### TABLE OF CONTENTS

**Introduction**
- 04 Message from CEO
- 06 About this report
- 08 About C.P. Group Business Model and Supply Chain
- 10 Human Rights Context

**Part 1**
- 12 C.P. Group Human Rights Commitments and Governance
- 15 Policy Framework and Governance
- 20 Embedding Human Rights

**Part 2**
- 23 Identification of Salient Issues
- 24 Human Rights Impact Assessment
- 28 Management of Salient Issues

**Part 3**
- 40 Grievance Mechanisms and Whistleblower Protection

**Part 4**
- 44 Case Study: Respect for Human Rights And Labor Practices

**Part 5**
- 48 Achievements and Improvements
- 49 Awards and Recognition
- 52 Collaborations and Projects for Human Rights

**Part 6**
- 54 Ways forward
- 57 UN Guiding Principles Reporting Framework Index
- 57 Glossary
People are the foundation of all business operations.

Charoen Pokphand Group and affiliated companies have always adhered to conducting business with respect for human rights in all business groups and supply chain, in line with the Group’s “Three-Benefit Principle” of benefiting the country and its people before consideration of profits. C.P. Group commits to promoting human rights in all aspects, such as access to quality and safe products and services at fair prices, the right to decent work in safe and respectful workplace which promotes equality and non-discrimination, and the right to privacy with respect to personal data.

At the same time, as a large conglomerate that employs more than 450,000 employees in 22 countries and economies worldwide, C.P. Group has an important duty to enhance knowledge and understanding of human rights issues for its employees in all levels, especially leaders and senior executives who play major roles in setting policies and business directions for each business group. Furthermore, the Group is ready to share such knowledge to the public. In the past year, C.P. Group has collaborated with World Business Council for Sustainable Development (WBCSD) to developed ‘CEO Guide to Human Rights’ in Thai language and share our experiences on development of human rights management system in both national and international forums. In addition, the Group also assisted in establishing the Business and Human Rights Academy as part of Global Compact Network Thailand (GCNT), which I have the honor to serve as President.

C.P. Group has designated human rights as one of the Group’s 15 strategic sustainable development goals for 2030. The Group has been reviewing and adjusting its policies and guidelines on a regular basis in accordance with the current business situations and contexts to ensure that the Group’s business operations take into account the rights of all rights-holders and that no affiliated company or business group is involved in any form of human rights violations. Moreover, C.P. Group has established channels for receiving complaints and protective measures for whistleblowers in all companies to strengthen the grievance mechanism and remedies.

This Human Rights Report 2020 represents C.P. Group’s inaugural report that shares our progress and challenges in driving business with respect for human rights. I hope that the disclosure of information of C.P. Group’s Human Rights Report will act as channel to raise awareness, which leads towards an exchange of views and suggestions for the Group to raise the standards of its business operations. We strive to promote human rights within the Group and our business partners throughout the supply chain to ensure sustainable development and well-being for all our stakeholders.

“I strongly encourage leaders and employees in all business groups to promote human rights agenda as part of their core business operations, in order to create strong foundation for sustainable economic and social development.”

Message from CEO

MESSAGE FROM CEO

“People are the foundation of all business operations.”

Suphachai Cheravanont
Chief Executive Officer
Charoen Pokphand Group
During the COVID-19 pandemic, businesses have to place greater emphasis on their people and take account of the impact of business operations on stakeholders throughout the supply chain. Such impacts may affect the competitive abilities, such as safety and well-being of a company’s employees as well as workers in its supply chain that can directly affect business continuity. Consumers need to adjust their consumption behaviors in their daily life to cope with the COVID-19 difficulties. At the same time, members of the general public expect businesses to contribute to economic and social recovery, especially through providing assistance to vulnerable groups and low-income earners. This emphasis on “people” is requisite for companies that commit to human rights principles as part of their core business operations.

The Charoen Pokphand Group recognizes its responsibility toward all countries and communities where it operates. In addition to the above-mentioned issues, the Group conducts its business in accordance with the Three-Benefit Principle together with people development which is its top priority. The Group dedicates to promoting respect for human rights and capability building for both internal and external stakeholders. These aspects are reflected in the Group’s strategic sustainable development goals for 2030 which is comprehensively applicable in all countries and economic zones where the Group operates.

For these reasons, C.P. Group commits to conducting business with respect for human rights in line with international and domestic legal frameworks in all the countries in which the Group has an investment, especially in the context of multinational corporations, is extremely complex and challenging. C.P. Group, therefore, places great importance to the development of internal management systems in order to optimize efficiency of preventive measures for human rights risks, particularly initiating human rights due diligence and promoting cooperation with stakeholders, experts, and external organizations in order to reinforce respect for human rights and labor practice.

I earnestly hope that this report will offer opportunities for our stakeholders to learn about the Group’s commitments and efforts, as well as potential challenges and impacts that could arise from our business operations. It communicates our strong belief that we must consider “people” as an essential factor in the development and implementation of our business strategies. The Group will continue to improve its business operations with respect for human rights, including the implementation of comprehensive human rights review process to effectively assess and monitor human rights risks, and expansion of the reporting scope to cover other countries where the Group has operations. I look forward to discussing our progress in the next report.

Lastly, I would like to thank everyone involved in all business groups, as well as all our stakeholders, for their contribution towards promoting respect for human rights in our business operations, in Thailand and in our international operations. We shall ensure that all of our business units consider impacts on “people” as the most important factor when making any business decision.

Noppadol Dej-Udom
Chief Sustainability Officer
Charoen Pokphand Group
Charoen Pokphand Group Co., Ltd. serves as the parent company of Charoen Pokphand Group as its holding company. Charoen Pokphand Group Co., Ltd. holds shares of subsidiaries and has investment in 22 countries and economies worldwide, including Thailand. The Group operates a diverse industry which can be categorized into 8 business lines covering 14 business groups 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.
HUMAN RIGHT CONTEXT

Human rights mean human dignity, inherited fundamental rights and freedoms, equality, non-discrimination on the basis of race, religion, gender, skin color, language, ethnicity or any other status.

The United Nations has developed the UN Guiding Principles on Business and Human Rights (UNGPs) for the business sector to be used as guidelines for respecting human rights. The principles emphasize on three pillars, namely 1) Protection of human rights, the states have a duty to prevent violations of human rights related to business operations, 2) Respect human rights, focus on the responsibility of respecting the human rights of the business sector; and 3) Remedy which emphasizes on correction, recovery and compensation for impacts or violations of human rights arising from business operations which required both the government and business sectors to have effective remedial mechanisms.

Thailand is a party. The Constitution of the Kingdom of Thailand, B.E. 2560 (2017) clearly defines the protection of human rights, equality of the people shall be protected.” Regarding business and human rights, the Thai government has prepared National Action Plan on Business and Human Rights (NAP) which was developed by the Rights and Liberties Protection Department, Ministry of Justice, on 16th May 2016. This action plan serves as a driven tool in line with the UNGPs principles to establish mechanism to oversee and prevent businesses from violating human rights or causing minimal impact on human rights.

The business sector plays an important role in solving the problem of inequality, which is the main factor affecting the deterioration of social stability. Respect for human rights is the foundation of sustainable development. Therefore, businesses should formulate business guidelines in conformity with the principles of comprehensive protection of human rights under national laws and international principles, establish strategies to manage risks arising from human rights violations, create protection and remedial mechanisms, provide opportunities for personnel in the organization, communities and all stakeholders to understand and engage in respecting human rights. Charoen Pokphand Group earnestly takes into account the principles of human rights, stipulates principles of human rights as part of the organization’s culture and adopts this principle as guidelines to develop the potential of employees in the affiliated companies as well as the supply chain. The objectives are to enhance the quality of life of everyone in the society and promote equality in terms of dignity and opportunities. Good quality of life and ability to cope with risk factors of personnel throughout the supply chain is a mechanism that would improve business survivability and sustainable profits.
Charoen Pokphand Group recognizes human rights is the essence of sustainability for business, community and the world. We understand that we can contribute to advancing human rights within our spheres of influence and our businesses have been proactive in supporting and respecting human rights. Our CEO, Mr. Supachai Chearavanont, set clear tone for our Group to drive actions and tangible steps to ensure that our businesses drive transformative change in people’s lives and to raise the bar on human rights performance. Our effort includes embedding human rights in corporate culture, set expectations of suppliers and all business partners and drive effective engagement and collaborations with peers. Our CEO leadership plays crucial role in ensuring that human rights are taken seriously across our business units and business actions.

