can rest assured that all of the products produced by C.P. Group are of high quality, in compliance with safety standards, and made with socially and environmentally responsible raw materials and processes.

Origin of Raw Materials
- Raw materials sourced from suppliers that are responsible to the environment and ecosystems.
- Fishmeal Factory
  - Produced using fishmeal that is internationally certified and traceable.
- Animal Feed Factory
  - Situated at appropriate locations, using a selection of quality raw materials and recipes that meet nutritional needs.
- Raw Material Farms
  - Responsible to the environment, with proper labor practices and title deeds as required by law.
- Food Processing Plant
  - Traceable, quality foods produced to standard, responsible to society and the environment.
- Retail Stores
  - Meet standards on consumer safety and animal welfare.

Animal Farms
- Meet standards on consumer safety and animal welfare.
Conserving and Restoring Forest Resources
Promoting ecosystem and biodiversity protection

Charoen Pokpahan Group adopted the concept of balancing the ecosystem in an implementation of the developing forest for sustainable livelihood project. The company executed this project through the social enterprise concept, where we promoted reforestation for livelihood development, raised awareness toward protection and promotion of sustainability in local systems among the community.
The Sob Khun Model
Developing the forest and sustainable livelihoods for farmers in Ban Sob Khun, Nan Province

In northern Thailand, the increasingly widespread practice of burning forests to make way for agricultural land has led to forest fires and smog, which in turn raised the concentration of particulate matters to hazardous levels, causing health problems. In recognition of this situation, in 2015, C.P. Group went on the ground to survey the area of Ban Sob Khun, Pa Kha Subdistrict, Tha Wang Pha District in Nan Province. Ban Sob Khun lies in a mountain top area overcome by corn plantation, and is home to 1,185 persons, 328 households, and 62,895 rai of arable land. This led to the creation of the Ban Sob Khun Model, where C.P. Group provided support for the Ban Sob Khun community on growing high-value plants instead of corn to generate income. Coffee was the alternative, as it offers high returns and more environmentally friendly benefits. The Model also stimulated partnerships with various sectors, including the public sector and community networks.

Project Background: Sob Khun Model

In northern Thailand, the increasingly widespread practice of burning forests for agriculture has led to forest fires and smog, which in turn raised the concentration of particulate matters to hazardous levels, causing health problems. In recognition of this situation, in 2015, C.P. Group went on the ground to survey the area of Ban Sob Khun, Pa Kha Subdistrict, Tha Wang Pha District in Nan Province. Ban Sob Khun lies in a mountain top area covered by corn plantation, and is home to 1,185 persons, 328 households, and 62,895 rai of arable land. This led to the creation of the Ban Sob Khun Model, where C.P. Group provided support for the Ban Sob Khun community on growing high-value plants instead of corn to generate income. Coffee was the alternative, as it offers high returns and more environmentally friendly benefits. The Model also stimulated partnerships with various sectors, including the public sector and community networks.

“Today, I have arrived at my turning point, away from growing corn. I am making my dreams come true.”

Mr. Yat Thammalangka
Ban Sob Khun, farmer

Management Framework:

Understand
- Basic Information
- Area/Suitability
- Develop joint targets
- Develop joint targets
- Development model

Access
- Household debt, insufficient income
- Analyze soil quality, elevation, water resources, markets
- Develop joint targets
- Develop joint targets
- Development model

Develop
- Household debt, insufficient income
- Analyze soil quality, elevation, water resources, markets
- Benefit the people, forest, and communities
- Reduce the use of land, add value to products

Process Framework Diagram
Supporting Farmers through Social Enterprise Development

A social enterprise model, which integrates the knowledge management with innovation for developing a business plan, is an essential tool for promoting the sustainability of farming enterprises. C.P. Group promotes this model by supporting the construction of coffee processing plants, machinery, coffee drying warehouses, and other facilities, to enable local communities to earn income from coffee growing, from upstream to midstream. In addition, farmers are able to manage and use their accumulated profits for the benefit of the group to address social and environmental issues and create long-term sustainability for their communities.

Past Performance
The Sob Khun Model social enterprise is now entering its fifth year. A total of 101 farmers have now participated in the project, covering 129 plots of land. This has reduced the deforestation for farmland and has prevented up to 614 rais of mountain tops from becoming clear-cut. Today, more than 1,822 rais of forest area has been restored – resulting in the transformation of 42.91% of the former barren mountain top into now abundant green forest.

