

Charoen Pokphand Group Materiality Assessment Report 2021

MAKING TODAY
A BETTER TOMORROW





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Charoen Pokphand Group Prioritizing the ESG Impacts

The core approach to sustainability management and integration at Charoen Pokphand Group (C.P. Group) is the identification and prioritization of the materiality topics through the key stakeholders' perspectives, as well as our operations. Moreover, we review our materiality topics on an annual basis to ensure that we recognize the external trends and incorporate our concerns and stakeholders' expectations. C.P. Group has conducted an extensive materiality assessment following Global Reporting Standards: GRI Standards and hence established the Group 2030's Sustainability Goal and Framework, which is the key sustainability driver assigned to all businesses. In 2021, C.P. Group has reviewed and conducted a materiality assessment, resulting in the changes in our fifteen key materiality topics where the highest priorities are Climate Resilience, Innovation, Food Security and Access to Nutrition, and Corporate Governance.



Assessment Process



In-depth Analysis

Analyse market and industrial trends relating to the Group's business, the livelihood of impacts including the Group's sustainability directions at the national and global levels. Conduct broad risk analysis with executives, managements and relevant departments from 14 business groups.

Step 1



Stakeholder Engagement

Conduct stakeholder engagement survey across the value chain to identify in-depth information concerning sustainability issues that are most important to all 11 groups of the stakeholders.

Step 2



Identification and Prioritization

Identify sustainability issues. Out of over 200 sustainability issues that have been identified, the Group has assessed and prioritized ESG issues considering both external and internal feedback, including valuation from management, business groups, and related third parties.

Step 3



Assessment of Potential Impacts

Evaluate potential impacts along the value chain by assessing each selected issues for ESG impacts that may occur during production stage to consumption by customers or consumers. The 15 keys sustainability issues are identified, and the Group's materiality matrix is developed.

Step 4



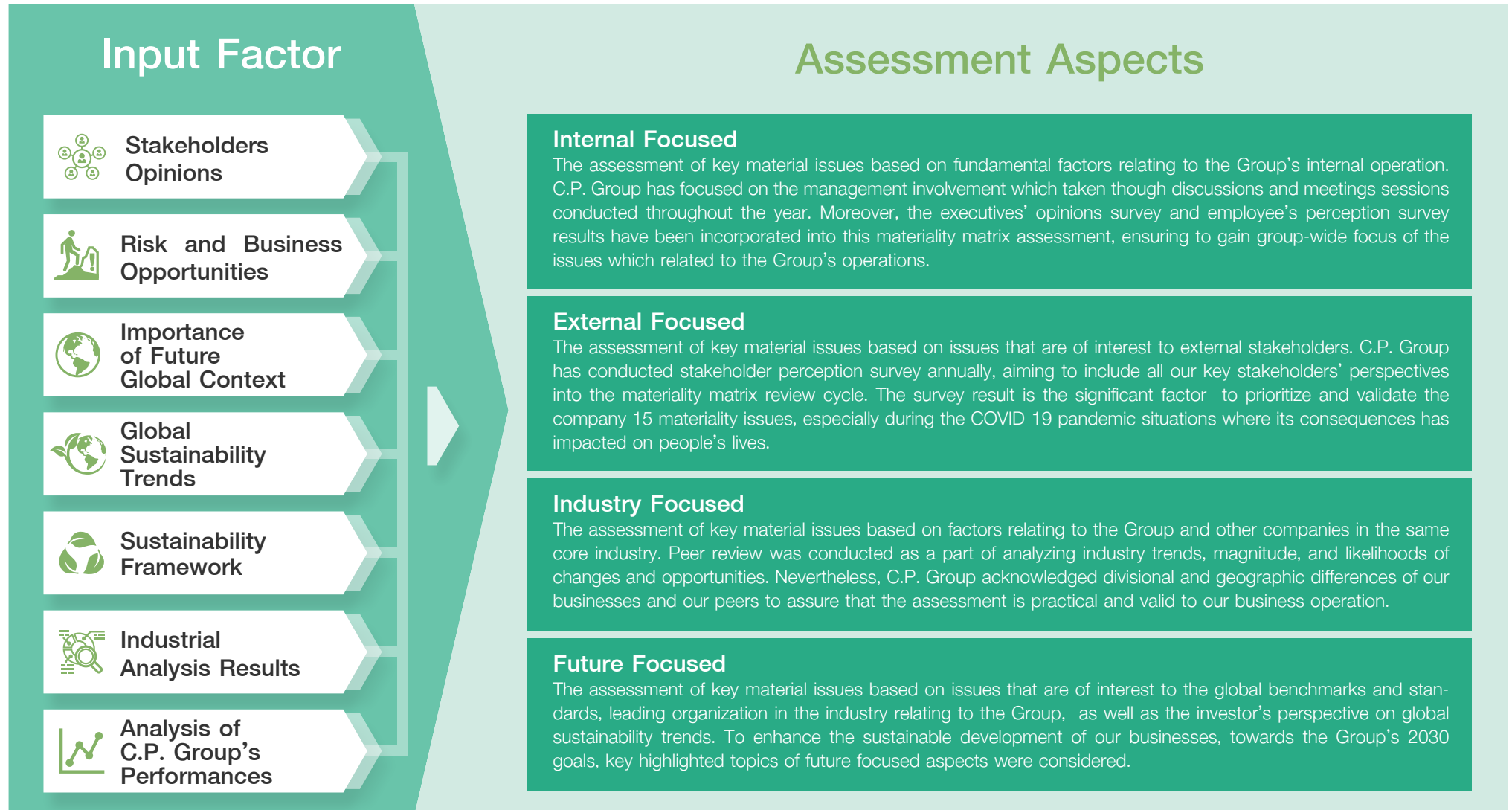
Improve and Verification of Assessment Results