In 2017, C.P. Group announced our commitment to respect and promote human rights in our operations and throughout our supply chains through the Human Rights and Labor Practice Policy and Guideline which we have strictly implemented across all 14 business groups in 21 countries. C.P. Group has also developed Human Rights Due Diligence process to identify, prevent, mitigate and manage potential and actual impact that may occur from our business operations, products and services.

Human Rights Due Diligence

1. Show Commitment
2. Embed in the Organization
3. Assess Impact
4. Integrate into Operations
5. Follow up to Increase Effectiveness
6. Communicate Performance Results
7. Create Stakeholder Engagement
8. Provide Remedies and Resolve Complaints
C.P. Group Human Rights Report 2020

Polic y Framework and Governance

Human Rights Policy and Governance of Charoen Pokphand Group

C.P. Group commits to respect the human rights of all stakeholders and rightsholders who may be affected by business operations or having business relationships with the C.P. Group. Therefore, the Group has established “policy and guidelines on human rights and labor practices” which are applicable to all business units within the C.P. Group. The policy and guidelines are communicated in detail through Code of Conduct which applies to internal stakeholders and code of conduct for business partners which is applied to business partners of C.P. Group. The Group has also stipulated relevant policies to supervise the management of human rights issues, such as responsible supply chain management policies and guidelines. The Group discloses the policy and code of conduct on its website to widely communicate such expectations to stakeholders of the Group.

Policy Commitment:
Our strong commitment to promote and respect human rights has translated into concrete policies such as the Group’s Code of Conduct, Human Rights and Labor Practices Policy, and Foreign Worker Recruitment Policy and Guideline. The Group also in the process of developing specific policies such as Diversity, Equity and Inclusion Policy and Discrimination and Harassment Policy.

Embedment:
Our commitment is effectively embedding across 13 business groups in 21 countries ensuring all 450,000 employees in all levels understand the Group’s responsibility to respect human rights is driven across the organization, into our business, values, and cultures.

Impact Assessment:
Our business groups are required to assess how the company’s activities and business relationships can cause actual and potential risks to human rights. This also includes considering negative impacts that could arise through any business relations in our value-chain such as suppliers, contractors, joint venture partners or customers.

Integration and taking action:
All business groups must develop strategies, working plans, develop prevention measures and incorporate tangible actions into business activities. Our business actions are monitored and measured annually to identify gaps for improvement in order to effectively reduce impact of human rights risks.

Tracking performance:
Develop human rights indicators (KPIs) and monitors progress on human rights at the group and business level to keep track of what have been addressed and what need to be improved in order to reach our Group 2030 Goals.

Communicating performance:
Communicate our effort and progress in preventing and addressing human rights risks as well as reporting the progress to the public through Sustainability Report and Human Rights Report annually.

Stakeholder engagement:
Engage with various stakeholders such as government, international organizations, private companies, civil society and local community, to share progress, lessons learned, and exchange views.

Remediation and Grievance Mechanisms:
Develop a grievance mechanism as channels for both internal and external stakeholders to raise concerns which includes hotlines and whistle-blower as well as providing remedy when human rights impact have already occurred.

C.P. Group Human Rights Report 2020

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8
Human Rights Policy and Commitments

Human Rights and Labor Practice Policy and Guidelines have been enforced in 2018 to announce the Group’s commitments to adopt the principles of human rights in accordance with international standards. In addition, C.P. Group has determined standard guidelines for affiliated companies and the governance structure of human rights issues at the group level and defined clear expectations for employees, business partners, trading partners and other entities that are directly involved in the Group’s business activities or via business relationships.

C.P. Group drafted human rights policy by taking into account the risk context and impacts on human rights of all involved parties in all aspects. During the formulating process of such policy, the Group analyzed opinions of stakeholders at the group level on the overall implementations to drive sustainable development. Many issues involved human rights of stakeholders and rightsholders. Then, the drafted policy would be proposed to affiliated companies to gather their opinions and reviews and presented to the Corporate Governance, Risk and Audit Committee for consideration and approval from the Executive Committee which has the highest authority to promulgate such policies.

Overall content of human rights and labor practices policy and guidelines of Charoen Pokphand Group are as following:

C.P. Group Human Rights Policy

Our responsibility
C.P. Group commits to the following international legal frameworks to guide our human rights approaches:

1. Universal Declaration of Human Rights (UDHR)
2. The 10 Principles of the United Nations Global Compact (UNGC)
3. UN Guiding Principles on Business and Human Rights (UNGPs), the International Labor Organization’s (“ILO”) Declaration on the Principles and Fundamental Rights at Work and local labor laws in each country where Charoen Pokphand Group operates; this policy sets clear guideline for preventing any form of human rights abuses, protecting all employees are all types of discrimination and harrassment, promoting equal opportunity for all employees to strive forward and providing grievance mechanism and appropriate remedy.

Rights and vulnerable groups
In addition to respects of international human rights as stipulated in international conventions, the following areas are highlighted in C.P. Group’s Human Rights Policy:

1. Civil and Political Rights
2. Economic, Social and Cultural Rights
3. Labor Rights: no use of forced labor, non-discrimination, right to peaceful assembly, abolition of child labor

In 2021, C.P. Group has reviewed its human rights and labor practices policy and guidelines in order to revise the contents to meet the context of human rights challenges in the current business, including the opinions and suggestions of stakeholders collected during the engagement activities to integrate the Group’s key sustainability issues to improve the policy as well.

Part 1 : C.P. Group Human Rights Commitment and Governance

Charoen Pokphand Group Code of Conduct

Charoen Pokphand Group Code of Conduct sets guidelines for all our employees in all business groups worldwide to engage in ethical business conduct, be responsible to and respect the rights of stakeholders and act in accordance to the same core values of integrity and honesty. Our Code of Conduct is a standard of established best practices for directors, management, and staffs of all levels to uphold while preventing negative practices as well as complying with regulations and policies of the Group.

Charoen Pokphand Group is committed to respecting and promoting human rights as we strive to expand our scope of operations while ensuring that the rights of our directors, management, employees, customers, suppliers, and all parties involved in the supply chains are being respected. In line with the United Nations Universal Declaration of Human Rights (“UNHDR”), the Ten Principles of the United Nations Global Compact (“UN Global Compact”), UN Guiding Principles on Business and Human Rights (“UNGPs”), the International Labor Organization’s (“ILO”) Declaration on the Principles and Fundamental Rights at Work and local labor laws in each country where Charoen Pokphand Group operates, this policy sets clear guideline for preventing any form of human rights abuses, protecting all employees are all types of discrimination and harrassment, promoting equal opportunity for all employees to strive forward and providing grievance mechanism and appropriate remedy.

Charoen Pokphand Group systematically manages information controls and maximizes protection of all available data in order to reduce risk and loss of confidential information. This policy outlines the roles and responsibility of all our employees in preventing the misuse of information.
Governance structure and human rights management

Charoen Pokphand Group has a management structure to support sustainability works. In this regard, promotion of human rights and labor practices have been included as material issues in the Group’s sustainability development for a long time and is one of the 15 main goals of the Group’s sustainability strategy to be achieved by 2030. Therefore, the Group places emphasis on the management and keeps track of the performance. In addition, decisions to determine directions, indicators, and reports on operations regarding human rights at the Group level have always been under Sustainability, Good Governance and Corporate Communication Operating Committee.

In 2021, the Group has restructured its human rights operations to be more flexible in order to comply with the expectations of the policy and international standards which are referred by the policy. The Human Rights Working Group was established and consisted of executives of each business unit of the affiliated companies as its members. The Working Group is responsible for coordinating on human rights implementation including overseeing that the implementation would achieve the goals according to the Group’s human rights and labor practices indicators. Moreover, the Working Group has a duty to report the progress of human rights implementations to the People Steering Committee, especially on issues related to the comprehensive audit process of affiliated companies, issues related to the respect and protection of labor practices and Sustainability, Good Governance and Corporate Communication Operating Committee regarding issues related to other stakeholders.