Future Plans
Building off the initial success of this model, a challenge now concerns scaling the project to cover other districts, and inviting more local communities to participate. The goal is to enable more people to coexist with forest in harmony, and for farmers to earn sufficient and sustainable income.
Introduction
- Message from Our Leaders
- 2019 Highlights
- About C.P. Group
Sustainability Management
- Sustainability Strategy
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- About this Report
HEART: Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education
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Appendix

Conserving and Restoring Marine Resources
For the abundance, resilience, balance, and sustainability of Thai seas

Charoen Pokphan Group collaborated with the Fishery Department to develop sustainability for Thailand's sea. We have been continuously placing artificial reef in suitable waters off the coast of Thailand. In the second phase, 1,000 artificial reefs were placed in the coastal areas of Amphoe Ranod, Songkhla Province, and Amphoe Muang, Narathiwat Province. The objective of this project is to restore the abundance of the Southern sea, and to increase income and improve livelihood of the local communities.
Aquatic Animals Banks
For Sustainable Marine Resources Conservation

Project Background
The degradation of the marine environment has resulted in a significant reduction in the population of aquatic animals in Thai territorial waters, where some species are now nearing extinction. This has impacted the livelihoods of fishermen, who are unable to earn sufficient income to support their families. Therefore, CP Group, as a private sector company that plays a role in the agro-industry and food supply chain with direct links to Thailand’s seas, places a strong emphasis on the conservation of marine resources and restoring coastal fishing communities through sustainable means in both the Eastern coastal provinces on the Gulf of Thailand and the Andaman Sea.

To address this issue, the Group adopted the ‘SEACOSYSTEM For Sustainable Thai Seas’ concept, in which one of the key components involves increasing the stock of aquatic animals through innovations for hatching juvenile aquatic animals, the Aquatic Animal Bank. The ‘Bank’ has been developed by the Group with the goal of reducing the problem of diminishing aquatic animal population and its impacts on fishermen’s incomes and the livelihood of fishing communities. It can be used for breeding aquatic species that lay eggs outside their shells such as blue crabs, giant mud crabs, mangrove crabs, flathead lobsters, giant freshwater prawns and spiny lobsters. The hatchery system adopts the use of modern technology with an automated control system, which increases efficiency and flexibility. Not only is it easy to use, but the system also has low maintenance costs and helps to promote community collaboration and engagement, which will consequently support sustainable marine conservation. The Project involved working with 16 communities in eight provinces. Since its launch in 2017, more than 4.7 billion juvenile crabs have been released back into the sea. The innovation has received awards both in Thailand and overseas.

Released more than 4,700 million juvenile crabs back into the sea
Revenue from selling blue crabs 3,132,655 THB

Creating Income from Fishing Products (Blue Crabs)
From innovation to social enterprise, Surat Thani Province

Project Background
Following the Group’s success with Community Crab Banks (Aquatic Animal Banks) in many provinces on the Gulf of Thailand and Andaman Sea, with a large quantity of crabs being released back into the sea, fishermen have now been able to catch a higher quantity of crabs. Nevertheless, they have encountered marketing issues as local buyers have limited purchasing capacity. To help with this, CP Group developed plans with local communities to process their catch and to identify fair markets. In response, CPRAM Co., Ltd, a company within CP Group with demand for crab meat in their rice box products, created a project to purchase crabs directly from high-potential pilot communities — a business model that could then be replicated with other communities. The community selected for this project was the Takrob community in Chaiya District, Surat Thani Province, which worked in collaboration with private companies in their purchase of crabs from the area. More importantly, the fishermen participating in the project receive a higher price from the Company than from local buyer as these crabs are sourced through sustainable fishing practices.

Viya Crab Products Co., Ltd. Surat Thani (Supplier of CPRAM)
Buyers in CPRAM Group
Buyers outside the Group: MK, Tops Supermarket, international markets

Revenue from selling blue crabs 3,132,655 THB

Takrob Local Fishing Community, Chaiya District, Surat Thani Province
SEACOSYSTEM
For Sustainable Thai Seas

Sustainability Development
In Process
• Fishmeal Purchasing Policy and Requirements
• Sustainable Packaging Policy and Guidelines
• Support industries related to marine resource use across the supply chain

Research and Development
• Conduct ground-level research with the participation of coastal communities
• Conduct research in support of sustainable fishing
• Develop and apply innovations and digital technologies

Stock Enhancement
• Innovations for raising juvenile aquatic animals, such as Aquatic Animal Banks
• Aquatic animal cultivation for release into nature
• Examples of aquatic animals raised and released: blue crabs, sea crabs, prawns, banana shrimps, and spotted scat fish

SEACOSYSTEM
For Sustainable Thai Seas

Number of juvenile aquatic animals released to sea*
4.7 billion

Areas for cultivating and protecting aquatic animals**
2,253,600 sq.m.

Participants in sea conservation projects
1,159 persons

Number of new aquatic animal species found
35 species

Increase in income for farmers***
6-36% increase

Local fishing communities supported
38 communities

*Includes the release of 4.7 billion juvenile crabs, 3 million prawns, and 5,000 spotted scats
** Does not include another 520,000 sq.m. of mangrove forests
*** Calculated from two projects with two communities, not all communities

Community Development
• Sustainability supporting community businesses
• Renewable energy and waste management
• Developing leaders and the capabilities of community members

Marine Habitats Management
• Grow-Share-Protect Mangrove Forestation Project
• Artificial Reef Project with the Fisheries Department
• Promoting community marine resources management

• Corporate Governance
• Human Rights and Labor Practices
• Leadership and Human Capital Development
• Education

HEALTH Living Well
• Social impact
• Health and Well-being
• Stakeholder Engagement
• Innovation