Adopt international standard in the development of materiality matrix. Continuously review materiality matrix on annual basis to ensure that recommendations and feedback from our stakeholders, as well as emerging trends are taken into consideration.

Step 5

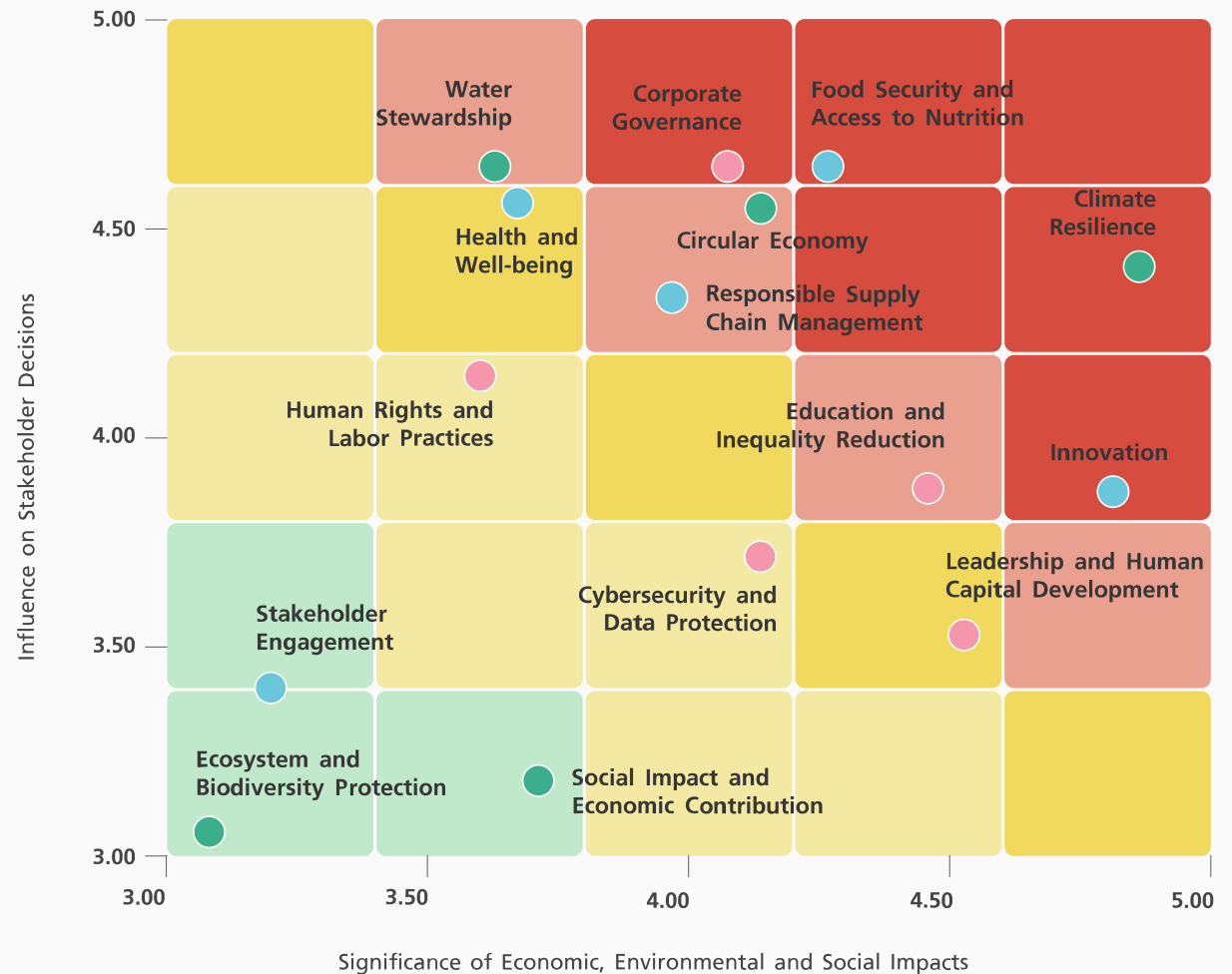
Methodology

To improve, verify and review materiality matrix in 2021, an alignment of C.P. Group 2030 Sustainability Framework and Goals and the four aspects of opportunities and trends have been analyzed.



Materiality Matrix

With the holistic approach of materiality assessment, Charoen Pokphand Group has applied scenario analysis to ensure that we are looking on sustainable issues in different lenses. In addition, the Materiality Matrix is reviewed on annual basis allowing the Group to focus on top issues and avoids dedicating precious resources to less impactful areas.



● Heart: Living Right

● Health: Living Well

● Home: Living Together

Approach to Support Materiality Issues – HEART : Living Right

CORPORATE GOVERNANCE



- Direct and control to ensure that the rules, practices and processes are balanced to the highest interest of all stakeholders
- Considering transparency, business ethics, anti-bribery and corruption, risk and compliance management as integral parts of business operation

HUMAN RIGHTS AND LABOR PRACTICES



- Develop systematic Human Rights Due Diligence processes to cover own operations, and tier 1 Suppliers, and implementation of mitigation and remediation process
- Protect and promote rights of all people, especially equal opportunities of employees and their well-being

EDUCATION AND INEQUALITY REDUCTION



- Provide an access to quality education by developing the education framework for the people to support lifelong learning
- Provide necessary skill development and training programs for employment opportunities of the people in society

LEADERSHIP AND HUMAN CAPITAL DEVELOPMENT



- Support current and future development for employees through trainings, which provide knowledge and experiences
- Encourage employees to initiate projects which support and in alignment with Group's sustainability strategy and nature of business