Charoen Pokphand Group expects that the aforementioned management structure and governance will enhance the efficiency of human rights implementation more proactively, not merely focusing on responding to complaints or challenges that arise during the course of business and supply chain.

The Group has conducted assessment of the Group’s sustainability issues (Material Issues), in which human rights and labor practices remain the top priority issues emphasized by both internal and external stakeholders of the Group. During the process, the Group’s senior management would conduct discussions on several issues, including development of assessment systems for impacts and risks which are unique challenges in each industry. Specific issues that are both risks and opportunities include promotion of rights of all vulnerable groups, labor practices promotion, prevention of impacts on human rights in communities due to environmental factors, etc.

Charoen Pokphand Group commits to safeguarding the well-being of our employees in all levels in the workplace. We set the goal of zero accidents in the workplace by promoting and supporting safe and hygienic workplace practices as well as protecting and preventing employees, other stakeholders, and business partners in our supply chain from actual and potential risks. Our safety procedures are aligned with the local laws and regulations as well as the international standards.

Charoen Pokphand Group has strong commitment to prohibit any form of exploitation, abuse or forced labour against our employees which also include temporary hired and short-term contract workers. This policy ensures that the recruitment and employment of foreign workers throughout the Groups and our subsidiaries comply with local laws and international standards. It clearly emphasizes on the ethical and responsible recruitment, our businesses’ responsibility to bear the recruitment fees of foreign workers, the fair and equal compensation and benefits, as well as the grievance and remedy mechanism to be accessible for all foreign workers.

Charoen Pokphand Group recognizes the value of our employees’ diverse background and we strive to combine differences into strengths. It is crucial that our businesses ensure that every employee is treated equally, feel empowered, and given the same opportunity to advance in their career in order to create professional growth and job satisfaction.

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EMBEDDING HUMAN RIGHTS

Embedment of Human Rights in the Organization

Charoen Pokphand Group recognizes the importance of promoting human rights in the organization, especially to take account of human rights perspectives in the analysis of impacts on stakeholders and rightsholders who may be affected by business operations or having business relationships with the all affiliated entities. The Group’s mechanisms for cultivating human rights mainly include two approaches: training and communication through the code of conduct.

Embedment of Human Rights in Organizational Employees

C.P. Group cultivates and raises awareness on business and human rights and labor practices among organizational employees and management to recognize potential human rights impact when deciding to enter into a business relationship, business operations and supply chain management. The guidelines for cultivating human rights are as following:

Business Ethics and Expectations of Employees

C.P. Group has established guidelines for ethical and transparent business operations which covers the requirements related to respecting human rights in its code of conduct. The guidelines are applicable to all management and employees in the Group and consist of important principles as following:

- **Colleagues**
  - Determine guidelines and requirements for treating fellow colleagues in the Group based on the principle of equality, promote diversity and inclusion as well as protect fundamental rights such as privacy, personal information and promotion of occupational safety and health in the workplace (Reference: People Section, Code of Conduct of Charoen Pokphand Group, Clause 3.1 Promoting respect and fair treatment, 3.2 Upholding equal opportunity, diversity and inclusion, 3.3 Protecting personal information, and 3.4 Ensuring a safe and healthy workplace).

- **Business partners**
  - Assign employees and management the responsibility to audit business partners and parties involved in the value chain of business operations of affiliated companies to be in accordance with the ethical standards and quality requirements of the Group (Reference: Code of Conduct of Charoen Pokphand Group, Clause 2.3 Sourcing ethically) by referring to the guidelines prescribed in the policies and guidelines for responsible supply chain management and code of conduct for business partners which specify expectations and relationships with business partners of affiliated companies.

Human Rights Training Courses for Employees and Management

C.P. Group regularly organizes trainings to build knowledge on business and human rights and labor practices, focusing on communicating the Group’s policies and guidelines, human rights management approaches, comprehensive human rights review process, and communicating principles related to human rights and expectations of employees and management.

In 2020, the Group has included human rights and labor practices courses as part of trainings for management and operating staffs. The training courses focused on enhancing the knowledge and understanding of the management to take account of human rights while engaging in business including the important role of management in raising awareness and the human rights review process in the organization. In this regard, total 90,197 employees from 14 business groups attended the human rights and labor practices training courses.

Realizing that raising awareness of business and human rights for employees at all levels is of paramount importance; therefore, the Group is preparing E-Training for both new and existing employees at all levels. The E-Training would consist of contents on principles of business and human rights, commitments, and the Group’s comprehensive human rights review process to raise awareness of sustainable development of the Group which are designated as required training for all employees. The E-Training is scheduled to be implemented in 2021.

Raise awareness in the organization

The course divides into 3 topics namely:

1. Trainings through COC and communication through the Code of Business Conduct

2. Trainings through E-Training

3. Trainings (2 Levels - Management and Employees)
IDENTIFICATION OF SALIENT ISSUES

PART 2

Business Ethics and Expectations of Business Partners

C.P. Group outlines its ethical expectations and requirements of its business partners in its Code of Conduct for Business Partners, which is based on the principles of the UN Global Compact. The Code of Conduct includes all of the relevant requirements: respect for labor rights; protection of vulnerable groups; alleviation of the environmental impact; promotion of equality; responsible procurement in the supply chain; and anti-corruption measures. At the same time, the Group expects all of its affiliated companies and business partners to accept and effectively follow the Code of Conduct for Business Partners. The affiliated companies and business partners must communicate the Code of Conduct through trainings, for example in order to build capacity of their organizations for complying with the Code of Conduct.

At the same time, the Code of Conduct includes penalties against the business partners which fail to comply or violate any ethical requirements. The maximum penalty is to terminate its contract and blacklist the business partner. In addition, in the Whistle-Blowing Policy and Guidelines, the Group set up channels for filing complaints, a whistle-blower protection program, and measures to protect business partners as well.

Embedment of Human Rights in Business Partners

Because of C.P. Group’s large value chain covering a wide range of industries, promotion and cultivation of respect for human rights among business partners will help prevent the risk of human rights violations and create positive impact on its stakeholders.

The Group therefore emphasizes on raising awareness of its human rights agenda as part of the internal communications on Group’s sustainability strategies in order to embed the agenda at all levels. Moreover, it set up an Environmental, Social, and Governance Risk Assessment process, which also includes assessment of human rights risks in the supply chain. All of the Group’s affiliated companies are expected to carry out these awareness-raising activities and to set up the assessment process particularly for their supply chain as well.
HUMAN RIGHTS IMPACT ASSESSMENT

One of the most crucial steps for business to respect human rights is to assess how their business activities and business relationships might have impact on the enjoyment of their stakeholders’ human rights. A human rights impact assessment (HRIA) is a process for identifying, understanding, assessing, and addressing the actual and potential adverse human rights impacts the business may cause. The fundamental purpose of HRAs is therefore to assess how the delivery of products and services could negatively affect the livelihood of workers, communities, clients, and other stakeholders. The result of the assessment will frame company’s responsibility to respect human rights so that it can take an appropriate action to address the adverse impact identified.

In line with the UN Guiding Principles Reporting Framework, Charoen Pokphand Group conducts the human rights risk assessment (HRRA) once every three years in all business groups. C.P. Group conducted the risk identification across 14 business groups in Thailand since 2015. The HRRA involves several phases and steps to ensure a comprehensive assessment. Our process of risk assessment comprises of:

1. Context analysis:
   at the country level (such as legal framework, human rights situation) and industry level (such as rights of high risk of violation in the same industry).

2. Risk registration and identification:
   create a registration list of the human rights risks identified from the context analysis; stakeholders’ voices; feedback from the media; and the universe of risks identified from the assessment process. New risks may be added by engaging the frontline officers, who can help identify context-specific risks from the operational perspective.

3. Risk scoring:
   guidelines for risk scoring are set to ensure that the Group consider all risks that may affect its business activities. Through the scoring process, the Group will understand the supply chain of each business group. The Group assigns scores according to the severity of each risk as measured by the following indicators: scope, scale, remediability, and possibility of its occurrence.