HOME Living Together
• Climate Change Management
• Water Stewardship
• Ecosystem and Biodiversity Protection
• Responsible Supply Chain Management

Appendix

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Appendix
Introduction
- Message from Our Leaders
- 2019 Highlights
- About C.P. Group
Sustainability Management
- Sustainability Strategy
- Materiality Assessment
- About this Report
HEART Living Right
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education
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Appendix

Appendix Health Sustainability Management

Heart

Chuen Pokphand Group (C.P. Group) is fully committed to the responsible management of our suppliers, across our entire supply chain. However, due to the diversity of our business operations, with businesses, products, and services located in all regions of the world, this management might not cover all suppliers, particularly those located very far away. Another key challenge is that suppliers could still be lacking a full understanding of sustainability principles. Nevertheless, supply chain management is not merely one of the Group’s key strategies for achieving sustainable growth, but also a way to create shared values between the Group, suppliers, and producers, in line with the Group’s ‘Three-Benefit’ Principle.

2020 Goal (Thailand)

100% of critical suppliers are assessed on sustainability.

Supporting the SDGs

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Key Performances 2019

Efficient supply chain management is essential for reducing the risk of business interruptions, which could directly impact C.P. Group’s reputation and operations, as well as other stakeholders across the supply chain. To avoid this risk, C.P. Group developed the Procurement Policy and Guidelines and the Supplier Code of Conduct to enable suppliers to operate in accordance with all three dimensions of sustainability. Examples of issues covered in the Code of Conduct include environmental management, child labor, human rights, forced labor and abuse of labor, employment arrangements, remuneration and benefits, occupational health and safety, operating with integrity, and anti-bribery and corruption. C.P. Group has translated the Code of Conduct into three languages – Thai, English, and Chinese, and have communicated the Code to all suppliers for their acknowledgement and compliance. If a supplier does not comply with the Code, the procurement contract will be cancelled and the supplier will be notified accordingly. Finally, C.P. Group also organizes trainings for suppliers through a number of channels including in-person trainings and videos to enhance their understanding of the Code.

Scan here to access the contents of the Supplier Code of Conduct

Go here to access the contents of the Supplier Code of Conduct
Awareness and Risk Exposure

Given that C.P. Group’s business involves a great number of suppliers, we begin our approach to responsible supply chain management by first working with critical suppliers. Here, critical suppliers are classified according to the following criteria: 1) high procurement value; 2) suppliers of critical raw materials/components; and 3) suppliers of non-substitutable raw materials/components, or limited numbers of suppliers who are able to deliver on the requirements. Additionally, we identify high-risk suppliers by conducting a sustainability risk assessment across the entire supply chain, using evaluation criteria in two dimensions: severity of impact and likelihood of risk. Risk factors included in the assessment come from reputable sources, namely: 1) news; 2) past performance; 3) industry-relevant risk factors; and 4) future emerging risk trends. C.P. Group’s risk assessment covers suppliers of raw materials, packaging, and services, and are not only limited to tier 1 suppliers or those with direct purchasing relationships with the Group, but also include non-tier 1 suppliers as well. For more information, please refer to http://www.cpgroupglobal.com/.

Supplier Sustainability Assessment

To foster joint sustainable growth, C.P. Group has required that sustainability risk assessments be conducted at suppliers’ operational sites, at regular intervals, by a team of assessors with expertise on environmental, social, and governance (ESG) criteria. C.P. Group further monitors progress on improvements, and supports a team of experts that work with suppliers to provide advice, recommendations, and shared knowledge through videos, such as www.youtube.com/channel/UCcnO0Y2h-SiqSU4wMlvKRg6Q.

C.P. Group has integrated ESG issues into its procurement process, beginning with the Supplier Selection Process through to the Supplier Retention Process. These processes consider suppliers’ sustainability performance using appropriate methods, for example Supplier Self-Assessments, which are assessments by companies within the Group or by reputable third party agencies that are in compliance with international sustainability standards such as ISO 14001 (Environmental Management), ISO 50001 (Energy Management), ISO 45001 (Occupational Health and Safety), and Supplier Ethical Data Exchange (Sedex). The latter, Sedex, is a collaborative platform used to identify improvement opportunities and devise proactive measures to foster collaboration between suppliers and C.P. Group.
Partnership Collaboration Projects

Enhancing the capabilities of suppliers

We believe that the collaboration of all sectors in society is essential for achieving a balance between the economy, society, and environment – and in particular for the creation of a responsible supply chain. Importantly, collaboration is key to generating added value for the business across the supply chain, and also for stakeholders on a wider scale.

Quality Vegetables by Local Farmers Promotion Project

Siam Makro Public Company Limited supports local farmers in the Shan State of Myanmar in learning about the “market-driven” approach to production, and purchases vegetables from a large group of over 200 farmers in the Shan State.

IFFO RS Improver Program (IFFO RS IP)

CPF India enhances the capabilities of its fishmeal and animal feed factory suppliers in order to improve the procurement process for an IFFO RS certification in the future.