CYBER SECURITY AND DATA PROTECTION



- Defend Group's assets against all threats from cyber attack
- Secure and protect personal data of all related stakeholders, such as employees, suppliers, customers, consumers and business partners

Approach to Support Materiality Issues – HEALTH : Living Well

HEALTH & WELL-BEING



- Promote an access to protein sources and nutrition for all
- Enhance well-being of people through our products and services.
- Conduct R&D on health and well-being products and services for the people

SOCIAL IMPACT & ECONOMIC CONTRIBUTION



- Create positive impacts to economy, society and the environment where the Group has an operation
- Support people in need to have access to job opportunity and to generate incomes

FOOD SECURITY & ACCESS TO NUTRITION



- Enhance food security and be a part of global players in eradicating hunger and malnutrition of people in need

INNOVATION



- Create value to multi-stakeholders through our innovative solutions

STAKEHOLDER ENGAGEMENT



- Build trust and strong relationships with stakeholders

Approach to Support Materiality Issues – HOME : Living Together

CLIMATE RESILIENCE



- Achieve the ambitious global goal of climate emergency and commit to carbon neutrality

CIRCULAR ECONOMY



- Create value from waste, and commit to become organization with zero waste to landfill
- Focus on sustainable packaging and redesign the product's package

WATER STEWARDSHIP



- Achieve water efficiency and ensure balance of water withdrawal and water needed by communities where the Group's businesses are operated

ECOSYSTEM & BIODIVERSITY PROTECTION



- Achieve no biodiversity loss from our own operation and the tier 1 suppliers

RESPONSIBLE SUPPLY CHAIN MANAGEMENT



- Strengthen the capabilities of our suppliers to create operational excellence, minimize negative impacts of our supply chain and shift the paradigm toward sustainability

Appendix

Acknowledgement

1. Cover Page Picture : Photo by Chris Ensminger, <https://unsplash.com/photos/yJDZTDeHeG8>
2. Page 2 Picture : “สัตว์มีค่า ป่ามีคุณ” ชื่อภาพ ต้นผึ้งยักษ์กลางป่าหมาก
ภาพโดย นายสมโภช แดงไทย สถานที่ ต.บ้านไร่ อ.บ้านไร่



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