C.P. Group conducts its human rights risk assessment every three year. It is intended to proactively identify, prioritize, and determine a strategic approach to determine the Group’s salient human rights issues. The process to identify the Group’s most salient human rights issues consisted of issue prioritization, integration of the affected stakeholders’ perspectives, and verification of the issues with other stakeholders. In 2020, C.P. Group assessed all business groups in Thailand, and identified 6 salient or high risk issues.

INTEGRATING STAKEHOLDERS’ VOICES

Stakeholder engagement is essential for the business’ respect for human rights. In practice, human rights impacts can be traced back to the challenges identified through stakeholder engagement process. An effective stakeholder engagement is therefore one of the most powerful tools in addressing, preventing, and mitigating human rights risks. External stakeholder engagement is essential for ensuring that their perspectives are reflected in C.P. Group’s policies and practices.

C.P. Group regularly conducts interactions and dialogues among the stakeholders potentially affected by our business. These stakeholders include not only our employees and communities directly affected by our company’s operations, but also more physically remote stakeholders in our supply chain and our customers. Such an engagement helps the Group to understand the stakeholders’ concerns, which the Group will integrate in the materiality assessment process. As part of the assessment, the Group includes questions on impacts of its business operations, products, and services may have on the stakeholders and society as a whole. In other words, we use the human-centric lens to evaluate the issues directly relevant to our stakeholders and their well-being.
ISSUES OF HIGH IMPACTS ON HUMAN RIGHTS

Our efforts in assessing, identifying, and addressing human rights risk not only focus on the most salient issues, but also recognize other risks, which may need attention. Just because an issue is not salient, it does not mean that it would not be addressed. For 2020, the COVID-19 crisis took a serious turn after the Group’s human rights assessment concluded. C.P. Group has nevertheless spared no efforts in its attempt to respect human rights of all stakeholders since the crisis began.

COVID-19

The COVID-19 pandemic has catapulted the world into an unprecedented crisis. C.P. Group has also been challenged by the pandemic. We have tried to keep pace with the rapid developments of this crisis and focused on protecting our employees, our stakeholders in our value chains and the communities where our businesses operate, while ensuring the continuity of our business activities.

C.P. Group’s telecommunications arm, True Corporation Public Company Limited (True Corporation), tripled domestic and international bandwidth capacity to provide customers with enhanced services on digital platforms for e-learning, remote working and e-payment services. To provide digital solutions that help with social distancing, True Corporation has offered free access to a cloud-based integrated solutions platform - “True Virtual World” - that was developed in less than a month during COVID-19 to support work from home arrangements and e-learning for students. True Corporation, in collaboration with Charoen Pokphand Foods Public Company Limited (C.P. Foods) also provide free mobile phone SIM cards to potential COVID-19 patients who are under quarantine and register to receive free food delivery from C.P. Foods. In addition, through the Digital Council of Thailand (DCT), of which C.P. Group’s CEO Mr. Suphachai Chearavanont is the President, True Corporation has collaborated with other Council members to launch digital platforms and applications to help source medical supply donations as well as to track, trace and contain the spread of COVID-19.

Innovation to adapt to the pandemic

In April 2020, Mr. Suphachai Chearavanont, CEO of C.P. Group announced his commitment to no layoff policy as a result of COVID-19 across the Group worldwide. In addition, the Group covers medical expenses for infected employees, provides education loans for their children, and provides food to quarantined employees who are negatively affected by the pandemic in Thailand. Despite many job losses due to the pandemic, the Group announced plans to create new jobs, including 20,000 new employees for food delivery services across Thailand.

Supporting the employees and value chain

During the critical period of the pandemic, C.P. Group invested USD 3 million (100 million baht) to build a factory in Bangkok, Thailand producing medical-grade surgical masks with the production capacity of 100,000 masks per day. These masks are donated for free to medical professionals and healthcare workers throughout the country. Eventually after the COVID-19 crisis, the ownership of the factory will be transferred to Chulalongkorn Hospital, a major public hospital in Bangkok.

Charoen Pokphand Foods Public Company Limited (C.P. Foods) has also provided free food delivery to 88 hospitals across Thailand. In response to the rising demand for food throughout Thailand, C.P. Foods has increased its production capacity of certain essential food items such as eggs and ensures sufficient supply without an increase in food prices.

Supporting the communities

In conclusion, C.P. Group has been proactive in addressing human rights risks, particularly during the COVID-19 crisis. The Group has demonstrated its commitment to respecting human rights and has taken steps to mitigate the impact of the pandemic on its stakeholders. The Group’s efforts have been guided by its core values of integrity, excellence, and responsibility, and have been aimed at ensuring the well-being and safety of all stakeholders.
Discrimination in workplace can occur in various forms, including any distinction, exclusion or preference made on the basis of race, gender, age, religion, sexual orientation, disability or political views. According to International Labour Organisation, discrimination at work affects hundreds of millions of people around the world. Discrimination has not only physical, but also emotional impacts on employees. For employees, discrimination can result in the loss of jobs or career advancement and lead to cycle of poverty. For employers, discriminatory practices cause job dissatisfaction, increase turnover rates, stifle positive emotions, all of which prevent employees from giving their best at work.

In our 2020 human rights assessment, discrimination is identified as salient issue that impacted employees in 14 business groups in Thailand. The assessment covered issues such as gender, age, and ethnic background, diversity and favouritism. C.P. Group investigated all of these matters and took necessary disciplinary and corrective action on the substantiated claims. Over the past years, C.P. Group has taken multiple actions to address discrimination across our operations and extended supply chain. To prevent repeated incidents, the Group also took proactive measures such as empowerment of women, skill advancement for diverse groups, and young leader development.
Fostering a Diverse and Inclusive Culture

C.P. Group aims to build equitable workplaces, eliminate any institutional barriers that limit employees’ ability to achieve their full potential and promote inclusivity for underrepresented groups. To achieve such ambitions, the Group drives systematic changes through its policies, practices, and behaviors towards a culture that promotes a deep sense of belonging and psychological safety for employees across its operating companies. In 2020, C.P. Group joined the ‘Train the Trainer’ program, a national-level training program organized by International Labour Organisation (ILO), Employers’ Confederation of Thailand and Thai Broiler Processing Exporters Association. The training program helps to ensure that its labor practices comply with international standards, create decent work, and promote well-being of all workers throughout the supply chain. Based on this training program, the Group provides trainings for our senior management, which are responsible for setting the tone and leading these ambitions. The Group also trains all managers and employees to proactively eliminate barriers faced by underrepresented groups that may not be well recognized. The ultimate goal is to achieve participatory corporate culture.

In Thailand, C.P. Group employs almost 2,000 persons with disabilities for which the Group provides appropriately designed facilities to ensure accessible and safe workplace. C.P. Group’s subsidiaries, C.P. Foods run alone hires 786 persons with disabilities to run community programs in their own hometown across the country. Through equal job opportunity, persons with disability enjoy better livelihood and social network while gaining self-esteem. Ministry of Social Development and Human Security granted the Outstanding Disability Employer 2020 award to C.P. Foods and its twelve subsidiaries to recognize the company’s contributions to the disability community. C.P. Foods aims to empower persons with disabilities to become valuable members of both the company and society by bringing out the best potential within them. In 2020, Forbes’ World’s Best Employer ranked C.P. Foods the best employer in Thailand. C.P. Foods strives to be “Home for Happiness for its employees” by continuously promoting leadership skills and career development while creating safe and inclusive workplace for all employees.

Gender-Balanced

C.P. Group focuses on gender equality with an aim to empower women across our businesses. Women are integral to the Group’s business growth. It attempts to build socially responsible business that values gender equality and empowerment. The Group’s policies highlights its commitment to respecting the rights of women. In practical terms, it includes skill development; career advancement; merit-based promotion both in its own operations and value chains; embedment of the principles of diversity and inclusion in the business operations. Our recruitment policy aims to attract diverse employees by evaluating applicants on their experiences, skills and qualifications to prevent discrimination during the recruitment process. In 2020, C.P. Group hired 91,014 new employees across our operations, of which 50.4% were women. Across our value chain, women have access to capacity building and career advancement. Our goal is to achieve economic inclusion for women as equally as men. Currently, women represent 49.46% proportion of employees in all management positions.