Nan Model Project: Creating Jobs and Restoring Forests in Ban Nan

Chai Tai Co., Ltd creates jobs that produce vegetable seeds for trade on flat terrain, using a contract farming model, to ensure that farmers will have secure and stable jobs with regular income throughout the year. In 2019, a total of 967 farmers participated in the project, which generated a total income of 92,985,957 baht.

Hom ‘Jong’ Banana Farmer Development Project

CP All Public Company Limited supports farmers in Tha Yang District, Phetchaburi Province. In growing quality hom thong bananas to meet consumers’ requirements. The bananas are sold to 7-Eleven stores.

Safe Orange, Smiling Thais Project

Siam Makro Public Company Limited has brought together orange farmers with the objective of creating learning models that are sustainable and environmentally-friendly, a network of agricultural labs in each region, and a traceability system. The project generated income for communities through the sale of 8,400 tons of oranges per year, on average.

“Roi Jai Rak” Mango Project: From the Mountain Top to the Land of the Rising Sun

C.P. Starlanes Co., Ltd. developed the “Ban Huay San Fruit Enterprise” in Chiang Mai province by sharing knowledge and technologies on the cultivation of quality mangoes, where the mangoes produced by the farmers are purchased and exported for sale in Japan. In 2019, this project generated over 804,225 baht in income for farmers.

Capacity Building for Small-scale Shrimp Farmers

C.P. Vietnam Corporation developed the 3C Model for shrimp cultivation – Clean Shrimp, Clean Water, Clean Bottom – which focuses on cultivating shrimp without antibiotics. This led to an increase of up to four generations of shrimp raised per year, and up to a 99% increase in yields.

Capacity Building for Partnership Training Project

C.P. Vietnam Corporation organized trainings for their critical suppliers on the topic of labor practices and workplace safety, according to legal requirements. The objective is for suppliers to apply these learnings in their operations, in compliance with international standards, and promote work safety and good qualities of life for their workforce.
Enhancing Suppliers’ Capabilities

C.P. Group strives to enhance the capabilities of our suppliers in various key areas, including safe and sustainable production practices. This is achieved through a management system that ensures proper planning and continuous improvements, creates learning networks, adopts digital technologies, and supports marketing to enhance the value and capabilities of suppliers to achieve sustainable business operations.

Knowledge Sharing
- Using resources efficiently
- Food safety
- Occupational health and safety
- Sustainability principles

Management System
- Good Agricultural Practices (GAP)
- Good Manufacturing Practices (GMP) for food
- Traceability system
- International standards

Increasing Value
- Product development
- Increasing efficiency
- Using modern agricultural tools
- Identifying production inputs using theoretical principles

Synergy
- Building learning networks
- Joining forces with the public sector
- Sharing experiences and best practices
- Creating agricultural equipment networks to reduce costs

Digital Technology
- Using digital platforms to develop cultivation plans
- Creating communication and learning channels
- Registering farmers
- Reserving recommendations and complaints

Marketing/Finance
- Setting fair prices
- Guaranteeing Product price buyback
- Planning production based on actual market needs
- Promoting credit

Promoting Corn Cultivation for Animal Farming in CLMVT Irrigation Zones

Distributing knowledge on integrated agricultural management

The lack of appropriate knowledge on integrated agriculture and agricultural inputs, including the limitations of modern agricultural technology, are driving forces behind an important transformation among rice farmers. In particular, this concerns farmers adapting to the option of growing other plants instead of off-season rice farming, where previously farmers would cultivate rice off-season, despite the risks of drought or insufficient water resources.

Recognizing this issue, the Crop Integration Business Group (Corn) conducted research and development and found that growing corn for animal feed during the dry season – after rice has been harvested – will yield better results for farmers, as corn requires two to three times less water than off-season rice farming. In addition, to stimulate a business to consumer (B2C) model of agricultural management, the Crop Integration Business Group (Maize) disseminated knowledge and promoted various types of agricultural inputs, providing support in areas such as selecting quality seeds that are most suited to the conditions of the area, analyzing nutrients in the soil to recommend appropriate types of fertilizers; using machinery provided by farmers’ networks for sowing/ploughing; identifying water sources for farming; and caring for various tree species. Overall, this support covers the cultivation stage through to recommendations on proper harvesting methods.

CASE STUDY

Farmers’ areas included in the project

- 42,245 farmers participated in the project
- 632,928 rais farmers’ areas included in the project
Results and Benefits

Promote the ‘CP 9 Swine Feed Rations’ to appropriately respond to feeding needs.

Offer free IFARM system services to train employees, check data, prepare accounts, and analyze issues.

Source healthy pig breeds from C.P., and improve breeds to provide good results.

Provide services to abattoirs and distribution networks, and provide consultations on market data to increase sales.

4.8 million yuan increased access to funding sources

92% breeding readiness of pigs

Farm management standards and techniques that are environmentally-friendly and high in productivity.

Provide recommendations and coordinate with financial institutions to identify funding sources and financial management.

Provide services to abattoirs and distribution networks, and provide consultations on market data to increase sales.