At the global level, C.P. Group’s subsidiary such as Lotus’s signed the UN Women’s Empowerment Principles, which were developed through a partnership between UN Women and the UN Global Compact. The Principles align with the Group’s ambition to empower women in workplace, the capital market, and the community. Such empowerment is essential foundation for stronger economy. It also supports the achievement of the global goals on improving livelihood of women, men, family, and the community.

C.P. Group’s subsidiaries provides facilities that suitable for the diverse background and culture of employee, which includes installing gender-neutral bathrooms in offices such as at the True Corporate Headquarter and praying rooms at the True Digital Park. Such appropriately designed facilities foster an inclusive and safe environment for all employees.
C.P. Group Human Rights Report 2020

**Employee Diversity in 2020**

- **Top management:** 226, 244, 247
- **Middle management:** 326, 344, 347
- **Management:** 322, 345
- **Officers:** 326, 344, 346

### Male employees
- Under 30 years old: 12,214
- 30-50 years old: 72,201
- Over 50 years old: 38,040

### Female employees
- Under 30 years old: 7,793
- 30-50 years old: 16,852
- Over 50 years old: 19,931

### New Hires in 2020

- **Under 30 years old:** 20,363, 20,347
- **30-50 years old:** 31,207, 31,247
- **Over 50 years old:** 1,220, 1,226

- **Female:** 25.17%

### Employee Turnover in 2020

- **Under 30 years old:** 19,944, 20,438
- **30-50 years old:** 29,944, 35,866
- **Over 50 years old:** 1,226, 1,732

- **Turnover rate:** 30.53%

**Empowerment of Female Employees in 2020**

- **Proportion of female employees in all management positions:** 36.90%
- **Proportion of female employees in junior management positions:** 38.27%
- **Proportion of female employees in top management positions:** 22.00%

**Fair Wages and Equal Pay**

C.P. Group recognizes that the provision of living wage for employees can also contribute to supporting their family and community, reducing poverty. The Group operates its business with respect for human rights by adhering to both local and international labor standards on human resource management. C.P. Group’s human resources are key for successful business. Therefore, the Group puts its efforts towards ensuring fair compensation for our employees to afford quality livelihood. These efforts include: equal pay for equal work; full payment of overtime compensation and legal benefits; transparent compensation information available to employees, among others.

**Forced Labor**

According to International Labour Organization (ILO), almost 25 million people are trapped in forced labor worldwide. Driven by poverty, lack of sustainable jobs, and weak rule of law, many workers find themselves exploited by working against their will and under the threat of punishment. Forced labor takes various forms, including debt bondage, trafficking and coercion, with women and children at particular risk of being victims to abusive employers.

C.P. Group recognizes the risk of forced labor in global supply chains, including its own and particularly in the tier 2 (indirect) supplier onwards. For this reason, the Group identified forced labor as a salient issue. To reduce the risk, it has applied preventing forced labor in our policy framework, including its Code of Conduct, its Supplier Code of Conduct, and its Human Rights and Labor Practices Policy and Guidelines. These documents explain the Group’s commitments and steps taken to prevent, monitor, and respond to slavery, exploitation, and human trafficking in its business and throughout its supply chain. These policies were endorsed by C.P. Group CEO and embedded in the Group’s culture through trainings, workshops, and accountability structures. At the same time, these activities help to establish a sense of shared responsibility for fulfilling these commitments.
Migrant Workers

Within its operations, C.P. Group takes serious consideration of the risk of forced labor perpetuating abusive conditions for migrant workers around the world. Concerns over the rights of migrant workers are often associated with limited rights and protection.

Taking consideration from international standards along with international standards, including the Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, Universal Principles of the United Nations Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work, on the 1st November 2020, C.P. Group announced our renewed Foreign Workers Recruitment Policy and Guidelines to enhance respect for the rights of migrant workers from the recruitment process in their home country, during overseas employment, and to safe return to home country.

A key area of work to combat exploitation, forced labor, and trafficking of migrant workers is the implementation of the Employer Pays Principle (EPP), which states “no worker should pay for a job”. The Group’s policy and guidelines clearly state that all migrant workers employed in the Group’s businesses shall not be borne to recruitment fee or any related cost directly or indirectly, as guided by the International Labour Organization standards. This policy is also applied to our suppliers, which requires them to establish responsible recruitment practices and preventive mechanisms. The Group has built tools for selecting recruitment agencies to enhance our recruitment practice.

In Thailand, C.P. Group works with external expert organizations such as the Labor Protection Network (LPN) to ensure that our migrant employees understand their labor rights and enjoy fair treatments in terms of pays, healthcare, work-related safety and legally permitted benefits. In 2019, C.P. Foods set up the “Labor Voices Hotline” through the collaboration with LPN, which allows all employees, especially migrant workers, to raise their opinions, concerns, and recommendations or requests for assistance from third-party organization. Through the collaboration, CP Foods and LPN also provide regular trainings for migrant workers to ensure they understand the Group’s policies, access to their rights, available complaint and remedy mechanisms.

Child Labor

Economic hardship affects millions of families worldwide, sometimes at the price of a child forced into hazardous work that directly endangers the health and child development. According to UNICEF, nearly 1 in 10 children is subjected to child labor worldwide, with roughly 160 million children being subjected to child labor at the beginning of 2020.

Through our human rights impact assessment conducted with 14 business groups in Thailand, both in the business operations and throughout the supply chain. The risk of child labor lies with contractors, suppliers, farmers, and workers. The use of child labor could occur when family faces face financial difficulties or uncertainty due to poverty, primary wage earner’s job loss, lack of education, or disruption by the pandemic.

C.P. Group policies and Code of Conduct reflect the Group’s strong commitment against the use of child labor in its own operations and supply chain. In its business operations, the Group strictly checks the age of employees to ensure that it should not be less than minimum age for work according to domestic laws. At the same time, all businesses within the Group continuously monitor and ensure that the suppliers and other stakeholders in the supply chain comply with C.P. Group policies and take serious actions preventing the use of child labor.

C.P. Group puts its efforts towards building capacity of parents and their community to address harmful social norms that perpetuate child labor. It also partners with key stakeholders to find innovative solutions to prevent violence and exploitation against children while supporting child’s development and education. For example, CPALL PCL has partnered with UNICEF on educational projects that train youth groups with practical studies on entrepreneurship. These lessons provide youths with such skills as creativity, innovation, and critical thinking to help them advance their career opportunities.
FREEDOM OF ASSOCIATION

Freedom of association and collective bargaining are fundamental human rights that are rooted in the Universal Declaration of Human Rights and the 1998 ILO Declaration on Fundamental Principles and Rights at Work. They refer to the rights of all workers and employers to form or join legally recognized organizations that represent their voices and interests. Strong and effective dialogue between employees and their employer is the means to building trust between the two parties and promote inclusive participation in reaching an agreement on issues affecting their work. Freedom of association and the recognition of the right to associate can help to enhance business performance, to manage challenges and to build harmonious corporate relations.

The COVID-19 pandemic has brought widespread disruption to the global labor markets. Employment losses have been higher, sharp drop in working hours has been unprecedented, and poverty has been soaring. Therefore, a mechanism for collectively raising issues of concern is more essential than ever. C.P. Group’s Human Rights and Labor Practices Policy and Guidelines highlight our respect for the right to assembly and association, including participation in collective bargaining. The policy ensures that all employees have the right to join or not join unions without being victimized or face any intimidation. Implementing freedom of association policies can be difficult, especially in countries where the ability to exercise the rights to associate may be restricted.

One of the challenges C.P. Group aims to monitor is where collective bargaining or organization of unions is neither free or fair. The Group takes into account the legal frameworks of the countries where we do business seriously, while ensuring our employees’ voices and concerns can be heard and represented.