Conduct health check-ups, vaccinate, and plan healthcare for pigs to reduce risks.

Health

Seven Awards Categories:

1. Sustainable SMEs Award
2. Excellent SMEs Award
3. Rising Star SMEs Award
4. Community-based SMEs Award
5. Agri-Product SMEs Award
6. Health Product SMEs Award
7. Outstanding Creativity SMEs Award

21 SMEs received awards

50,000 SMEs and farmers received recommendations on product development

1. Environment

2. Breeding pigs

3. Feed

4. Production

5. Health

6. Genetic Information

7. Information

8. Market pigs

9. Assurance Services

**Nine Assurance Services Project**

Developing swine farmers

The ‘9 Assurance Services Project’ was developed to enhance the capabilities of swine farmers in China. Launched in 2011 and still ongoing today, the Project helps to reduce the problems associated with traditional swine farming methods such as facilities with poor sanitation practices and low productivity, the lack of data analysis and sales channels, and the lack of funding resources for farm development. After recognizing this problem, the Group adopted a ‘3-in-1’ approach, which allows farmers to have a sense of ownership in the project, provide knowledge on appropriate rearing methods, and engage in close collaboration.

Throughout, the Group has provided services and supported farmers using the ‘9 Assurance Services’ principle that, once adopted, helps farmers feel confident that they will be able to select pig breeds, raise and sell their stocks according to proper sanitation standards, and maintain high efficiency. Not only that, farmers wishing to expand their farms will also be able to access financial sources more easily through the Project.

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<td>1. CP ALL PUBLIC COMPANY LIMITED</td>
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<td>4. TRUE MONEY HIMALAYAN COMPANY LIMITED</td>
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**PROPERTY DEVELOPMENT BUSINESS GROUP**

<table>
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<tr>
<th>BUSINESS GROUP/COMPANY NAME</th>
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<th>SOCIAL</th>
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<tbody>
<tr>
<td>1. CP LAND PUBLIC COMPANY LIMITED</td>
<td>THAILAND</td>
<td>✔️</td>
<td>📺</td>
<td>🔫</td>
</tr>
<tr>
<td>2. CP PROPERTY HOLDING CO., LTD</td>
<td>CHINA</td>
<td>✔️</td>
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<tr>
<td>3. CHIA TAI LAND CO., LTD</td>
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**AUTOMOTIVE AND INDUSTRIAL PRODUCTS BUSINESS GROUP**

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<tr>
<td>3. CP Motor (Thailand) Co., Ltd</td>
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<td>✔️</td>
<td>📺</td>
<td>🔫</td>
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<tr>
<td>4. CP-MEIJI CO., LTD</td>
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**PHARMACEUTICALS BUSINESS GROUP**

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**FINANCE AND INVESTMENT BUSINESS GROUP**

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<th>SOCIAL</th>
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*Company performances that are covered in the 2019 Sustainability Report.
Company performances that are not covered in this 2019 Sustainability Report.
*The Financial and Investment Business Group is not currently under the management of Charoen Pokphand Group.
# Human Resources Data

## Employment

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<th>Age Group</th>
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<th>Male</th>
<th>Female</th>
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<th>Female</th>
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<tbody>
<tr>
<td>Under 30 years old</td>
<td>9,032</td>
<td>34,406</td>
<td>5,298</td>
<td>1,499</td>
<td>780</td>
<td>1,944</td>
</tr>
<tr>
<td>30-40 years old</td>
<td>20,000</td>
<td>37,091</td>
<td>12,542</td>
<td>5,355</td>
<td>3,152</td>
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<tr>
<td>40-50 years old</td>
<td>22,000</td>
<td>40,410</td>
<td>14,264</td>
<td>3,944</td>
<td>3,232</td>
<td>4,321</td>
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<tr>
<td>50+ years old</td>
<td>30,000</td>
<td>63,010</td>
<td>16,735</td>
<td>3,055</td>
<td>3,055</td>
<td>3,055</td>
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</table>

## Employee Turnover

<table>
<thead>
<tr>
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<th>Female</th>
<th>Male</th>
<th>Female</th>
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<tr>
<td>Under 30 years old</td>
<td>9,032</td>
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<td>30,000</td>
<td>63,010</td>
<td>16,735</td>
<td>3,055</td>
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## Parental Leave

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<td>Paternity</td>
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## Employee Diversity

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<tr>
<td>Age</td>
<td>86,387</td>
<td>109,172</td>
<td>78,837</td>
<td>101,372</td>
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<tr>
<td>Gender</td>
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<td>54,977</td>
<td>40,174</td>
<td>43,428</td>
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## Health & Safety

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<td>Lost Time Injury Rate (LTIR)</td>
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<td>0.03</td>
<td>0.05</td>
<td>0.03</td>
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<td>Lost Day Rate (LDR)</td>
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## Labor Practices

### New Employee Hires

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<th>Male</th>
<th>Female</th>
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</thead>
<tbody>
<tr>
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<td>50+ years old</td>
<td>30,000</td>
<td>63,010</td>
<td>16,735</td>
<td>3,055</td>
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</table>

### Employee Personality

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<th>Male</th>
<th>Female</th>
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<tbody>
<tr>
<td>Number of turnover</td>
<td>5,882</td>
<td>5,882</td>
<td>5,882</td>
<td>5,882</td>
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</tbody>
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### Appendix

**1. Introduction**
- Message from Our Leaders
- 2019 Highlights
- About C.P. Group
- Sustainability Management
  - Strategy
  - Materiality Assessment
  - About this Report
- **HEART**
  - Leadership & Human Capital Development
  - Stakeholder Engagement
  - Health & Well-being
  - Education
  - Innovation

**2. Social Impact**
- Number of business groups compiling expectations of stakeholders
- Number of business groups
- Number of businesses
- Number of persons

**3. Health & Well-being**
- Number of available products that aim to promote better health and well-being
- Number of children receiving support and increased opportunities for food access
- Number of persons

**4. Education**
- Number of children, youth, and adults with access to education
- Number of scholarships provided
- Number of persons

**5. Innovation**
- Research and development (R&D) spending
- Number of R&D positions
- Number of patents and petty patents

**6. Key Performance Indicators**

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Key Performance Indicators</th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td><strong>SUSTAINABILITY PERFORMANCE DATA 2019</strong></td>
<td><strong>HEART</strong></td>
<td><strong>EMPLOYEE TRAINING AND DEVELOPMENT</strong></td>
<td><strong>MALE</strong></td>
<td><strong>FEMALE</strong></td>
<td><strong>MALE</strong></td>
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<td><strong>BY LEVEL</strong></td>
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<td><strong>Healthcare officers</strong></td>
<td>16.09</td>
<td>15.97</td>
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<td>15.40</td>
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<td></td>
<td></td>
<td><strong>Management</strong></td>
<td>15.15</td>
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<td><strong>Officers</strong></td>
<td>12.53</td>
<td>13.01</td>
<td>12.31</td>
</tr>
</tbody>
</table>

**4. STAKEHOLDER ENGAGEMENT**
- Number of business groups compiling expectations of stakeholders
- Number of business groups
- Number of persons

**5. GRI STANDARD KEY PERFORMANCE INDICATORS**

<table>
<thead>
<tr>
<th>GRI Standard</th>
<th>Key Performance Indicators</th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td><strong>SUSTAINABILITY PERFORMANCE DATA 2019</strong></td>
<td><strong>HEART</strong></td>
<td></td>
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<tr>
<td><strong>GRI STANDARD</strong></td>
<td><strong>Key Performance Indicators</strong></td>
<td><strong>Unit</strong></td>
<td><strong>2017</strong></td>
<td><strong>2018</strong></td>
<td><strong>2019</strong></td>
</tr>
<tr>
<td><strong>MALE</strong></td>
<td><strong>FEMALE</strong></td>
<td><strong>MALE</strong></td>
<td><strong>FEMALE</strong></td>
<td><strong>MALE</strong></td>
<td><strong>FEMALE</strong></td>
</tr>
</tbody>
</table>

Remarks:
- The number of training hours excludes the hours that employees have spent in continuing education at the Master’s and Doctoral Program levels, domestically and internationally, as well as the continuous training courses.
- Injury data for contractors does not include the Telecommunications Business Group.
- Injury refers to work-related injuries, from minor injuries (requiring First Aid) to injuries causing at least one lost work day.
- Lost Time Injury refers to the injuries that result in one lost day of work and more (calculated from the day following the incident).
- The severity level of an injury is calculated from the number of absent work days.
- Injury Rate (IR) = \[\text{Total number of injuries at all levels (during the reporting period)} \times 200,000 \text{ hours worked}\] / \[\text{Total number of hours worked (during the reporting period)}\].
- Lost Time Injury Rate (LTIR) = \[\text{Total number of lost time injuries (during the reporting period)} \times 200,000 \text{ hours worked}\] / \[\text{Total number of hours worked (during the reporting period)}\].
- Lost Day Rate (LDR) = \[\text{Total number of lost days (during the reporting period)} \times 200,000 \text{ hours worked}\] / \[\text{Total number of hours worked (during the reporting period)}\].

Appendix

**6. HEALTH & WELL-BEING**
- Number of business groups
- Number of persons

**7. EDUCATION**
- Number of children, youth, and adults with access to education
- Number of scholarships provided
- Number of persons

**8. INNOVATION**
- Research and development (R&D) spending
- Number of R&D positions
- Number of patents and petty patents
- Number of persons

### Remarks

- The number of training hours excludes the hours that employees have spent in continuing education at the Master’s and Doctoral Program levels, domestically and internationally, as well as the continuous training courses.
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- Lost Day Rate (LDR) = \[\text{Total number of lost days (during the reporting period)} \times 200,000 \text{ hours worked}\] / \[\text{Total number of hours worked (during the reporting period)}\].
### 9. Climate Change Management

**Energy Consumption**

- **Total Energy Consumption (in billion kwh)**
  - **2017**: 48.83
  - **2018**: 45.12
  - **2019**: 42.09