It is critical for C.P. Group that our employees have a safe and healthy work environment. It is our obligation as employer to ensure that we provide safe and healthy place for our employees to work in. It is non-negotiable and we are relentless in our effort in improving safety. We aim to become a “Zero Accident” organization. To achieve this, we operate according to the Occupational Health and Safety Management System. Our commitment to health and safety is led by senior executives from all 14 business groups of our Group, representing in our Safety Committee to drive the safety management system. We adopted safety auditing approach to meet the Three Lines of Defense Principle. The first line of defense is Site Self-Audit by the Group’s internal departments. The second line is Business Line Audit to monitor performance other departments and lastly is the Corporate Audit conduct by the Group’s Corporate Compliance Office. In 2020, the audit covered 429 sites with 853 executives participating in the safety audits across 35 business units. The audit has also expanded to cover a wider range of business areas such as CP Fresh Marts, Five Stars outlets, and farming units in order to ensure that all relevant stakeholders work in safe and healthy environment.

Supports SDGs

- Employees
- Contractors
- Suppliers
- Farmers
- Workers

Impacted Group(s)

- Thailand
- China (all business groups)
- ASEAN countries (all business groups)
- Other countries (all business groups)

No. of Business Groups with Implementation

- 14 business groups
- China (all business groups)

Approach

- Conduct safety assessment
- Safe operating standards in high-risk works, such as confined spaces, working at height, etc.
- Fleet Safety Management

Results

- Reduced risk from danger in work site
- Lower rates in work-related fatal risks, injuries and illnesses
- Lower accident rates in transportation and logistics
ENVIRONMENTAL IMPACT

Key Plans in 2021

Business activities can have an impact upon the environment in various ways, either through the use of natural resources, creating disturbance through pollution, or waste that business produces. The socio-economic costs of environmental degradation become more notable and the intensifying scale and pace of change in the environmental problems escalates. The business needs to take environmental impact into their consideration even more seriously. Businesses must commit to transformative actions to mitigate the global warming and climate change. Environmental degradation not only causes extreme and volatile weather patterns, but it also leads to economic uncertainty and undermines personal well-beings.

Through the human rights impact assessment, our businesses are able to identify the scale, level and impacted groups in order to develop strategies to mitigate the emerged issues. Charoen Pokphand Group has also put in place a framework for climate change management across our supply chain, established policies and set targets to track our progress in achieving energy efficiency, renewable energy use, waste management, and plastic reduction.

Establish a Greenhouse Gas Reduction Plan to achieve Net Zero Carbon 2030 Goal
Voluntarily disclose information on corporate climate change management through the CDP
Set emissions reduction targets through Science Based Targets Initiative (SBTi)
Published the first C.P. Group’s Climate-Related Risk Management Report

<table>
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<tr>
<th>Supports SDGs</th>
<th>Impacted Group(s) with Implementation</th>
<th>No. of Business Groups</th>
<th>Approach</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>Local Communities</td>
<td>Thailand (14 business groups)</td>
<td></td>
<td>Oversees environmental management systems</td>
<td>Over 5,000 households gained access to water resources</td>
</tr>
<tr>
<td>Vietnam (1 CPF)</td>
<td></td>
<td></td>
<td>Promotes environmental projects, such as community water resources management</td>
<td>No environment-related grievances</td>
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<table>
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<tr>
<th>Details</th>
<th>Unit</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td>Investment Cost</td>
<td>million THB</td>
<td>1,150</td>
<td>2,511</td>
<td>1,086</td>
<td>1,464</td>
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<tr>
<td>Operational Cost</td>
<td>million THB</td>
<td>154</td>
<td>310</td>
<td>204</td>
<td>220</td>
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<tr>
<td>Cost-saving</td>
<td>million THB</td>
<td>413</td>
<td>854</td>
<td>486</td>
<td>590</td>
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<tr>
<td>Energy Reduction</td>
<td>GJ</td>
<td>450,795</td>
<td>863,622</td>
<td>448,312</td>
<td>551,189</td>
</tr>
</tbody>
</table>

Charoen Pokphand Group recognizes the accelerating magnitude of environmental problems. Therefore, C.P. Group firmly committed to improving energy efficiency by replaced electricity and fossil fuel with renewable energy such as solar energy, biogas, and biomass across our businesses. In the past year, the Group has made over 1,464 million THB in environmental investment to innovate our business activities to be more sustainable and to contribute towards healthy communities.

Charoen Pokphand Group has joined forces with other global companies, the governments, and the civil society to accelerate actions towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. We have also urged local communities to recognize the necessity to address the environment by adjusting daily behaviors. Charoen Pokphand Food Public Company Limited and True Coffee have opted for green and environmentally-friendly packaging by substituting transparent PET with bio-plastic packaging (PLA). By doing so, the customers also contribute positively to the planet.
GRIEVANCE MECHANISMS AND WHISTLEBLOWER PROTECTION

Grievance mechanisms are a vital part of a company’s human rights management framework. In case a company, its employees, or any actor involved within the company’s value chain causes or contributes to a negative impact on human rights, grievance mechanisms can provide detailed information about the incident and facilitate effective remedial actions. Furthermore, grievance mechanisms can serve as a monitoring system, allowing business to address problems earlier and identify patterns of potential problems before they become widespread or severe. Therefore, even when there are no major violations of human rights, grievance mechanisms can help improve a company’s human rights due diligence process and overall management of human rights issues.

Whistleblowing Policy and Guidelines

C.P. Group has since 2018 enacted a Whistleblowing Policy and Guidelines, which include protection measures for whistleblowers. The Policy and Guidelines are meant to protect both internal and external whistleblowers from any possible risks of doing so. Such protection includes safeguarding the identity of the whistleblowers as well as information in the whistleblowing reports or the investigations. For internal whistleblowers, as long as the whistleblowing report is filed in good faith, the Group protects them from retaliatory actions such as termination, suspension, reassignment or disciplinary actions. For external whistleblowers, the Group protects them from retaliation and maintains confidentiality of the identity and personal information of whistleblowers, informants or complainants. The Group also safeguards the information included in the whistleblowing reports and any evidence in the investigations from the persons not involved in the process, except when the disclosure is required by law.

Management Approach

C.P. Group’s grievance mechanisms have been developed in line with Principle 31 of the United Nations Guiding Principles on Business and Human Rights - which state that grievance mechanism should be:

- Legitimate
- Accessible
- Predictable
- Equitable
- Transparent
- Rights-compatible
- A source of continuous learning.
Based on these principles, the Group has implemented 6 key channels for filing grievances:

- **WEBSITE**: cpggroupsglobal.com
- **E-MAIL**: cpg@cp.co.th
- **CORPORATE APP**: CPG CONNECT
- **TELEPHONE**: 02 0111 777
  - Business hours 08.30 - 17.30 Monday - Friday, except public holidays.
- **VIA MAIL**: Corporate Compliance Office
  - 1 CP Tower 2 Floor 17
  - Ratchadaphisek road, Din Daeng District, Bangkok, Thailand 10400
- **INPERSON - OFFICE**: 1 CP Tower 2 Floor 17
  - Ratchadaphisek road, Din Daeng District, Bangkok, Thailand 10400

Once a case has been submitted to the grievance database, regardless of the channel used, it would be investigated and its progress is monitored. Depending on the nature of the grievance, the investigation team may include members from Internal Audit, Compliance, Human Resources, and Corporate Governance Departments, among others. Findings would be reported to the Group’s Compliance Steering Committee.

In 2020, a total of 79 cases were reported. They include all categories of grievances. Only 5 out of 79 cases were related to human rights and labor practices.

In 2020, the Group held a seminar on the development of whistleblowing and grievance systems to raise awareness and encourage implementation among the business groups in Thailand and China. This seminar helped to standardize whistleblowing and grievance standards across the board. The Group also plans to hold a seminar in all other countries of operations.

Furthermore, during the COVID-19 pandemic when in-person meetings and overseas travels were not possible, the Group established an investigative team of representatives from Thailand and China to conduct investigations of grievances online. These online investigations also help both Thai and Chinese teams to learn more about each other’s operations.
Part 4: Respect for Human Rights and Labor Practices

**CASE STUDY:**
RESPECT FOR HUMAN RIGHTS AND LABOR PRACTICES

**CHAROEN POKPHAND GROUP**

**ETHICAL RECRUITMENT**

"Ethical", "fair" or "responsible" foreign worker recruitment practices have become an important topic of concern and discussion for the international community, and for C.P. Group also, in recent years. This is particularly because unethical recruitment of foreign workers can result in the presence of some of International Labour Organization’s 11 indicators of forced labor amongst workers employed by companies or by those workers employed within company’s lengthier supply chains.