#### GRI Standard 305-2

- **Direct Greenhouse Gas Emissions (Scope 1)**
  - **2017**: 1.26
  - **2018**: 1.22
  - **2019**: 1.01

#### GRI Standard 305-4

- **Greenhouse Gas Emissions (Scopes 1 + 2)**
  - **2017**: 3.08
  - **2018**: 2.88
  - **2019**: 2.70

### 10. Water Stewardship

**Water Consumption**

- **Total Water Consumption (in thousand m³)**
  - **2017**: 693,058
  - **2018**: 630,583
  - **2019**: 595,105

#### GRI Standard 303-1

- **Municipal water/Purchased water**
  - **2017**: 54,216
  - **2018**: 52,972
  - **2019**: 51,486

### 12. Responsible Supply Chain Management

**Water Discharge**

- **Total Water Discharge (in thousand m³)**
  - **2017**: 167,379
  - **2018**: 181,063
  - **2019**: 140,058

#### GWP (Global Warming Potential), specified by IPCC specification (Intergovernmental Panel on Climate Change 2006). Meanwhile, the figure of previous year.

- For the amount of water stored within the organization, the calculation is from an accumulated figure in the previous year.

- All information about water disposal methods have already been approved by waste disposers or waste disposal manifest from waste disposers (GRI 306-2).

- All information about water does not include data from the Telecommunications Business Group.

- Sustainability performance data 2018 (Thailand) is available through www.cpgroupglobal.com/sustainability.
## General Disclosures 2016

### GRI Content Index

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<tr>
<th>Topic</th>
<th>Page/Website</th>
<th>External Assurance</th>
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<td>102-1</td>
<td>Name of the organization</td>
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<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>-</td>
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<tr>
<td>102-3</td>
<td>Location of headquarters</td>
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<td>102-4</td>
<td>Scale of the organization</td>
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<td>Oversight and risks from</td>
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<td>102-6</td>
<td>Leadership and chain</td>
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<td>102-7</td>
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<td>102-8</td>
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### Specific Standard Disclosures

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<td>103-2</td>
<td>The management approach and its components</td>
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<td>103-3</td>
<td>Evaluation of the management approach</td>
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<td>103-4</td>
<td>Direct economic value generated and distributed</td>
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<td>Significant indirect economic impacts</td>
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### Stakeholder Engagement

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<td>102-33</td>
<td>List of stakeholder groups</td>
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<td>102-34</td>
<td>Collective bargaining agreements</td>
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<td>102-35</td>
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### Anti-corruption

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<td>Evaluation of the management approach</td>
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**Notes:**
- Reporting Period: 2016
- GRI Content Index
- Claims of reporting in accordance with the GRI Standards
- Restatements of information
- Definition of reporting content and topic boundaries
- Entities included in the consolidated financial statements
- External assurance
- Disclosure of material topics
- Materiality assessment
- Sustainability governance
- External initiatives
- Business overview
- Sustainability management
- Materiality assessment
- Reporting framework
- Sustainability disclosure
- Sustainability reporting
- External assurance
- Communication channel
- Sustainability governance
- Corporate governance
- About this Report
- GRI content index
**DISCLOSURES PAGE/WEBSITE OMISSION/NOTE EXTERNAL ASSURANCE**

**Emissions (2018)**

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<tr>
<td>Biodiversity (2016)</td>
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<tr>
<td>Ecosystem &amp; Biodiversity Protection (2016)</td>
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<td>Reducing energy consumption</td>
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<td>Habitats protected or restored</td>
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**Effluents and Wastes (2018)**

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**Supplier Environmental Assessment (2016)**

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**Employment (2018)**

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**Occupational Health and Safety (2018)**

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</tr>
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<td>Occupational Health and Safety (2018)</td>
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</tr>
</tbody>
</table>

**Introduction**

- Message From Our Leaders
- 2019 Highlights
- About CP Group

**Sustainability Management**

- Sustainability Strategy
- Materiality Assessment
- About this Report

**HEART Living Right**

- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education

**HEALTH Living Well**

- Social Impact
- Health and Well-being
- Stakeholder Engagement
- Innovation

**HOME Living Together**

- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management

**Appendix**

- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management
The COP describes stakeholder engagement.

The COP describes Board adoption and oversight.

The COP describes CEO commitment and leadership.

The COP describes partnerships and collective action.

The COP describes advocacy and public policy engagement.

The COP describes strategic social investments and philanthropy.

The COP describes core business contributions to UN goals and issues of anti-corruption.

The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption principles.

The COP describes robust commitments, strategies or policies in the area of anti-corruption.

The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.

The COP describes effective management systems to integrate the environmental principles for environmental stewardship.

The COP describes robust commitments, strategies or policies in the area of labor principles integration.

The COP describes effective management systems to integrate the labor principles.

The COP describes robust commitments, strategies or policies in the area of human rights integration.

The COP describes effective monitoring and evaluation mechanisms of human rights integration.

The COP describes value chain implementation.

The COP describes mainstreaming into corporate functions and business units.

Introduction

• Message From Our Leaders

• 2019 Highlights

• About C.P. Group

Sustainability Management

• Sustainability Strategy

• Materiality Assessment

• About this Report

HEART Living Right

• Corporate Governance

• Human Rights and Labor Practices

• Leadership and Human Capital Development

• Education

HEALTH Living Well

• Social Impact

• Health and Well-being

• Stakeholder Engagement

• Innovation

HOME Living Together

• Climate Change Management

• Water Stewardship

• Ecosystem and Biodiversity Protection

• Responsible Supply Chain Management

Appendix
This Assurance Statement has been prepared for Charoen Pokphand Co, Ltd in accordance with our contract but is intended for the readers of this Report.

**Terms of engagement**

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Charoen Pokphand Co, Ltd (CPG) to provide independent assurance on its Sustainability Report for the calendar year 2019 (“the report”) against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using LR’s verification procedure. LR’s verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3400 and uses the following principles of - independence, materiality, responsiveness and reliability of performance data.

Our assurance engagement covered only CPG’s operations and activities in Thailand and specifically the following requirements:

**Conforming to the report in accordance with:**
- ISAE 3000 (2002) and ISAE 3400 (2) standard and core option
- Evaluating the reliability of data and information for the selected indicators listed below:
  - GRI 301-1 Energy consumption within the organization: 2016; GRI 303-1 Direct Scope 1 GHG emissions: 2016-2017; and GRI 303-2 Indirect Scope 2 GHG emissions: 2016; GRI 324-1 Utilities by type and disposal method: 2016; GRI 405-2 Types of injury and rates of injury: occupational diseases, lost days, and absenteeism, and a number of work-related fatalities 2016.

Notes:
- (1) Reporting scope of direct GHG emissions includes emissions from sources of fuel combustion only but exclude direct GHG emission from flaring of biogas and other sources of direct GHG emissions.

The information for these selected indicators is available at [http://www.globalreporting.org/en/sustainability](http://www.globalreporting.org/en/sustainability).

LR’s responsibility is only to CPG. LR disclaims any liability or responsibility to others as explained in the end footnote. CPG’s responsibility is for collecting, aggregating, analysing and presenting all the data and information in the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of CPG.

**LR’s Opinion**

Based on LR’s approach nothing has come to our attention that would cause us to believe that CPG has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information for the selected indicators as no errors or omissions were detected
- Covered all the indicators that are important to the stakeholders and readers of the report.

The opinion is expressed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Note:** The extent of evidence gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**LR’s approach**

LR’s assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the verification process of the selected indicators:

- Assessing CPG’s approach to stakeholder engagement that is to confirm that issues raised by stakeholders were captured correctly. LR did this by reviewing scenario of the selected indicators.
- Reviewing CPG’s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. LR did this by reviewing the methodology of the selected indicators.
- Auditing CPG’s data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. LR did this by reviewing the methodology of the selected indicators.
- Sampling evidence presented at CHIATAI Head office and Bangsai warehouse, MG and remote verification to CPPC plants and CP Landoffice to confirm the reliability of the selected indicators.

Note: LR did not verify the data back to its original sources, nor did it assess the accuracy and completeness of the data reported by CPG or other affected parties.

**Observations**

Further observations and findings, made during the assurance engagement, are:

- Stakeholder Inclusivity: We are not aware of any key stakeholder groups that have been excluded from CPG’s stakeholder engagement process. However, we believe that CPG should extend the collaboration with stakeholders through business activities and the sharing of performance improvement.
- Materiality: We are not aware of any material aspects concerning CPG’s sustainability performance that have been excluded from the assurance criteria. CPG has processes for identifying and determining their material aspects.
- Reliability: CPG uses spreadsheets and manual systems to select and calculate the data and information associated with the selected indicators listed above. CPG should encourage their subsidiary companies that currently do not have independent assurance to periodically review their own data and information. This would promote awareness of the data management systems and internally check the accuracy and completeness of their data.

**LR’s standards, competence and independence**

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is initially reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification, together with verification for CPG subsidiary is only work undertaken by LR for CPG and as such does not compromise our independence or impartiality.

**Signed**

Opat Charuratana
LR Independent Assurance Statement
Lloyd’s Register Quality Assurance Limited (LRQA)
22th Floor, Sirinrat Building, 3388/76 Rama IV Road
Bangkok 10500 Thailand
Dated: 17 July 2020

LR Independent Assurance Statement Relating to Charoen Pokphand Group Company Limited’s Sustainability Report for the calendar year 2019

**Introduction**

- Message from Our Leaders
- CSR Highlights
- About CPG Group
- Sustainability Management
- Strategic Business
- Materaility Assessment
- About this Report
- LR’s Value Proposition
- Corporate Governance
- Human Rights and Labor Practices
- Leadership and Human Capital Development
- Education
- HEALTH
- Living Well
- Social Purpose
- Health and Well-being
- Stakeholder Engagement
- Innovation
- HOME
- Living Together
- Climate Change Management
- Water Stewardship
- Ecosystem and Biodiversity Protection
- Responsible Supply Chain Management
- Appendix

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