Forced labor results in unacceptable suffering and abuse of workers and can have negative reputational impacts on companies too. Victims of unethical recruitment may find themselves in debt bondage from exorbitant costs wrongfully and often unlawfully charged to them for their jobs. These workers may be unable to escape situations of exploitation at work or even human trafficking that they didn’t consent to or expect to find themselves in when recruited. There are also governance issues for companies concerning transparency and corruption that result from unethical recruitment practices.

International standards in this area have been developed under the ILO’s tripartite mechanisms and in 2019 the General principles and operational guidelines for fair recruitment and definition of recruitment fees and related costs were published. This document brings together definitively the ILO general principles and operational guidelines for fair recruitment and the definition of recruitment fees and related costs. The ILO’s concept of fair recruitment has been supplemented by other principles and standards including, amongst others, IOM’s IRIS, Clearview’s responsible recruitment principles and The Fair Hiring Initiative’s On The Level concept. The essence of ethical, fair and responsible recruitment is workers not paying most or all of the costs of recruitment that are covered by their employers, recruitment being informed, voluntary and free from coercion and forced labor, and respect for principles such as confidentiality, data protection and good governance.
Since early 2019, C.P. Group set up a Foreign Workers Responsible Recruitment Working Team consisting of senior personnel from the Group as well as its key subsidiaries that utilize foreign workers in their operations. This working team has been assisted by independent migrant worker rights specialist Andy Hall, who has been engaged as a consultant to the Group on issues of foreign worker management and ethical recruitment. This working team has built upon the Group’s existing Human Rights and Labor Practices Policy and Guidelines by developing and then issuing in November 2020 Announcement No. 093/2020 concerning Foreign Workers Recruitment Policy and Guidelines of Charoen Pokphand Group. The Announcement is supplemented by the Group’s Foreign Worker Recruitment Fees and Expenses Procedure.

An ethical recruitment program has since been developed under the Policy, Guidelines and accompanying Procedure by the Working Team to be employed by the Group to professionalize and enhance our foreign worker recruitment practices. The implementation of our ethical recruitment program has unfortunately, however, been delayed by the onset of the COVID-19 pandemic that has resulted in the cessation of all foreign worker overseas recruitment activities since early 2020.

In line with our commitment toward ethical recruitment practices, in October 2021 the Group issued an open tender notice inviting recruitment agencies from the Kingdom of Cambodia or the Republic of the Union of Myanmar to compete in a transparent and fair open tender process. This process will allow licensed recruitment agencies in these two key origin countries of C.P. Group’s workforce to become eligible to provide the Group’s subsidiaries in Thailand with professional and ethical foreign worker recruitment services in line with our Policy, Guidelines and Procedures on foreign workers.

In November 2021, C.P. Group organized an Online Briefing Session on Ethical Recruitment for recruitment agencies in Myanmar and Cambodia to promote fair recruitment and select ethical agencies to source migrant workers for the Group’s subsidiaries. Over 50 recruitment agencies joined the webinar to learn the Policy and Guidelines which are strictly implemented throughout the business operations to ensure that businesses in the Group are not engaged or support any unlawful labor practices.

The open tender process will utilize a Self-Assessment Questionnaire (SAQ) and an Audit/Corrective Action Plan form developed by the Group’s foreign worker responsible recruitment working team to fairly and transparently select the most able, professional and committed recruitment agencies to provide recruitment services to the Group’s subsidiaries into the future. The process will also embed principles of due diligence into our decision making and selection processes and ensure professional mentoring and constructive capacity building for selected agencies to ensure these partners in our business activities can adhere strongly to the Group’s Policy, Guidelines and Procedures on foreign workers and minimize any risks of forced labor that can otherwise result from unethical recruitment practices.

The Group has developed multiple auditing systems to promote and protect migrant workers’ rights, preventing them from being exploited through deceit, confiscation of identifiers, or threats. Each company in the Group is responsible for assessing and monitoring recruitment agencies and if these agencies fail to meet the Group’s policies or are found to be violating migrant workers’ rights, they are immediately punished, either through a revocation of their contract or by being blacklisted. In 2017, C.P. Foods worked together with the Labor Protection Network (LPN) to establish “Labor Voices by LPN,” a center to monitor worker feedback, to give migrant workers an opportunity to express their opinions or report any complaints to an independent party. Workers reporting issues through “Labor Voices” will remain anonymous and free from repercussions, with feedback gathered and presented to each company in the Group so that each worker’s voice can be represented and constructive changes made. Furthermore, the Group has provided trainings every year to teach migrant workers about their rights, labor laws, occupational health, and good governance in order to raise awareness and improve their standard of living fairly and without discrimination. In 2020, because of the COVID-19 pandemic, the seminar took place online through teleconference tools, allowing for the education of migrant workers to continue unimpeded.

Grievance Management Process by the Labor Voices Hotlines by LPN Center

In a Case of Human Rights Violation

The Company and the LPN investigate the cases to instantly provide corrective actions and remedies.

Workers voice their comments/grievances

LPN records all the calls and classifies case

LPN reports the performance to the Company every two weeks

The Company provides corrective actions for non-human rights issues within four weeks

On an anonymous basis, the Company communicates cases, including corrective and preventive actions provided, and remedies (if any), to workers on the bulletin board.

In a Case of Labor Rights Violation

The Company and the LPN investigate the cases to provide corrective actions and remedies within two weeks.
AWARDS AND RECOGNITIONS

FTSE4Good
True Corporation Public Co., Ltd., CP ALL Public Co., Ltd., and Charoen Pokphand Foods Public Co., Ltd. were selected as members of the FTSE4Good Emerging Index, which positively reflects the commitment of Charoen Pokphand Group companies to operate with consideration for environmental, social, and governance (ESG) factors.

Ethisphere
Charoen Pokphand Group was selected as one of the most ethical companies in the world for the first year by US-based Ethisphere, which ranks a business’s ethics based on their Ethics Quotient (EQ) score. This consists of five factors, namely ethical programs and CSR enforcement, ethical culture, good governance and leadership, innovation, and reputation.

Dow Jones Sustainability Indices
True Corporation Public Co., Ltd., CP ALL Public Co., Ltd., and Charoen Pokphand Foods Public Co., Ltd. were ranked and selected as members of the Dow Jones Sustainability Indices in Telecommunication Service, Food & Staples Retailing, Food Products, respectively.

World Benchmarking Alliance 2021
Charoen Pokphand Group ranked the top 10 in the Seafood Stewardship Index for one of the top performers in social responsibility and supporting fisher productivity and local communities. It also ranks in the Food and Agriculture Benchmark for demonstrating support for the resilience of the farmers in social inclusion.
Sustainable Business Award Thailand
Charoen Pokphand Group won the Overall Winners Award with 11 regional sustainability awards from the Sustainable Business Awards Thailand, organized by the Global Initiatives, a worldwide sustainability organization. The number of awards received has placed C.P. Group as a national leader in sustainability.

Climate Disclosure Project
True Corporation Public Co., Ltd. and CP ALL Public Co., Ltd. achieved the Climate Change Leadership Level (A-) from CDP.

Human Resources Awards
Siam Makro Public Co., Ltd. received the “Best Companies to Work for in Asia 2020” from HR Asia Awards 2020. True Group won the “Top Employer Thailand 2020” award for the second consecutive year from the “Top Employers APAC 2020” by the Top Employers Institute.

Human Rights Award Thailand
Charoen Pokphand Foods Public Co., Ltd. and CPRAM Co., Ltd., Marketing and Distribution Business Group (CPALL) received the Human Rights Award 2021 from Thailand’s Ministry of Justice for an outstanding award for being a role model on good human rights practices throughout the supply chain.
COLLABORATIONS AND PROJECTS FOR HUMAN RIGHTS

1. Debt Free, Happy Life for Seine Business
   Charoen Pokphand Foods Public Co., Ltd.

2. Rehabilitation of the Elderly in Wiang Yong Community
   Charoen Pokphand Foods Public Co., Ltd.

3. Learning Center for Sufficiency Economy Development, Ban Sap Ruang Sai
   Charoen Pokphand Foods Public Co., Ltd.

4. CPF Grow-Share-Protect Mangrove Forestation Project for Tourism
   Charoen Pokphand Foods Public Co., Ltd.

5. CPF Grow-Share-Protect Mangrove Forestation Project, Samut Sakhon Province
   Charoen Pokphand Foods Public Co., Ltd.

6. CPR For Communities
   Charoen Pokphand Foods Public Co., Ltd.

7. CPF Growing Happiness, Growing Futures, Ban Wang Yai School
   Charoen Pokphand Foods Public Co., Ltd.

8. CPF Growing Happiness, Growing Futures, Ban Mai Samrong School
   Charoen Pokphand Foods Public Co., Ltd.

9. CPF Growing Happiness, Growing Futures, Ban Lai Bue Khao School
   Charoen Pokphand Foods Public Co., Ltd.

10. Fire Prevention and Suppression Plan for Communities
    Charoen Pokphand Foods Public Co., Ltd.

11. Reduction of Single-Use Plastic
    CP ALL Public Co., Ltd.

12. CP ALL Art Story by Autistic Thai
    CP ALL Public Co., Ltd.

13. Heart of Hearing
    CP ALL Public Co., Ltd.

14. Career Preparation for Interns
    CP ALL Public Co., Ltd.

15. Free Education with Income, Parayapin Learning Center-CPIAM
    CP ALL Public Co., Ltd.

16. Community Rare Plant Distribution Center
    CP ALL Public Co., Ltd.

17. Student Care
    CP ALL Public Co., Ltd.

18. Fighting Fish Business Development, Ban Om Phayot Community
    CP ALL Public Co., Ltd.

19. 7-11 with the Farmers
    CP ALL Public Co., Ltd.

20. Creating Good and Capable People for the Society
    CP ALL Public Co., Ltd.

21. Social Enterprises by People with Disabilities
    True Corporation Public Co., Ltd.

22. Quality of Life Development for Children in Care Homes
    True Corporation Public Co., Ltd.

23. Mobile Literacy for Prakho Youtha, Southern Thailand
    True Corporation Public Co., Ltd.

24. Digital System Development for Community Savings Group
    True Corporation Public Co., Ltd.

25. Community Bank for Persons with Autism
    True Corporation Public Co., Ltd.

26. Universal Design QR-Code
    True Corporation Public Co., Ltd.

27. Longan of Choice Give Back Joy to Locality
    Sam Makro Public Co., Ltd.

28. For Better Life of Hill Tribe Farmers
    Sam Makro Public Co., Ltd.

29. MaxWin Cares For All
    Perfect Companion Group Co., Ltd.

30. Elimination of Waste
    C.P. Land Public Co., Ltd.

31. Safe Nature in Mae Chaem District, (Mae Pan San Klong Model)
    Charoen Pokphand Produce Co., Ltd.

32. Promotion of Spotted Seat Conservation and Fisheries
    Charoen Pokphand Group Co., Ltd.

33. Restoration of Marine Habitats for Local Fishing Communities with Artificial Coral
    Charoen Pokphand Group Co., Ltd.

34. Sob Khun Model
    Ek-Chai Distribution System Co., Ltd.

35. Coffee...Changing Lives for watershed Proectors, Lampang Province
    Charoen Pokphand Group Co., Ltd.

36. Organic Fertilizers, Changing Farmers’ Way of Life, Phayao Province
    Charoen Pokphand Group Co., Ltd.

37. Circular Fish Trap Community Innovation
    Charoen Pokphand Group Co., Ltd.

38. Human rights online training platform for migrant workers
    Charoen Pokphand Group Co., Ltd.

39. School Lunch Hero
    Ek-Chai Distribution System Co., Ltd.

40. Zero Food Waste
    Ek-Chai Distribution System Co., Ltd.

41. Project to donate paper crates to be recycled into paper beds for COVID-19 patients in field hospital
    Ek-Chai Distribution System Co., Ltd.

42. Next Gen, New World
    Ek-Chai Distribution System Co., Ltd.

43. For Better Life of Hill Tribe Farmers
    Sam Makro Public Co., Ltd.

44. MaxWin Cares For All
    Perfect Companion Group Co., Ltd.

45. Mobile Literacy for Prakho Youtha, Southern Thailand
    True Corporation Public Co., Ltd.

46. Digital System Development for Community Savings Group
    True Corporation Public Co., Ltd.

47. Community Bank for Persons with Autism
    True Corporation Public Co., Ltd.

48. Universal Design QR-Code
    True Corporation Public Co., Ltd.

49. Longan of Choice Give Back Joy to Locality
    Sam Makro Public Co., Ltd.

50. For Better Life of Hill Tribe Farmers
    Sam Makro Public Co., Ltd.

51. Organic Fertilizers, Changing Farmers’ Way of Life, Phayao Province
    Charoen Pokphand Group Co., Ltd.

52. Circular Fish Trap Community Innovation
    Charoen Pokphand Group Co., Ltd.

53. Human rights online training platform for migrant workers
    Charoen Pokphand Group Co., Ltd.

54. School Lunch Hero
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56. Project to donate paper crates to be recycled into paper beds for COVID-19 patients in field hospital
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57. Next Gen, New World
    Ek-Chai Distribution System Co., Ltd.
WAYS FORWARD

Human rights are a cornerstone of sustainable business and society. Therefore, businesses must take serious considerable of basic human rights principles. To help elevate the authenticity of our work in respecting human rights, Charoen Pokphand Group is committed to public disclosure of our implementation, efforts and challenges. We share our progress in the spirit of continuous improvement while fully acknowledging the remaining challenges. We stand ready to share our lessons learned with others in hope that other companies would benefit from the lessons we have learned on this journey.

Our vision is clear: to promote and respect human rights together with enhancing livelihoods. It is our hope that the work carried out through this report will contribute as another step towards a better and more sustainable world.

Internal process and capacity building
Charoen Pokphand Group has begun to embed respect for human rights across our businesses via effective implementation of our Code of Conduct, Human Rights and Labor Practices Policy and Guidelines as well as other policies including Supply Chain Management Policy and Guidelines, Safety Occupational Health and Workplace Policy and Guidelines, and Diversity and Inclusion Best Practices. We have trained employees in all levels throughout the organization to create a sense of shared responsibility for fulfilling the Group’s human rights commitments. The Group will continue to promote and communicate the significance of respect for human rights with all operational levels and with supply chain partners. We will, among other things, develop guidelines as a tool to communicate our commitments to the whole Group of Companies.

Evolution to the changing geo-political and legal landscape
Our business is intertwined with the rapid changes in the geo-political and legal conditions in the markets where we operate. People can be affected by business activities in various and complex ways. We will continue to monitor the global trends in human rights while improving our tools and mechanisms to enable effective human rights due diligence and human rights risk management systems.
Identifying and addressing salient issues

We have conducted assessments to identify key human rights issues with potential risks of the most severe impact through our businesses’ activities and relationships. The concept of salient issues looks through the lens of risks to people, not the business, as the starting point. It also acknowledges that risks to people’s human rights are the most crucial. We will continue to allocate our resources to address salient human rights issues while taking equal consideration to other issues that may not be salient. We will share our challenges and lesson learned in addressing these issues both across the company and to the public.

Developing quantitative metrics for better reporting

Social impact measurement is inherently more complex than environmental. One of the gaps businesses promoting human rights often come across is the need for a systematic metric to measure progress and to report. A reliable social quantitative metric will help businesses to set more realistic objectives, monitor their activities, improve and report their progress, and allow business community to better understand the aggregate impacts of their work and collaborate to achieve great change. Charoen Pokphand Group believes that business community must work together to create consensus around measurement and reporting, share challenges and learn from each other along the way.

Driving changes through collaborations

Since 2018, Charoen Pokphand Group has been one of the most active Group of Companies to promote business and human rights in Thailand. As Chair of Global Compact Network Thailand (GCNT) and one of the founding members of the GCNT, we have assisted GCNT to start various collective dialogue and collaborations for businesses to respect and promote human rights. We will continue to collaborate with other companies, the governments, the civil society, and other stakeholders to strengthen our efforts and create influential systematic changes.